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U.S. Treasury Dept.

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TREASURY DEPARTMENT

IMPORTS OF COMMODITIES FROM THE PHILIPPINES UNDER QUOTA
PROVISIONS OF PHILIPPINE INDEPENDENCE ACT AND CORDAGE ACT OF 1935

Preliminary Figures, as of July 2, 1938

Customs District	January 1 to July 2, 1938			May 1 to July
	COCONUT OIL (Pounds)	REFINED SUGAR (Pounds)	UNREFINED SUGAR (Pounds)	CORDAGE (Pounds)
TOTAL IMPORTS	179,110,193	54,030,866	1,222,253,828	216,573
Per Cent of Quota	40.0%	48.2%	68.2%	3.6%
Hawaii	11,638	-	15,773	47,684
Los Angeles	5,095,154	14,896,921	390,245	62,705
Maryland	1,325,850	-	119,246,937	-
Massachusetts	35,031,542	-	65,511,770	-
New Orleans	29,557,696	-	190,133,834	-
New York	90,068,749	-	488,392,012	76
Oregon	-	16,268,475	33,759	-
Philadelphia	6,738,418	-	321,482,640	10,048
Puerto Rico	72,564	-	-	3,630
St. Louis	-	-	-	7,620
San Francisco	10,536,234	-	37,046,858	76,313
Virginia	-	-	-	8,497
Washington	672,348	22,865,470	-	-

(Prepared by Division of Statistics and Research, Bureau of Customs)

July 15, 1938

REPORT OF COMMISSIONER OF CUSTOMS ON THE PHILIPPINE QUOTA
PROVISIONS OF PHILIPPINE INDEPENDENCE ACT AND CORDAGE ACT OF 1935

The Commissioner of Customs today announced preliminary figures for imports of commodities coming into the United States from the Philippine Islands under the quota provisions of the Philippine Independence Act, during the period January 1 to July 2, 1938, and under the Cordage Act of 1935, during the period May 1 to July 2, 1938, also the percentage that such imports bear to the totals allowable under the quota provisions, as follows:

Wool
Cotton
Sisal
Cordage
Carpenter
Saw
Steel
Iron
Copper
Aluminum
Rubber
Sugar
Cocoa
Coffee
Tea
Tobacco
Hides
Furs
Pearls
Diamonds
Gems
Precious
Metals
Other
Total

Commodity	Imports	Quota	Percentage
Wool	1,200,000	1,500,000	80%
Cotton	2,500,000	3,000,000	83%
Sisal	1,000,000	1,200,000	83%
Cordage	15,000,000	15,000,000	100%
Carpenter	4,000,000	5,000,000	80%
Saw	70,000	70,000	100%
Steel	10,000,000	10,000,000	100%
Iron	10,000,000	10,000,000	100%
Copper	10,000,000	10,000,000	100%
Aluminum	10,000,000	10,000,000	100%
Rubber	10,000,000	10,000,000	100%
Sugar	10,000,000	10,000,000	100%
Cocoa	10,000,000	10,000,000	100%
Coffee	10,000,000	10,000,000	100%
Tea	10,000,000	10,000,000	100%
Tobacco	10,000,000	10,000,000	100%
Hides	10,000,000	10,000,000	100%
Furs	10,000,000	10,000,000	100%
Pearls	10,000,000	10,000,000	100%
Diamonds	10,000,000	10,000,000	100%
Gems	10,000,000	10,000,000	100%
Precious Metals	10,000,000	10,000,000	100%
Other	10,000,000	10,000,000	100%
Total	100,000,000	100,000,000	100%

(Prepared by Division of Statistics and Research, Bureau of Customs)

TREASURY DEPARTMENT

Washington

FOR RELEASE, AFTERNOON NEWSPAPERS,
 Friday, July 15, 1938.
7/14/38.

Press Service
 No. 14-0

The Commissioner of Customs today announced preliminary figures for imports of commodities coming into the United States from the Philippine Islands under the quota provisions of the Philippine Independence Act, during the period January 1 to July 2, 1938, and under the Cordage Act of 1935, during the period May 1 to July 2, 1938, also the percentage that such imports bear to the totals allowable under the quota provisions, as follows:

Customs District	January 1 to July 2, 1938			May 1 to July 2,
	REFINED	UNREFINED	1938	CORDAGE
	SUGAR	SUGAR		
(Pounds)	(Pounds)	(Pounds)	(Pounds)	(Pounds)
TOTAL IMPORTS	179,110,193	54,030,866	1,222,253,828	216,573
Per Cent of Quota	40.0%	48.2%	68.2%	3.6%
Hawaii	11,638	-	15,773	47,684
Los Angeles	5,095,154	14,896,921	390,245	62,705
Maryland	1,325,850	-	119,246,937	-
Massachusetts	35,031,542	-	65,511,770	-
New Orleans	29,557,696	-	190,133,834	-
New York	90,068,749	-	488,392,012	76
Oregon	-	16,268,475	33,759	-
Philadelphia	6,738,418	-	321,482,640	10,048
Puerto Rico	72,564	-	-	3,630
St. Louis	-	-	-	7,620
San Francisco	10,536,234	-	37,046,858	76,313
Virginia	-	-	-	8,497
Washington	672,348	22,865,470	-	-



COMMISSIONER OF
ACCOUNTS AND DEPOSITS

TREASURY DEPARTMENT

OFFICE OF THE SECRETARY

WASHINGTON

July 7, 1938.

TO MR. GASTON:

During the month of June, 1938, the following market transactions took place in Government securities:

Total purchases \$ 886,000

Total sales 102,500

Net purchases \$ 783,500

M. S. Allen

TREASURY DEPARTMENT

Washington

FOR IMMEDIATE RELEASE,
Friday, July 15, 1938.

Press Service
No. 14-1

Market transactions in Government securities for Treasury investment accounts in June, 1938, resulted in net purchases of \$783,500, Secretary Morgenthau announced today.

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TREASURY DEPARTMENT

Washington

FOR RELEASE, MORNING NEWSPAPERS,
Monday, July 18, 1938.
7/15/38.

Press Service
No. 14-2

Secretary of the Treasury Morgenthau today made public data from the "Statistics of Income for 1936, Part 1", compiled from individual income tax returns filed during 1937, prepared under the direction of Commissioner of Internal Revenue Guy T. Helvering. This report will be released at a later date.

The returns for 1936 numbered 5,413,499, of which 2,861,108 were taxable and 2,552,391 nontaxable. As compared with the number of returns for 1935, the total number of returns increased by 838,487, or 18.3 percent, the number of taxable returns increased by 750,218, or 35.5 percent, and the number of nontaxable returns increased by 88,269, or 3.6 percent.

Aggregate net income shown on the 1936 returns is \$19,240,109,644, which is an increase of \$4,330,297,619, or 29.0 percent, over the amount reported on the 1935 returns. The net income shown on taxable returns is \$14,218,853,550, which is an increase of \$4,184,747,575, or 41.7 percent, and the net income on nontaxable returns is \$5,021,256,094, which is an increase of \$145,550,044, or 3.0 percent.

The tax liability reported on taxable returns is \$1,214,016,803, which represents an increase of \$556,577,460, or 84.7 percent. The effective tax rates are 6.3 percent for all returns and 8.5 percent for taxable returns. The effective rates of tax for returns for 1935 were 4.4 percent for all returns and 6.6 percent for taxable returns.

The returns for 1936 are filed under the provisions of the Revenue Act of 1936 and therefore reflect the application of a normal tax computed on dividends received from domestic corporations, as well as the increased surtax rates imposed on net incomes of more than \$50,000.

The statistics are taken from returns as filed and prior to any revision or adjustment that may subsequently be made as a result of audit by the Bureau of Internal Revenue, and include data from amended returns showing net income of \$100,000 and over but not from tentative returns, or amended returns with net income under \$100,000. The data from income tax returns filed by individuals having net income of \$5,000 and over are tabulated from each such return. The data for individuals reporting net income of less than \$5,000 are estimates based on samples of such returns.

The three following tables contain data for 1936 individual income tax returns compared with similar data for the 1935 returns. The first table, on page 3, presents the number of returns, net income and total tax, in aggregate for the United States and by States and Territories. The second table, on page 4, presents the number of returns, net income and total tax, by net income classes. The last table, on page 5, presents the sources of income and deductions, net income, normal tax, surtax and total tax.

Individual income tax returns for 1936 and 1935 by States and Territories:
Number of returns, net income and total tax.

(Money figures in thousands of dollars)

STATES AND TERRITORIES	Number of returns		Net income		Total tax	
	1936	1935	1936	1935	1936	1935
Alabama	31,712	26,141	\$ 106,648	\$ 80,444	\$ 3,435	\$ 1,702
Arizona	16,842	13,941	51,444	38,298	1,429	648
Arkansas	16,587	14,085	61,157	43,351	2,074	797
California	436,128	367,757	1,494,599	1,172,303	76,428	42,033
Colorado	40,332	33,475	146,499	108,379	8,935	4,057
Connecticut	121,805	100,898	439,106	340,303	35,983	17,227
Delaware	13,739	11,371	96,695	64,760	25,539	11,402
District of Columbia	106,863	95,271	327,468	268,667	13,291	7,176
Florida	44,048	38,021	197,705	144,693	18,608	8,933
Georgia	49,512	46,702	181,626	150,963	8,479	4,149
Hawaii	15,214	13,262	58,738	46,902	4,408	2,396
Idaho	14,201	11,005	41,693	29,803	752	351
Illinois	418,303	345,857	1,599,035	1,171,834	102,036	51,134
Indiana	103,303	82,436	332,021	245,980	15,648	8,487
Iowa	67,345	57,788	184,118	148,526	4,841	2,791
Kansas	47,374	39,492	145,617	111,404	3,945	2,042
Kentucky	45,189	39,763	157,007	125,101	6,582	3,742
Louisiana	43,728	40,123	160,055	122,582	8,395	3,066
Maine	25,057	21,826	88,859	69,455	5,181	2,568
Maryland	105,673	92,550	391,589	316,888	21,594	12,013
Massachusetts	284,320	257,495	988,904	825,327	58,876	31,804
Michigan	239,363	173,799	862,578	568,270	60,303	28,319
Minnesota	86,294	72,258	296,979	222,818	13,677	6,673
Mississippi	16,296	13,570	54,517	36,879	1,740	870
Missouri	130,521	110,370	462,885	358,068	24,211	12,426
Montana	23,916	19,924	68,788	56,720	1,411	981
Nebraska	36,887	31,253	115,138	93,113	3,222	1,796
Nevada	7,554	6,441	27,045	20,681	2,226	1,364
New Hampshire	19,664	17,687	62,820	51,554	3,059	1,435
New Jersey	260,328	223,489	928,153	737,155	54,395	34,604
New Mexico	11,222	9,272	34,953	25,400	800	365
New York	976,939	852,076	3,864,453	3,106,264	348,687	202,971
North Carolina	42,075	35,813	156,362	124,880	10,499	6,419
North Dakota	10,809	10,039	26,705	23,077	352	191
Ohio	308,789	246,888	1,078,986	766,529	58,477	28,982
Oklahoma	51,277	44,909	170,786	139,148	6,632	3,433
Oregon	37,778	33,273	118,061	91,306	3,213	1,626
Pennsylvania	470,511	389,994	1,604,325	1,273,383	104,979	57,053
Rhode Island	38,424	33,009	141,968	113,641	10,756	6,002
South Carolina	19,975	16,826	61,787	47,010	1,654	803
South Dakota	10,724	9,582	27,756	24,694	431	345
Tennessee	48,048	42,341	173,317	135,557	7,343	3,937
Texas	156,855	131,447	569,444	439,163	27,266	19,498
Utah	16,262	14,088	50,927	39,903	1,458	686
Vermont	12,193	10,903	37,146	30,294	1,196	504
Virginia	62,449	54,835	218,974	171,204	11,791	5,269
Washington ^{1/}	88,640	69,919	259,650	197,924	7,876	3,868
West Virginia	47,527	37,224	145,746	106,920	5,161	2,276
Wisconsin	124,202	105,785	338,951	258,590	13,615	5,577
Wyoming	10,702	8,739	30,327	23,703	1,129	646
Total	5,413,499	4,575,012	\$19,240,110	\$14,909,812	\$1,214,017	\$657,439

(1) Includes Alaska

Individual income tax returns for 1936 and 1935 by net income classes:
number of returns, net income and total tax.

(Net income classes and money figures in thousands of dollars)

Net income classes	Number of returns		Net income		Total tax	
	1936	1935	1936	1935	1936	1935
Under 1 (est.) ^{1/}	258,474	288,910	176,861	193,095	-	-
Under 1 (est.)	19,329	10,684	10,252	5,804	331	125
1 - 1.5 (est.) ^{1/}	707,495	660,160	841,730	787,819	-	-
1 - 1.5 (est.)	585,871	427,115	758,908	554,732	4,195	2,930
1.5 - 2 (est.) ^{1/}	353,789	335,505	612,681	581,579	-	-
1.5 - 2 (est.)	464,634	355,151	798,090	610,698	9,816	7,128
2 - 2.5 (est.) ^{1/}	360,681	343,618	818,955	780,605	-	-
2 - 2.5 (est.)	212,278	155,829	469,820	344,615	7,945	5,401
2.5 - 3 (est.) ^{1/}	560,437	497,253	1,521,863	1,352,712	-	-
2.5 - 3 (est.)	184,356	126,999	514,614	353,651	6,043	3,910
3 - 3.5 (est.) ^{1/}	225,366	218,080	719,808	697,649	-	-
3 - 3.5 (est.)	229,879	162,963	747,610	530,307	6,793	4,242
3.5 - 4 (est.) ^{1/}	66,723	77,059	245,463	284,626	-	-
3.5 - 4 (est.)	207,787	157,185	773,111	588,729	8,227	5,264
4 - 4.5 (est.) ^{1/}	15,171	25,171	63,437	105,913	-	-
4 - 4.5 (est.)	158,823	126,270	673,269	535,292	8,567	5,627
4.5 - 5 (est.) ^{1/}	3,506	11,396	16,467	53,842	-	-
4.5 - 5 (est.)	121,889	95,549	577,542	452,749	8,643	5,606
5 - 6 ^{1/}	749	6,970	3,990	37,866	-	-
5 - 6	166,221	125,672	908,134	686,589	16,933	10,741
6 - 7	110,009	84,618	711,155	546,931	16,427	10,044
7 - 8	73,174	55,249	546,368	412,521	15,697	9,508
8 - 9	51,708	38,546	438,157	326,653	15,328	9,297
9 - 10	39,025	28,787	369,986	272,842	14,983	9,139
10 - 11	30,454	22,320	319,109	233,831	14,479	9,785
11 - 12	24,369	17,574	279,845	201,745	14,019	8,432
12 - 13	20,101	13,995	250,882	174,655	13,609	7,938
13 - 14	16,462	11,811	222,042	159,202	12,922	7,794
14 - 15	14,196	9,797	205,648	141,942	12,725	7,445
15 - 20	45,978	31,477	792,093	541,398	57,056	33,230
20 - 25	25,089	16,590	559,073	369,499	50,802	29,130
25 - 30	14,996	9,763	409,563	266,685	45,419	25,939
30 - 40	17,140	10,690	589,817	367,581	80,003	44,236
40 - 50	9,001	5,576	401,112	248,044	65,917	36,496
50 - 60	5,364	3,256	293,064	177,664	56,267	30,823
60 - 70	3,406	1,948	220,084	125,892	48,598	25,075
70 - 80	2,174	1,319	162,205	98,453	40,734	22,110
80 - 90	1,539	923	130,394	78,051	36,835	19,427
90 - 100	1,137	587	107,771	55,713	33,611	15,381
100 - 150	2,606	1,395	311,279	166,379	116,156	54,132
150 - 200	909	523	156,078	90,054	70,355	35,022
200 - 250	425	236	94,871	52,501	47,024	22,276
250 - 300	210	137	56,981	37,357	30,002	16,740
300 - 400	219	132	75,136	45,103	42,141	21,192
400 - 500	111	74	49,387	32,804	29,329	16,053
500 - 750	124	80	76,010	48,904	47,987	25,017
750 - 1,000	54	29	46,752	24,907	30,958	13,306
1,000 - 1,500	33	23	38,279	27,518	26,247	15,227
1,500 - 2,000	9	8	14,517	13,575	10,216	7,566
2,000 - 3,000	14	2	35,426	(2)	26,085	(2)
3,000 - 4,000	4	7	(2)	23,417	(2)	13,415
4,000 - 5,000	1	1	(2)	(2)	(2)	(2)
5,000 and over	-	-	-	-	-	-
Classes grouped ^{2/}	-	-	19,419	9,121	14,590	5,292
Total	5,413,499	4,575,012	19,240,110	14,909,812	1,214,017	657,439

^{1/} Nontaxable returns. Specific exemptions from normal tax and surtax exceed net income. A negligible number of nontaxable returns in net income classes of \$6,000 and over is not tabulated separately.

^{2/} Classes grouped to conceal identity of taxpayer.

- 5 -

Individual income tax returns for 1936 and 1935: sources
of income and deductions, net income, normal tax,
surtax and total tax

(Money figures in thousands of dollars)

Sources of income and deductions	1936	1935
Number of returns	5,413,499	4,575,012
Sources of income:		
Salaries, wages, commissions, fees, etc.	11,661,274	9,900,578
Business profit	2,374,258	1,855,019
Partnership profit ^{1/}	1,022,288	739,822
Net capital gain ^{2/}	973,796	509,714
Rents and royalties	685,063	572,060
Dividends received ^{3/}	3,173,844	2,234,727
Income from fiduciaries ^{1/}	826,184	328,978
Taxable interest on partially tax-exempt Government obligations ^{4/}	43,627	43,820
Other taxable interest ^{5/}	887,684	900,501
Other income ^{6/}	240,357	231,286
Total income	21,888,373	17,316,505
Deductions:		
Business loss	79,520	67,453
Partnership loss ^{1/}	21,307	23,876
Net capital loss ^{2/}	129,704	145,728
Interest paid ^{7/}	544,869	503,730
Taxes paid ^{7/}	698,609	596,559
Contributions	385,838	305,155
Other deductions	788,416	764,191
Total deductions	2,648,263	2,406,693
Net income	19,240,110	14,909,812
Normal tax	330,197	152,814
Surtax	883,820	504,625
Total tax	1,214,017	657,439

- ^{1/} For both 1935 and 1936 "partnership profit" and "income from fiduciaries" include net capital gain or loss allowed partnerships and fiduciaries, respectively, upon sale of capital assets, but exclude taxable interest on obligations of the United States received by these entities. In 1936 all dividends received by partnerships and fiduciaries are included in "partnership profit" and "income from fiduciaries", respectively, whereas in 1935, dividends on stock of domestic corporations subject to taxation under Title I of the effective revenue act were excluded from these items.
- ^{2/} Net capital gain or loss on sale of capital assets of individuals. (See Sec. 117 of the Revenue Acts of 1934 and 1936 for applicable limitations). Amount excludes net capital gain or loss on sale of capital assets by partnerships or fiduciaries, which are included with other income (or loss) from partnerships or other income from fiduciary.
- ^{3/} For 1936, amount includes dividends on stock of both domestic and foreign corporations, except insofar as such dividends are included in the partnership or fiduciary classifications. For 1935, amount includes only dividends on stock of domestic corporations subject to taxation under Title I of the effective revenue act, and includes such dividends even though received by partnerships and fiduciaries.
- ^{4/} Interest received on United States Savings Bonds and Treasury bonds, owned in excess of \$5,000, and on obligations of certain instrumentalities of the United States, reported on returns with net income of \$5,000 and over. Includes taxable interest on obligations of the United States received by partnerships and fiduciaries.
- ^{5/} Includes taxable interest received on partially tax-exempt Government obligations reported on returns with net income under \$5,000.
- ^{6/} For 1936, amount excludes dividends received on stock of domestic corporations not subject to taxation under Title I of the effective revenue act and on stock of foreign corporations. For 1935, dividends received from these two types of corporations were included in "other income", except insofar as included in partnership or fiduciary income.
- ^{7/} Excludes amounts reported in Schedules A and B as business deduction.

(nine)-----

Intelligence Unit

Sixty eight persons were convicted in the Federal Courts during the 1938 fiscal year for tax evasion and during the same period taxes and penalties aggregating \$26,106,013 were recommended ~~for~~ for assessment. In the 1937 fiscal year sixty six persons were arrested and \$31,555,494 in taxes and penalties were recommended for assessment.

In addition to the collection of taxes, penalties and interest, substantial revenue accrued to the Treasury by the way of fines imposed in criminal cases. In some jurisdictions the courts imposed additional penalty by requiring the defendants to pay the costs of investigations, including the salaries and expenses of agents conducting the inquiries.

U.S. Coast Guard

Following the ^{VE} ~~cooperative~~ plan inaugurated by Secretary Morgenthau the Coast Guard acted not only with the various ~~agencies~~ agencies of the Treasury, principally the Bureau of Customs and the Alcohol Tax Unit, but with the Commerce Department's Bureau of Navigation during the year in the enforcement of a wide range of federal laws. Due to these activities there was ~~an~~ increased enforcement activity in relation to narcotics smuggling, the seizure of moonshine stills and liquors and enforcement of the navigation laws.

~~More than 4,000~~ More than 4,000 ships were trailed by Coast Guard craft in connection with the suppression of ^{drug} smuggling. Coast Guard aircraft rendered important aid in the location of illicit whiskey stills and Cooperated with the Customs Service in a patrol work along the borders. (more)-0-

(eight)---

Secret Service

Chief Frank J. Wilson, of the United States Secret Service, reported that counterfeit notes aggregating \$619,290 were seized during the ~~1938~~ 1938 fiscal year as compared with \$654,787 in the 1937 fiscal year. Counterfeit coins in the amount of \$54,423 were confiscated by the Secret Service in 1938 against \$67,393 in the former year. Secret Service Agents arrested 2,963 persons on charges of counterfeiting, forgery and other miscellaneous offenses during the year. In 1937 2,600 persons were apprehended by this law enforcement branch.

The amount of losses to the public through counterfeit notes surrendered to the Secret Service by banks and innocent takers decreased from \$487,643 in 1937 to \$403,843 in the fiscal year 1938.

Under the direction of Chief Wilson an energetic ~~campaign~~ educational campaign was inaugurated to protect banks, business men and the public generally against ~~counterfeiting~~ *operations of counterfeiters.* Attention ~~of these elements~~ *the necessity for* was drawn to the careful inspection of money so that spurious bills might be *easily* detected and result ^{ant} losses reduced. Talks were made by Secret Service experts in fifteen states before state banking associations, while in New York the matter of detection of counterfeiting was *discussed with* ~~brought before~~ business men.

Of ^{the} cases brought to trial as ^a result of ~~the~~ Secret Service operations 2,314 resulted in convictions while 821 are awaiting action of the courts. The percentage of convictions in cases tried was 96 percent.

(more) -o-

(seven)---

The largest seizures of ~~XXXXX~~ narcotics were made by the Bureau of Customs in New York in August and September of 1937, a total of about 63 pounds of opium and heroin having been confiscated. At San Francisco in April, 1938, 539 ounces of smoking ~~XXXXX~~ opium were seized. In both cases arrests were made and offenders received Federal Court sentences ranging from one to fifteen years. Three Chinese involved in the San Francisco seizure were sentenced to prison at Shanghai ~~indicating the cooperation of the Chinese government in the suppression of the narcotic racket.~~

include
In another case of international importance ~~involving~~ the notorious Louis T.F. Lyon, Paris Restaurant owner and Carlos ~~XXXXX~~ ~~XXXXX~~ Fernandez Bacula, former Peruvian diplomat, both of whom are under arrest in Europe for narcotic violations, the Bureau of Customs arrested Jacob N. Gottlieb in New York for an attempted heroin smuggling. Gottlieb committed suicide in the Albany county jail after a confession which involved ~~the~~ ^{an} international dope smuggling ring. The Gottlieb confession was of importance in crushing the ~~XXXXX~~ ^{this} drug conspiracy.

^{OW} Following seizures of narcotics and arrests ^{of violators} at Nogales, Ariz., in August the attention of the Mexican government was brought to the smuggling situation. As a result of cooperation between the Mexican and American authorities energetic measures have been taken to suppress the cultivation of opium poppies in Mexico.

(more)---

(six)---

Bureau of Customs

Customs Commissioner James H. Moyle reported to Secretary Morgenthau that the law enforcement activities for the 1938 fiscal year were devoted in large measure to operations against the illicit traffic in narcotic drugs.

"Acting independently or in cooperation with the Bureau of Narcotics, a number of highly important seizures of drugs were made," Mr. Moyle said. "The year, generally speaking, was considerably more active than in the fiscal year 1937. All branches of the Customs Service were instructed that it was the Secretary's express wish that they concentrate on the suppression of smuggling of narcotics. Results were most gratifying. On the Pacific Coast, ~~as a result of the Sino-Japanese hostilities~~ and because of intensified enforcement measures, an acute shortage of narcotic drugs was encountered and prices in the illicit traffic more than doubled. Elsewhere in the United States, sharp rises in the prices of narcotics were indicative of a scarcity of these drugs."

Mr. Moyle's report showed that illicit drugs continued to be introduced into the Port of New York and vicinity in ~~considerable~~ considerable quantities. There was evidence that they were being transported overland from New York to various inland cities. The prices in New York for narcotics remained fairly constant, varied by occasional fluctuations resulting from large seizures.

(more) -o-

(five)---

Other alcohol Tax Unit statistics follow:

	Fiscal year ended June 30	
	1937	1938
<u>Seizures and arrests.</u>		
Stills seized	16,142	11,407
Distilled spirits seized (gallons)	476,521	305,243
Mash seized (gallons)	12,365,224	7,555,023
Automobiles seized	3,973	3,728
Trucks seized	490	496
Value of property seized	\$3,965,360	\$2,701,169
Persons arrested	22,227	25,224
<u>Prosecutions.</u>		
Defendants pending Grand Jury action June 30	9,437	7,141
Defendants recommended for prosecution	32,123	27,892
Defendants convicted	19,632	17,810
Defendants pending Trial action June 30	8,561	7,664
Average sentence to be served (days)	293	306
Average fine to be paid	\$410	\$352

(more) -o-

(four ~~px~~ and a half)

During the 1935 and 1936 fiscal years the large seizures of mash, the recognized criterion of illicit distilling operations, were made in the north, ~~the~~ *and middle west.* In the 1937 and 1938 fiscal years there was a shift of mash seizures to the Southern States, a territory of ~~the~~ *the base of the* essentially the small violator of the liquor laws.

(more) -o-



(four)---

Chicago	412	378
San Antonio	590	496
Kansas City	281	223
Minneapolis	59	57
Denver	50	50
San Francisco	272	337
Seattle	100	78
Honolulu	96	81

Convictions among ~~persons~~ persons unregistered for legitimate distribution of narcotics numbered 3,436 during the 1938 fiscal year as compared with 3,518 the year before. For registered distributors convictions for the 1938 fiscal year were 593 as compared with 1,067 in the 1937 fiscal year. The reduction in convictions reflected the gradual improvement in observation of the Harrison Act, a condition noted during the last few years. In 1938 84 persons were acquitted for violation of the narcotic laws as compared with 121 the year before. Federal courts for 1938 imposed sentences of 5,822 years and fines of \$167,309 compared with 5,380 years and \$200,101 in fines the previous year.

Reports from other Treasury law enforcement agencies were as follows:

Alcohol Tax Unit

non-tax paid liquor violators
Reflecting the general decline of ~~the activity of~~ bootleggers arrests and ~~seizures~~ *violators* during the 1938 fiscal year, ~~25,884~~ *25,884* persons were arrested for violation of the federal liquor laws, against 29,477 for the year before, according to the report of Stewart Berkshire, Deputy Commissioner of Internal Revenue.

(more) - o-

noted these cases in the...

the illicit liquor traffic

(three)--

of the Commission

Twenty four individuals were involved, including Yee Haim, who at the time ^{of} ~~he committed~~ the offense charged ~~Assistant~~ ^{was} ~~the~~ national president of the Tong. In this case arrests were made in Los Angeles, Butte, Mont., Chicago, Pittsburgh and New York. Most of the defendants ^{have} ~~had~~ already been prosecuted successfully and many have been sentenced to long prison terms.

The year was marked by ^{aggressive} ~~the~~ federal ^{attacks} ~~campaign~~ against the marihuana evil, in which the government had excellent cooperation from state and local authorities. The illicit traffic in marihuana became a federal offense October 1, 1937. Hundreds of acres of the weed---~~Indian~~ Indian hemp ~~or hashish~~ or hashish--- were destroyed by the Bureau during the year. Marihuana is an insidious narcotic used chiefly in the form of cigarettes.

During the year the Bureau of Narcotics seized ~~and purchased~~ 9,561 ounces of drugs as compared with 21,418 ~~ounces~~ ^{preceding} ounces the year before. Arrests ~~numbered~~ 3,206 for the ~~1938~~ 1938 fiscal year compared with ~~3,469~~ 3,469 in the 1937 fiscal year, and by districts were as follows:

<u>District</u>	<u>Fiscal year 1937</u>	<u>Fiscal year 1938</u>
Boston	121	77
New York	502	681
Philadelphia	210	162
Baltimore	150	113
Atlanta	173	81
Nashville	232	193
Detroit	221	199

(more) -o-

Bureau of Narcotics

(two)---

Commissioner H.J. Anslinger, of the Bureau of Narcotics, reported that a survey disclosed ~~that~~ the maximum number of non-medical drug addicts ^{probably does not} ~~cannot~~ exceed 50,000.

"One of the most encouraging developments during the year is shown in the results of a survey conducted by the Bureau of Narcotics which indicates that addiction to narcotic drugs in this country is declining and that the ratio of ^{addiction} which was formerly considered to be one in ~~every~~ every 1,000 of the general population is now ^{probably} not greater than approximately one in every 3,000," ~~Mr.~~ Mr. Anslinger ^{has} said.

~~the Secretary.~~

A narcotic drug smuggling conspiracy of world-wide ramifications was crushed by the Bureau of Narcotics in collaboration with the Bureau of Customs. This resulted in the indictment of 30 persons, members of a ring headed by Jasha Katzenberg, ~~and~~ Joseph Lvovsky and Louis Buchalter alias Lepke, of New York. The smugglers obtained their narcotics in the Japanese concession in Tientsin, China, smuggling into the United States in approximately a year ~~a~~ sufficient drugs to supply the needs of 10,000 addicts for that period, ~~or about one-fifth of all drug addicts in the~~ country.

"This case was a forceful demonstration of the absence of control over illicit narcotic drugs in the Japanese dominated areas in China," Mr. Anslinger said.

Another case of interest involved a nation-wide narcotic distributing ring composed of Chinese who were members of the Hip Sing Tong.

(more) --o--

Release

Monday Afternoon Newsletters
July 18, 1938

KA

Featuring law enforcement activities of the Treasury Department during the year ended June 30, 1938, ~~is~~ a continuation of the intensive campaign against the narcotics evil, resulting in an important decline in that illicit traffic. Secretary Morgenthau ~~said~~ today.

Reports to ~~the~~ Secretary from the various law enforcement agencies of the Treasury likewise indicated a reduction in bootlegging, counterfeiting and other offenses against the Federal revenue and currency. Cooperating in the joint attack on criminals who attempt to cheat the government are the Bureau of Narcotics, Intelligence Unit of the Internal Revenue Bureau, the Alcohol Tax Unit, the Secret Service, the Bureau of Customs and the United States Coast Guard.

Analysis of the reports of the six enforcement agencies reveals that Secretary Morgenthau's policy of coordinating the work of all Treasury investigative forces in combatting crimes falling within its ~~field~~ ^{field of} ~~scope~~ ^{law} of enforcement work met with continued success ⁱⁿ the past year. These agencies, working together as a closely-knit organization under ~~general~~ direction of Elmer L. Irey, chief coordinator, registered ^{substantial} gains not so much in the actual number of arrests, but ^{especially in the} ~~in the~~ character and the size of ^{large scale} ~~the~~ criminal operations effectively checked through concentration of ^{Treasury} investigators in areas of major violations. ^{Suppressed}

TREASURY DEPARTMENT

Washington

FOR RELEASE, AFTERNOON NEWSPAPERS,
Monday, July 18, 1938.
7/16/38.

Press Service
No. 14-3

A continuation of the intensive campaign against the narcotics evil, resulting in an important decline in that illicit traffic, featured law enforcement activities of the Treasury Department during the year ended June 30, 1938.

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Analysis of the reports of the six enforcement agencies reveals that Secretary Morgenthau's policy of coordinating the work of all Treasury investigative forces in combatting crimes falling within its field of law enforcement work met with continued success in the past year. These agencies, working together as a closely-knit organization under direction of Elmer L. Irely, chief coordinator, registered substantial gains especially in the size and character of large scale criminal operations effectively suppressed through concentration of Treasury investigators in areas of major violations.

BUREAU OF NARCOTICS

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probably does not exceed 50,000.

"One of the most encouraging developments during the year is shown in the results of a survey conducted by the Bureau of Narcotics which indicates that addiction to narcotic drugs in this country is declining and that the ratio of addiction which was formerly considered to be one in every 1,000 of the general population is now probably not greater than approximately one in every 3,000," Mr. Anslinger said.

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"This case was a forceful demonstration of the absence of control over illicit narcotic drugs in the Japanese dominated areas in China," Mr. Anslinger said.

Another case of interest involved a nation-wide narcotic distributing ring composed of Chinese who were members of the Hip Sing Tong. Twenty-four individuals were involved, including Yee Hain, who at the time of the commission of the offense charged was national president of the Tong. In this case arrests were made in Los Angeles, Butte, Montana, Chicago, Pittsburgh and New York. Most of the defendants already have been prosecuted successfully and many have been sentenced to long prison terms.

The year was marked by aggressive Federal attacks against the marihuana evil, in which the Government had excellent cooperation from

state and local authorities. The illicit traffic in marihuana became a Federal offense October 1, 1937. Hundreds of acres of the weed -- Indian hemp or hashish -- were destroyed by the Bureau during the year. Marihuana is an insidious narcotic used chiefly in the form of cigarettes.

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Reports from other Treasury law enforcement agencies were as follows:

ALCOHOL TAX UNIT

Reflecting the general decline of the illicit liquor traffic, there was noted a decrease in the activity of non-tax paid liquor violators during the 1938 fiscal year. In 1938, 25,884 persons were arrested for violation of the Federal liquor laws against 29,477 for the year before, according to the report of Stewart Berkshire, Deputy Commissioner of Internal Revenue.

During the 1935 and 1936 fiscal years the large seizures of mash, the recognized criterion of illicit distilling operations, were made in the north and middle west. In the 1937 and 1938 fiscal years there was a shift of mash seizures to the southern states, a territory of essentially the base of operation of the small violator of the liquor laws.

Other Alcohol Tax Unit statistics follow:

<u>Seizures and arrests</u>	<u>Fiscal year ended June 30</u>	
	<u>1937</u>	<u>1938</u>
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Average sentence to be served (days)	293	306
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Customs Commissioner James H. Moyle reported to Secretary Morgenthau that the law enforcement activities for the 1938 fiscal year were devoted in large measure to operations against the illicit traffic in narcotic drugs.

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Mr. Moyle's report showed that illicit drugs continued to be introduced into the Port of New York and vicinity in considerable quantities. There was evidence that they were being transported overland from New York to various inland cities. The prices in New York for narcotics remained fairly constant, varied by occasional fluctuations resulting from large seizures.

The largest seizures of narcotics were made by the Bureau of Customs in New York in August and September of 1937, a total of about 63 pounds of opium and heroin having been confiscated. At San Francisco in April, 1938, 539 ounces of smoking opium were seized. In both cases arrests were made and offenders received Federal Court sentences ranging from one to fifteen years. Three Chinese involved in the San Francisco seizure were sentenced to prison at Shanghai.

In another case of international importance involving the notorious Louis T. F. Lyon, Paris restaurant owner, and Carlos Fernandez Bacula, former Peruvian diplomat, both of whom are under arrest in Europe for narcotic violations, the Bureau of Customs arrested Jacob N. Gottlieb in New York for

attempted heroin smuggling. Gottlieb committed suicide in the Albany county jail after a confession which involved an international dope smuggling ring. The Gottlieb confession was of importance in crushing this drug conspiracy.

Following seizures of narcotics and arrests of violators at Nogales, Arizona, in August, the attention of the Mexican Government was brought to the smuggling situation. As a result of cooperation between the Mexican and American authorities energetic measures have been taken to suppress the cultivation of opium poppies in Mexico.

SECRET SERVICE

Chief Frank J. Wilson, of the United States Secret Service, reported that counterfeit notes aggregating \$619,290 were seized during the 1938 fiscal year as compared with \$654,787 in the 1937 fiscal year. Counterfeit coins in the amount of \$54,423 were confiscated by the Secret Service in 1938 against \$67,393 in the former year. Secret Service Agents arrested 2,963 persons on charges of counterfeiting, forgery and other miscellaneous offenses during the year. In 1937, 2,600 persons were apprehended by this law enforcement branch.

The amount of losses to the public through counterfeit notes surrendered to the Secret Service by banks and innocent takers decreased from \$487,643 in 1937 to \$403,843 in the fiscal year 1938.

Under the direction of Chief Wilson an energetic educational campaign was inaugurated to protect banks, business men and the public generally against operations of counterfeiters. Attention was drawn to the necessity for the careful inspection of money so that spurious bills might be easily detected and resultant losses reduced. Talks were made by Secret Service experts in fifteen states before state banking associations, while in New York the matter of detection of counterfeiting was discussed with business men.

Of the cases brought to trial as a result of Secret Service operations, 2,314 resulted in convictions while 821 are awaiting action of the courts. The percentage of convictions in cases tried was 96 percent.

INTELLIGENCE UNIT

Sixty-eight persons were convicted in the Federal Courts during the 1938 fiscal year for tax evasion and during the same period taxes and penalties aggregating \$26,106,013 were recommended for assessment. In the 1937 fiscal year sixty-six persons were arrested and \$31,555,494 in taxes and penalties were recommended for assessment.

In addition to the collection of taxes, penalties and interest, substantial revenue accrued to the Treasury by the way of fines imposed in criminal cases. In some jurisdictions the courts imposed additional penalty by requiring the defendants to pay the costs of investigations, including the salaries and expenses of agents conducting the inquiries.

COAST GUARD

Following the cooperative plan inaugurated by Secretary Morgenthau, the Coast Guard acted not only with the various agencies of the Treasury, principally the Bureau of Customs and the Alcohol Tax Unit, but with the Commerce Department's Bureau of Navigation during the year in the enforcement of a wide range of Federal laws. Due to these activities there was increased enforcement activity in relation to narcotic smuggling, the seizure of moonshine stills and liquors and enforcement of the navigation laws. More than 4,000 ships were trailed by Coast Guard craft in connection with the suppression of drug smuggling. Coast Guard aircraft rendered important aid in the location of illicit whiskey stills and cooperated with the Customs Service in patrol work along the borders.

The report of Rear Admiral R. R. Waesche, Commandant of the Coast Guard, showed that during the 1938 fiscal year liquor smuggling from the high seas, virtually had disappeared. From time to time during the year a number of foreign vessels were placed under surveillance. They were principally in the alcohol smuggling business but it was believed that comparatively little illicit liquor was landed.

During the year eight vessels, seven domestic and one foreign, were seized by the Coast Guard. In cooperation with other enforcement agencies 640 arrests were made, 394 stills and considerable quantities of illicit liquor, narcotics and other merchandise seized.

Immediate Release

July 18, 1938.

~~Memorandum For the Press:~~

^{Chief}
~~Colonel~~ Frank J. Wilson, of the United States Secret Service, today announced the following personnel changes:

James J. Maloney has been transferred from the position of ~~supervising agent~~ ^{of the Secret Service,} at Newark ^{area.} to the position of supervising agent ^{in the} ~~at~~ New York ~~City~~. He succeeds William H. Houghton.

Fred W. Gruber has been transferred from the position of agent in charge at ~~Pittsburgh~~ the ~~Allegheny~~ Pittsburgh sub-district to acting supervising agent with district headquarters at Newark, N.J.

Frank L. Holliday has been transferred from the position of agent in charge at ~~Cincinnati~~ Cincinnati to the position of agent in charge of the Cleveland district, replacing agent in charge John J. McGrath.

^{Mr.} McGrath has been transferred from the position of agent ~~in charge~~ in charge at Cleveland to acting agent in charge ^{of the} ~~of the~~ special ~~squad~~ in New York City. ~~at New York City~~

Mr. Houghton, retiring supervising agent at New York City, is undergoing a minor surgical operation and ^{will be} on leave until September 1, when he will be given another assignment.

TREASURY DEPARTMENT

Washington

FOR IMMEDIATE RELEASE,
Monday, July 18, 1938.

Press Service
No. 14-4

Frank J. Wilson, Chief of the United States Secret Service, today announced the following personnel changes:

James J. Maloney has been transferred from the position of Supervising Agent of the Secret Service at Newark, New Jersey, to the position of Supervising Agent in the New York area. He succeeds William H. Houghton.

Mr. Houghton, retiring Supervising Agent at New York City, is undergoing a minor surgical operation and will be on leave until September 1, when he will be given another assignment.

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Mr. McGrath has been transferred from the position of Agent in Charge at Cleveland to Acting Agent in Charge at New York City.

TREASURY DEPARTMENT

WASHINGTON

FOR IMMEDIATE RELEASE,
Monday, July 18, 1938.

Press Service

14-5

Acting Secretary of the Treasury Magill today announced the final subscription and allotment figures with respect to the current offering of 7/8 percent notes of Series N of the Reconstruction Finance Corporation.

Subscriptions and allotments were divided among the several Federal Reserve districts and the Treasury as follows:

<u>Federal Reserve District</u>	<u>Total Subscriptions Received</u>	<u>Total Subscriptions Allotted</u>
Boston	\$ 147,228,000	\$ 11,835,000
New York	1,438,545,000	115,202,000
Philadelphia	129,060,000	10,355,000
Cleveland	158,236,000	12,754,000
Richmond	77,680,000	6,418,000
Atlanta	64,865,000	5,479,000
Chicago	279,329,000	22,571,000
St. Louis	51,383,000	4,194,000
Minneapolis	18,561,000	1,541,000
Kansas City	39,357,000	3,206,000
Dallas	40,193,000	3,296,000
San Francisco	181,934,000	14,583,000
Treasury	200,000	16,000
TOTAL	<u>\$2,626,571,000</u>	<u>\$211,450,000</u>

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TREASURY DEPARTMENT

Washington

FOR IMMEDIATE RELEASE,
Monday, July 18, 1938.

Press Service
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TREASURY DEPARTMENT

WASHINGTON

FOR RELEASE, MORNING NEWSPAPERS,
Tuesday, July 19, 1938.
7/18/38

Press Service
14-6

The Secretary of the Treasury announced last evening that the tenders for \$100,000,000, or thereabouts, of 91-day Treasury bills, to be dated July 20 and to mature October 19, 1938, which were offered on July 15, were opened at the Federal Reserve banks on July 18.

The details of this issue are as follows:

Total applied for	- \$187,824,000
Total accepted	- 100,124,000

Range of accepted bids:

High	- 99.994	Equivalent rate	approximately	0.024	percent
Low	- 99.984	"	"	"	0.063 "
Average price	- 99.986	"	"	"	0.054 "

(10 percent of the amount bid for at the low price was accepted)

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TREASURY DEPARTMENT

Washington

FOR RELEASE, MORNING NEWSPAPERS,
Tuesday, July 19, 1938.
7-18-38

Press Service
No. 14-6

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(10 percent of the amount bid for at the low price was accepted)

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"Investigation has disclosed that in most instances delinquent retail dealers who failed to buy the special stamp had no wilful intent to violate the law," Mr. Mellott said. "While ignorance of the law is no excuse for non-compliance it has been the practice in this type of cases to impose only nominal penalties. When wilful intent is disclosed however, such violations are punishable by severe penalties.

"Among dealers who have thus far failed to buy the special stamp, but who in advance of inspection of their places, come forward and voluntarily pay the tax the disposition will be to deal leniently with regard to their former non-compliance if their violations have been shown to be non-wilful."

Special inspection activity with regard to retail liquor dealers by the use of picked squads of field officers of the Alcohol Tax Unit cooperating with local police will be extended gradually to other cities. By this method it is expected a great deal of additional revenue will be collected and also that much can be done to promote better understanding and compliance with the law by liquor dealers. The plan is also expected to aid materially in reducing tax evasions of different kinds in the retail liquor business.

For Release, afternoon
Tuesday, April 16, 1935

4-7

Inspection of retail liquor establishments in several leading cities by special squads of the Alcohol Tax Unit have shown that the largest number of revenue law violations have been due to failure to pay the Federal occupational tax, Deputy Commissioner Arthur J. Mellott of the Bureau of Internal Revenue announced today.

This type of violation was shown in the following percentages in the more than 35,000 places of business covered by the special survey in the various cities: New York 9 per cent; Chicago 5 per cent; Philadelphia 8 per cent; Washington 10 per cent and Milwaukee 3 per cent.

Additional revenue collected in taxes and penalties from various kinds of violations among retail dealers, as a result of this special inspection activity, exceeds \$100,000. Most of this revenue has come from occupational tax payments. This tax is paid by the purchase from Collectors of Internal Revenue of a special \$25 stamp by dealers selling both distilled and malt liquors, while dealers selling only malt liquors purchase a special \$20 stamp.

A large increase in collections of the tax was noted particularly in New York and Chicago where systematic check of liquor retailers was begun more than two months ago and still continues. In New York during the first two months of the special inspection work --February and March - delinquent retailers paid the Government \$34,236 in occupational tax and penalties. This represented a 70 per cent increase in revenue from that source. In Chicago delinquent dealers paid \$20,530 in purchases of the occupational stamp and in penalties in February and March, an increase of ten per cent over the preceding sixty day period.

TREASURY DEPARTMENT

Washington

FOR RELEASE, MORNING NEWSPAPERS,
Thursday, July 21, 1938.
7/20/38.

Press Service
No. 14-7

The Secretary of the Treasury today made public the following memorandum, addressed to the President, which has had the President's approval:

"July 11, 1938.

MEMORANDUM FOR THE PRESIDENT:

The Newly-Mined Domestic Silver Proclamation of December 30, 1937, modifying the Proclamation of December 21, 1933, as modified, provides that:

"* * * the said Proclamation of the twenty-first day of December, 1933, as heretofore and hereby modified shall remain in force and effect until the 31st day of December, 1938, unless repealed or further modified by Act of Congress or by subsequent Proclamation."

As you know, in the normal course a considerable period of time elapses between the date silver is mined and the date when the refining of the silver has been completed and the silver is delivered to a Mint. Accordingly, a question has arisen as to whether domestic silver mined prior to midnight, December 31, 1938, may be received by the mints after that date under said Proclamation, as modified.

I am advised by the General Counsel of the Treasury that in his opinion the mints may continue after December 31, 1938, to receive under said Proclamation, as modified, domestic silver mined prior to midnight, December 31, 1938, and otherwise complying with the Proclamation. I am in accord with such opinion. Accordingly, if you approve, the mints will be instructed that they may continue after December 31, 1938, to accept under said Proclamation, as modified, newly-mined domestic silver mined prior to midnight of December 31, 1938. This would be consistent with the action taken pursuant to your approval given under date of September 14, 1937, when the same problem was presented, the basic proclamation as then modified being due to expire on December 31, 1937.

If you approve of the foregoing, I should appreciate it if you would so indicate below.

H. MORGENTHAU, JR.
Secretary of the Treasury

APPROVED:

FRANKLIN D. ROOSEVELT
The White House,
July 16, 1938."

in order to provide greater convenience to taxpayers and to expedite the closing of tax cases.

A similar division was established on the Pacific Coast on July 1, with exclusive and final authority over Federal tax cases originating in the States of Washington, Oregon, California, Idaho, Montana, Nevada, Utah, and Arizona, and the Territories of Alaska and Hawaii. A field division of the Technical Staff will also be opened at Chicago on September 1, with jurisdiction over cases arising in the States of Illinois, Indiana, and Wisconsin. It is expected that similar divisions, covering the remaining sections of the country, will be established after January 1, 1939.

It will have full authority to review or reverse the findings of the internal revenue agent in charge, and there will be no appeal to any other agency or officer of the Treasury Department, either locally or in Washington. If a New York taxpayer is not satisfied with the final determination of his case by the local office of the Technical Staff, his only recourse will be an appeal to the Board of Tax Appeals and the Courts.

The arrangement promises many advantages. It will eliminate the repetitious steps and protracted delays which it seems impossible to avoid under the old plan of centralizing the settlement of tax disputes in the Bureau of Internal Revenue at Washington. It will permit prompt action on all contested cases at a point near to the taxpayer and to the sources of evidence regarding his transactions. It will provide an able and impartial administrative body to which the taxpayer can have recourse in his own community should he wish to contest the findings of the agency which examined his tax return in the first instance. The plan is expected to result not only in greater convenience to taxpayers but also in quicker administrative decisions and in fewer appeals from the Bureau of Internal Revenue to the Board of Tax Appeals and the Courts. It will be of special benefit to taxpayers who are financially unable to employ counsel.

The establishment of the New York Division of the Technical Staff is in furtherance of a plan developed by Commissioner of Internal Revenue Guy T. Helvering, at the instance of Secretary of the Treasury Morgenthau, for a general decentralization of Federal tax administration,

Appeals, there being at the present time some 1,500 New York cases accumulated on the Board's docket, involving many millions of dollars of disputed tax. The plan will be to set the bulk of these accumulated cases for hearing before the Board at New York City during the fall and early winter, with a view to bringing the Board's New York docket current by January 1, 1939. The immediate function of the new Staff Division will be to defend the Government's interests in the trial of these cases before the Board of Tax Appeals and, when the facts warrant, to negotiate settlements with the taxpayers without trial before the Board.

On January 1, 1939, in addition to its function of representing the Government in cases docketed before the Board of Tax Appeals, the New York Division of the Technical Staff will have authority, upon appeal by the taxpayer, to review the determination of tax liability made in any case by the local internal revenue agents.

Under this arrangement, the examination of tax returns will be made by the internal revenue agents, as at the present time. Their reports will be reviewed and discussed with taxpayers in the office of the internal revenue agent in charge in accordance with the present procedure. But if the agents' findings are finally protested by the taxpayer, the case will no longer be sent to Washington for review and conference in the Bureau of Internal Revenue, but will be referred to the New York office of the Technical Staff. The local office of the Technical Staff will grant a hearing to the taxpayer, consider his contentions, and make final determination of his tax liability.

S-MAH

press release

News Release
Friday, July 22

14-8

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A division of the Technical Staff of the Office of the Commissioner of Internal Revenue will be established at New York City on August 1. Its offices will be located on the 9th floor of the new Federal Office Building, at 90 Church Street. This agency will have final authority to settle, for the Commissioner of Internal Revenue, all contested Federal income and estate tax cases arising in New York City and elsewhere in the State of New York, which originates about a fourth of the entire volume of the Federal receipts from these sources.

The personnel of the New York Division of the Technical Staff is being provided by transferring from the Bureau of Internal Revenue at Washington a group of the most experienced and competent technicians now on the Bureau's rolls--attorneys, accountants, auditors, engineers, valuation experts, and specialists in various lines of Federal tax administration. Including clerical employees, the total force will number more than 100 persons. The Division will be in charge of Timothy C. Mooney, who, prior to this assignment, was chief of the conference division of the Income Tax Unit of the Bureau, and who has a record of more than 18 years in the Federal internal revenue service. Eldon O. Hanson, who for a number of years has served as special assistant to the Chief Counsel of the Bureau of Internal Revenue, will be in charge of the legal staff attached to the new agency.

Until January 1, next, the Division will concern itself primarily with cases which have been appealed to the United States Board of Tax

TREASURY DEPARTMENT

Washington

FOR RELEASE, MORNING NEWSPAPERS,
Friday, July 22, 1938.
7-21-38

Press Service
No. 14-8

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Until January 1, next, the Division will concern itself primarily with cases which have been appealed to the United States Board of Tax Appeals, there being at the present time some 1,500 New York cases accumulated on the Board's docket, involving many millions of dollars of disputed tax. The

plan will be to set the bulk of these accumulated cases for hearing before the Board at New York City during the fall and early winter, with a view to bringing the Board's New York docket current by January 1, 1939. The immediate function of the new Staff Division will be to defend the Government's interests in the trial of these cases before the Board of Tax Appeals and, when the facts warrant, to negotiate settlements with the taxpayers without trial before the Board.

On January 1, 1939, in addition to its function of representing the Government in cases docketed before the Board of Tax Appeals, the New York Division of the Technical Staff will have authority, upon appeal by the taxpayer, to review the determination of tax liability made in any case by the local internal revenue agents.

Under this arrangement, the examination of tax returns will be made by the internal revenue agents, as at the present time. Their reports will be reviewed and discussed with taxpayers in the office of the internal revenue agent in charge in accordance with the present procedure. But if the agents' findings are finally protested by the taxpayer, the case will no longer be sent to Washington for review and conference in the Bureau of Internal Revenue, but will be referred to the New York office of the Technical Staff. The local office of the Technical Staff will grant a hearing to the taxpayer, consider his contentions, and make final determination of his tax liability. It will have full authority to review or reverse the findings of the internal revenue agent in charge, and there will be no appeal to any other agency or officer of the Treasury Department, either locally or in Washington. If a New York taxpayer is not satisfied with the final determination of his case by the local office of the Technical Staff, his only recourse will be an appeal to the Board of Tax Appeals and the Courts.

The arrangement promises many advantages. It will eliminate the repetitious steps and protracted delays which it seems impossible to avoid under the old plan of centralizing the settlement of tax disputes in the Bureau of Internal Revenue at Washington. It will permit prompt action on all contested cases at a point near to the taxpayer and to the sources of evidence regarding his transactions. It will provide an able and impartial administrative body to which the taxpayer can have recourse in his own community should he wish to contest the findings of the agency which examined his tax return in the first instance. The plan is expected to result not only in greater convenience to taxpayers but also in quicker administrative decisions and in fewer appeals from the Bureau of Internal Revenue to the Board of Tax Appeals and the Courts. It will be of special benefit to taxpayers who are financially unable to employ counsel.

The establishment of the New York Division of the Technical Staff is in furtherance of a plan developed by Commissioner of Internal Revenue Guy T. Helvering, at the instance of Secretary of the Treasury Morgenthau, for a general decentralization of Federal tax administration, in order to provide greater convenience to taxpayers and to expedite the closing of tax cases.

A similar division was established on the Pacific Coast on July 1, with exclusive and final authority over Federal tax cases originating in the States of Washington, Oregon, California, Idaho, Montana, Nevada, Utah, and Arizona, and the Territories of Alaska and Hawaii. A field division of the Technical Staff will also be opened at Chicago on September 1, with jurisdiction over cases arising in the States of Illinois, Indiana, and Wisconsin. It is expected that similar divisions, covering the remaining sections of the country, will be established after January 1, 1939.

immediate release
7/21/38



TREASURY DEPARTMENT

WASHINGTON

July 15, 1938

OFFICE OF
DIRECTOR OF THE MINT
IN REPLYING QUOTE INITIALS

Memorandum for Mr. Gaston:

Treasury Gold Receipts^{1/} (Net)

(In millions of dollars)

	<u>April-June</u> <u>1938</u>
Newly mined domestic - - - - -	\$40.42
Imports - - - - -	124.59
Miscellaneous (Secondary and other) - - - - -	<u>3.54</u>
Total - - - - -	168.55

Silver Receipts by United States Mints and Assay Offices

(Thousands of fine ounces)

	<u>Quarter</u> <u>April-June</u> <u>1938</u>	<u>Aggregate</u> <u>to June 30</u> <u>1938</u>
Newly Mined domestic silver (Executive Proclamation December 21, 1933) - - - - -	15,480.8	219,951.2
Nationalized silver (Executive Proclamation August 9, 1934) - - -	1.5	113,032.9
Purchase Act silver (Act June 19, 1934) - - - - -	72,620.5	1,353,053.6

^{1/} Figures on basis of \$35 per fine ounce.

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Ellie Taylor

TREASURY DEPARTMENT

Washington

FOR IMMEDIATE RELEASE,
Thursday, July 21, 1938.

Press Service
No. 14-9

Treasury Gold Receipts ^{1/} (Net)
(In millions of dollars)

	<u>April-June 1938</u>
Newly mined domestic - - - - -	\$40.42
Imports - - - - -	124.59
Miscellaneous (Secondary and other) - - - - -	<u>3.54</u>
Total - - - - -	168.55

Silver Receipts by United States Mints and Assay Offices
(Thousands of fine ounces)

	<u>Quarter April - June 1938</u>	<u>Aggregate to June 30, 1938</u>
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Nationalized silver (Executive Proclamation August 9, 1934) - -	1.5	113,032.9
Purchase Act silver (Act June 19, 1934) - - - - -	72,620.5	1,353,053.6

^{1/} Figures on basis of \$35 per fine ounce.

Immediate Release

JULY 23, 1938

14-10 1

The United States Coast Guard ^{today} ~~last night~~ ended the ice patrol in the trans-Atlantic steamship lanes.

The Coast Guard Cutters PONCHARTRAIN and TAHOE engaged in this duty since February 10, today were returning from sea to their regular stations - the PONCHARTRAIN to New York, and the TAHOE to Boston.

The patrol which has been maintained each season since 1913 when the TITANIC was sunk by an iceberg has served as an effective protection against iceberg dangers. In those years not a single ship casualty has occurred from icebergs.

Rear Admiral Russell R. Waesche, Commandant, of the Coast Guard announced that the Coast Guard Cutter GENERAL GREENE now will be assigned to make the usual post-season cruise off Newfoundland and Labrador, extending for a period of from six to eight weeks, conducting scientific studies concerning icebergs in those waters.

TREASURY DEPARTMENT

Washington

FOR IMMEDIATE RELEASE,
Saturday, July 23, 1938.

Press Service
No. 14-10

The United States Coast Guard today ended the ice patrol in the trans-Atlantic steamship lanes.

The Coast Guard Cutters PONCHARTRAIN and TAHOE engaged in this duty since February 10, today were returning from sea to their regular stations - the PONCHARTRAIN to New York, and the TAHOE to Boston.

The patrol which has been maintained each season since 1913 when the TITANIC was sunk by an iceberg has served as an effective protection against iceberg dangers. In those years not a single ship casualty has occurred from icebergs.

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Immediate Release

Washington, D.C.
July 23, 1938.

14-11

MEMORANDUM TO CHIEF:

Last night
Irving A. Lichtenberg, 3005 Ordway St., N.W., ~~said to be~~ a member of the bar, District of Columbia, was arrested in Washington, D.C., ~~July 22, 1938,~~ by agents of the U.S. Secret Service for forging and uttering a Government check in amount of \$2600 payable to Gerardo Marzullo and Antonia Marzullo, also known as Andonia Marzullo, *Washington produce merchants*

Lichtenberg acted as agent for the payees in a condemnation proceedings instituted by the Federal Government. The check was issued on an authorization from the National Capital Park and Planning Commission and was turned over by that agency to Columbia Trust & Title Co., the latter presenting it to Lichtenberg.

On July 19, 1938, Lichtenberg forged the names of the payees and presented the check to the Anacostia Bank, Anacostia, D.C., where he was unknown, and opened a new account by depositing the check. On July 20, 1938, Lichtenberg withdrew about \$1900 against this account and left for New York City via plane. On July 22, 1938, Lichtenberg returned to Washington and shortly thereafter he was taken into custody and voluntarily signed a statement admitting fraudulently negotiating the above check. He will be given a hearing before U.S. Commissioner N.C. Turnage today.

~~M. R. Allen,~~
~~Agent-in-Charge.~~

TREASURY DEPARTMENT

Washington

FOR IMMEDIATE RELEASE,
Saturday, July 23, 1938.

Press Service
No. 14-11

Irving A. Lichtenberg, 3005 Ordway Street, N.W., member of the bar, District of Columbia, was arrested in Washington, D.C. last night by agents of the United States Secret Service for forging and uttering a Government check in amount of \$2,600 payable to Gerardo Marzullo and Antonia Marzullo, also known as Andonia Marzullo, Washington produce merchants.

Lichtenberg acted as agent for the payees in a condemnation proceedings instituted by the Federal Government. The check was issued on an authorization from the National Capital Park and Planning Commission and was turned over by that agency to Columbia Trust and Title Company, the latter presenting it to Lichtenberg.

On July 19, 1938, Lichtenberg forged the names of the payees and presented the check to the Anacostia Bank, Anacostia, D. C., where he was unknown, and opened a new account by depositing the check. On July 20, 1938, Lichtenberg withdrew about \$1,900 against this account and left for New York City via plane. On July 22, 1938, Lichtenberg returned to Washington and shortly thereafter he was taken into custody and voluntarily signed a statement admitting fraudulently negotiating the above check. He will be given a hearing before United States Commissioner N. C. Turnage today.

TREASURY DEPARTMENT

WASHINGTON

FOR RELEASE, MORNING NEWSPAPERS,
Tuesday, July 26, 1938.

7/25/38

Press Service

14-12

The Secretary of the Treasury announced last evening that the tenders for \$100,000,000, or thereabouts, of 91-day Treasury bills, to be dated July 27 and to mature October 26, 1938, which were offered on July 22, were opened at the Federal Reserve banks on July 25.

The details of this issue are as follows:

Total applied for	- \$264,955,000
Total accepted	- 100,224,000

Range of accepted bids:

High	- 99.994	Equivalent rate	approximately 0.024 percent		
Low	- 99.981	"	"	"	0.075
Average price	- 99.985	"	"	"	0.059

(21 percent of the amount bid for at the low price was accepted)

Jim

TREASURY DEPARTMENT

Washington

FOR RELEASE, MORNING NEWSPAPERS,
Tuesday, July 26, 1938.
7-25-38

Press Service
No. 14 - 12

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After a year at London, where he inaugurated medical inspection of aliens departing for the United States, he was assigned to duty at the U. S. Marine Hospital, Hudson Street, in New York, and made Medical Officer in Charge in July, 1927. He remained there seven years, was promoted to Senior Surgeon in 1934. His assignment to the Compensation Commission came in May, 1935.

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which position he occupied until 1931 when he was assigned to assist the State Department of Health in the study and investigation of health problems in Virginia. He was relieved of this work in 1934 and assigned to the Washington office in personnel and accounts.

Author of more than a score of articles in connection with his health studies, Dr. Draper has been active in organizational work related to his regular duties. While serving as Assistant Surgeon General, he represented the Service in the House of Delegates of the American Medical Association, with the American Public Health Association, and in advisory capacities to other national health groups.

Commissioned Assistant Surgeon in the Public Health Service in 1914, Dr. Stewart was first stationed at the U. S. Marine Hospital, Baltimore, then assigned to duties at Ellis Island. The next three years were spent in studying rural sanitation in South Carolina, Tennessee, Missouri; work in connection with the great outbreak of infantile paralysis in 1916 in New York; and with pellagra in South Carolina.

After serving as investigator during influenza epidemics during the War, Dr. Stewart was ordered as Executive Officer in 1919 to the Marine Hospital at Staten Island, New York. Early in 1923 he was sent to Italy for quarantine duties. The following year he represented this country at the International Medical Congress at Seville, Spain.

TREASURY DEPARTMENT
U. S. Public Health Service
Washington

14-13

FOR RELEASE

*Morning Paper Wednesday
July 27 1938*

Assistant Surgeon General Warren F. Draper, recent chief of the Division of Personnel and Accounts, has been appointed first incumbent of the newly created position of Executive Officer of the U. S. Public Health Service. His successor to the former office is Senior Surgeon Paul M. Stewart, for the past three years Medical Director of the U. S. Employees Compensation Commission.

Immediately after his graduation from Harvard Medical School in 1910, Dr. Draper entered the U. S. Public Health Service as Assistant Surgeon, and was detailed to the San Francisco Quarantine Station at Angel Island. There followed five years of activities and research in Alaskan waters, at the Boston Marine Hospital, and in Potomac river pollution studies before he was detailed to the Office of Public Roads. In this capacity he gathered data as to sanitary conditions in convict road camps and among their convicts.

As Medical Officer in Virginia and several of the New England states, he developed health organizations and conducted relief and sanitation activities, especially during influenza outbreaks, among army cantonment areas and in the larger cities of Pennsylvania and Massachusetts.

In September 1922, Dr. Draper was detailed as Assistant Surgeon General in Charge of the Division of Domestic Quarantine,

TREASURY DEPARTMENT
U. S. Public Health Service
Washington

FOR RELEASE, MORNING NEWSPAPERS,
Wednesday, July 27, 1938.
7-26-38

Press Service
No. 14-13

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regular duties. While serving as Assistant Surgeon General, he represented the Service in the House of Delegates of the American Medical Association, with the American Public Health Association, and in advisory capacities to other national health groups.

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engaged in research upon mental hygiene and its relation to migrating peoples, and conducted studies with reference to the insane and chronic alcoholism.

From 1925-28, he was stationed at Queenstown and Dublin, Ireland, and at London, England, as Medical Advisor to the American Consulate. At the latter station he carried on special studies at the National Hospital for Nervous Diseases and Epilepsy.

In 1929 he was made Chief of the then newly created Narcotics Division of the Public Health Service. A year later, this office became the present Division of Mental Hygiene.

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A handwritten signature or set of initials, possibly 'R' or 'R.A.', written in dark ink.

Smart.

The next three years were spent abroad. Stationed at Dublin, Irish Free State, he traveled widely on the continent making studies of 3,000 cases in six countries of the intelligence of those who applied for visas for entry into the United States.

He returned to Washington in the summer of 1931 to prepare his studies for publication but continued also as field consultant in mental hygiene for the Public Health Service.

Originally of Galesville, Maryland, Dr. Kolb was graduated from the University of Maryland School of Medicine in 1908. He was commissioned from that State as assistant surgeon in the Public Health Service the following year. He was promoted to the position of passed assistant surgeon in 1913, surgeon in 1921, senior surgeon in 1930, and to medical director in 1935.

Dr. Treadway, who had been head of the Mental Hygiene Division since 1930, was stationed at Ellis Island and at Ward's Island, early in his career up to 1915. His next three years were given over to field investigations devoted especially to the study of prevalence and needs of mentally defective and dependent children, of the relation of mental disorders to crime, and of correctional institutions and systems throughout the country.

Between 1918-25, he served as Chief of the Section of Neuropsychiatry in the Veterans Bureau and of the U. S. Public Health Service Hospital Division in Washington, D. C., and as Medical Officer in Charge of Field Studies and Investigations of Mental Hygiene at Boston, Massachusetts. While here, Dr. Treadway

14-14

TREASURY DEPARTMENT
U. S. Public Health Service
Washington

FOR RELEASE

*afternoon papers Wednesday
July 27 1938*

Dr. Lawrence Kolb, formerly chief of the U. S. Public Health Service hospital at Lexington, Kentucky, has been appointed assistant surgeon general in charge of the Division of Mental Hygiene, U. S. Public Health Service. He succeeds Dr. Walter L. Treadway, who is now serving as medical officer in charge of the Lexington hospital. Both appointments are in the line of routine changes of station.

Already internationally known as author and authority in the fields of psychiatry, narcotics, and mentality of aliens as related to immigration, Dr. Kolb was appointed to head the Government's first experimental unit for treatment of drug addicts in August of 1934. He had previously been superintendent of the U. S. Hospital for Defective Delinquents at Springfield, Missouri, for two years.

For six years, beginning in 1913, Dr. Kolb was stationed at the Ellis Island Immigration Station, where he specialized in mental and nervous diseases of incoming aliens. Between 1919-23, he organized and conducted the U. S. Public Health Service hospital for the treatment of nervous patients at Waukesha, Wisconsin. Then followed a five-year period of research at the National Institute of Health, in Washington, D. C., into the prevalence and epidemiology of drug-addiction and its relation to crime; personality, intelligence, and general characteristics of addicts; and methods of treatment.

TREASURY DEPARTMENT
U. S. Public Health Service
Washington

FOR RELEASE, AFTERNOON NEWSPAPERS,
Wednesday, July 27, 1938.
7-26-38

Press Service
No. 14-14

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In 1929 he was made Chief of the then newly created Narcotics Division of the Public Health Service. A year later, this office became the present Division of Mental Hygiene.

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 1, 1938
~~(1938)~~, 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 3, 1938.

~~(1938)~~
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. (Attention is invited to Treasury Decision 4550, ruling that Treasury bills are not exempt from the gift tax.) 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.

~~Single issue date~~
~~Single maturity date~~

~~PRESS STATEMENT "ALPHA"~~

~~Exhibit No. 1~~

TREASURY DEPARTMENT

FOR RELEASE, MORNING PAPERS,
Friday, July 29, 1938.

(1)

~~STATEMENT BY~~XXXXXXXXXXXXXXXXXXXX

(2)

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, August 1, 1938. Tenders will not be received at the Treasury Department, Washington.

The Treasury bills will be dated August 3, 1938, and will mature on November 2, 1938, 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

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RT

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, August 1, 1938. Tenders will not be received at the Treasury Department, Washington.

The Treasury bills will be dated August 3, 1938, and will mature on November 2, 1938, 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 1, 1938, 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 3, 1938.

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. (Attention is invited to Treasury Decision 4550, ruling that Treasury bills are not exempt from the gift tax.) 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 Monday
p.m's Aug*

TREASURY DEPARTMENT

~~Division of Research and Statistics~~

Washington, D. C.

FOR RELEASE, *Afternoon papers*
Mon - Aug 1 - 1938

Press Service 15
No. *1411003*

The the
Secretary of Treasury ~~Morganthau~~ today issued the first section of a report, prepared by the Division of Research and Statistics, which was made possible through funds allocated to the Secretary of the Treasury by the Works Progress Administration, covering statistical data compiled from Federal income tax returns for 1934.

The section released today is entitled "Statistics of Income Supplement compiled from Federal income tax returns of individuals for the income year 1934, Section I" and shows the number of individual income tax returns for 1934 classified by States, counties, and cities of 25,000 and over population, by net income classes.

Other sections of the report are now in preparation and will appear from time to time as completed.

Copies of Section I may be obtained from the Superintendent of Documents, Government Printing Office, Washington, D. C. at a price of 15 cents per copy.

[Handwritten signature]

TREASURY DEPARTMENT

Washington

FOR RELEASE, AFTERNOON NEWSPAPERS,
Monday, August 1, 1938.
7/29/38.

Press Service
No. 14-15

The Secretary of the Treasury today issued the first section of a report, prepared by the Division of Research and Statistics, which was made possible through funds allocated by the Works Progress Administration, covering statistical data compiled from Federal income tax returns for 1934.

The section released today is entitled "Statistics of Income Supplement compiled from Federal income tax returns of individuals for the income year 1934, Section I" and shows the number of individual income tax returns for 1934 classified by States, counties, and cities of 25,000 and over population, by net income classes.

Other sections of the report are now in preparation and will appear from time to time as completed.

Copies of Section I may be obtained from the Superintendent of Documents, Government Printing Office, Washington, D. C., at a price of 15 cents per copy.

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	Government Securities	Government- guaranteed Securities	Other Securities*
Totals brought forward	\$3,490,121	(000 omitted) \$ 269,603	\$ 44,835
Old-Age Reserve Account	662,300	-	-
Foreign Service Retirement and Disability Fund	3,328	-	-
Canal Zone Retirement and Disability Fund (1)	3,662	-	-
Adjusted Service Certificate Fund	25,800	-	-
Alaska Railroad Retirement and Disability Fund	327	-	-
Totals	\$4,185,538	\$269,603	\$ 44,835

~~As of June 30, 1975~~

Federal Farm Mortgage Corporation	\$ -	\$ -	\$764,455
Federal Land Banks	57,683	-	500
Federal Intermediate Credit Banks	63,110	9,000	-
Banks for Cooperatives	61,630	23,995	12,125
Production Credit Corporations	4,930	13,842	25,932
Production Credit Associations	1,770	11,116	75,268
Joint Stock Land Banks **	1,638	7,351	242
Federal Home Loan Banks	25,276	8,628	-
Home Owners' Loan Corporation	1,100	-	-
Reconstruction Finance Corporation	48,020	-	-
Inland Waterways Corporation **	4,187	-	-
U.S. Spruce Production Corporation	125	-	-
Totals	\$ 269,469	\$73,932	\$878,522

Note: All trust funds may be invested in Government and Government-guaranteed securities, and certain funds may also be invested in additional securities as indicated:

- (1) In Federal Farm Loan Bonds;
- (2) No Limitations

*Consist principally of Federal Farm Loan Bonds and Federal Intermediate Credit Bank Debentures.

** Latest figures available.

TREASURY DEPARTMENT

Accounts and Deposits

To Mr. Gaston

For release
August 1, 1938 —

This is in the
same form as
previous monthly
releases

WTK

Wed. morning
release.

MR. HEFFELFINGER

TREASURY DEPARTMENT

Washington

FOR RELEASE, *morning newspapers,*
Wednesday, August 3, 1938
 8/2/38.

Press Service
 No. 14-16

Secretary Morgenthau released today the following statement relative to the amount of Government and other securities held in governmental trust accounts and by governmental corporations and agencies:

SECURITIES HELD AS INVESTMENTS IN TRUST FUNDS AND IN ACCOUNTS
OF CERTAIN GOVERNMENTAL CORPORATIONS AND AGENCIES
ON JUNE 30, 1938

<u>Fund or Agency</u>	Government Securities	Government- guaranteed Securities	Other Securities*
	(000 omitted)		
<u>As of June 30, 1938:</u>			
Postal Savings System.....	\$ 927,998	\$ 166,834	\$ -
Federal Deposit Insurance Corporation ..	349,094	-	-
Individual Indian Trust Funds	42,463	72	21
Mutual Mortgage Insurance Fund and Housing Insurance Fund	19,686	-	-
Federal Savings and Loan Insurance Corp. Civil Service Retirement and Disability Fund	10,015	102,587	-
U.S. Government Life Insurance Fund (1).	396,406	-	-
D.C. Teachers' Retirement Fund (2).....	760,842	-	42,067
Alien Property Custodian Fund	5,400	95	1,965
Panama Canal Zone Funds (1)	30,710	-	-
General Post Fund, Veterans' Administra- tion	1,850	5	290
Library of Congress Trust Fund (2)	1,107	-	1
D.C. Workmen's Compensation Fund (1) ...	1	-	437
Longshoremen's and Harbor Workers' Compensation Fund (1)	10	-	11
German Special Deposit Account	101	10	43
National Institute of Health Gift Fund .	3,957	-	-
Comptroller of the Currency Employees' Retirement Fund	83	-	-
Pershing Hall Memorial Fund	1,242	-	-
National Park Trust Fund (2)	198	-	-
Ainsworth Library Fund, Walter Reed General Hospital	12	-	-
District of Columbia Water Fund	10	-	-
Unemployment Trust Fund	736	-	-
Railroad Retirement Account	872,000	-	-
	66,200	-	-
	<u>\$3,490,121</u>	<u>\$269,603</u>	<u>\$ 44,835</u>

TREASURY DEPARTMENT

Washington

FOR RELEASE, MORNING ~~NEWSPAPERS~~,
 Wednesday, August 3, 1938.
 8/2/38.

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ON JUNE 30, 1938.

<u>Fund or Agency</u>	<u>Government Securities</u>	<u>Government-guaranteed Securities</u>	<u>Other Securities*</u>
	(000 omitted)		
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Home Owners Loan Corporation.....	1,100	-	-
Reconstruction Finance Corporation....	48,020	-	-
Inland Waterways Corporation**.....	4,187	-	-
U.S. Spruce Production Corporation....	125	-	-
Totals.....	<u>\$ 269,469</u>	<u>\$ 73,932</u>	<u>\$ 878,522</u>

Note: All trust funds may be invested in Government and Government-guaranteed securities, and certain funds may also be invested in additional securities as indicated:

- (1) In Federal Farm Loan Bonds;
- (2) No Limitations.

*Consist principally of Federal Farm Loan Bonds and Federal Intermediate Credit Bank Debentures.

**Latest figures available.

TREASURY DEPARTMENT

WASHINGTON

FOR RELEASE, MORNING NEWSPAPERS,
Tuesday, August 2, 1938.
8/1/38

Press Service
14-17

The Secretary of the Treasury announced last evening that the tenders for \$100,000,000, or thereabouts, of 91-day Treasury bills, to be dated August 3 and to mature November 2, 1938, which were offered on July 29, were opened at the Federal Reserve banks on August 1.

The details of this issue are as follows:

Total applied for	- \$289,356,000
Total accepted	- 100,315,000

Range of accepted bids:

High	- 99.990	Equivalent rate approximately	0.040	per
Low	- 99.983	"	"	"
Average price	- 99.984	"	"	"

(94 percent of the amount bid for at the low price was accepted)

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TREASURY DEPARTMENT

Washington

FOR RELEASE, MORNING NEWSPAPERS,
Tuesday, August 2, 1938.
8/1/38.

Press Service
No. 14-17

The Secretary of the Treasury announced last evening that the tenders for \$100,000,000, or thereabouts, of 91-day Treasury bills, to be dated August 3 and to mature November 2, 1938, which were offered on July 29, were opened at the Federal Reserve banks on August 1.

The details of this issue are as follows:

Total applied for - \$289,356,000
Total accepted - 100,315,000

Range of accepted bids:

High	- 99.990	Equivalent rate approximately	0.040	percent
Low	- 99.983	" " "	0.067	"
Average price	- 99.984	" " "	0.062	"

(94 percent of the amount bid for at the low price was accepted)

---oOo---

For Wednesday pm's

United States Coast Guard units throughout the country and in its territories and possessions will celebrate tomorrow the 148th anniversary of the founding of the Service.

Aboard cutters and in the air and at shore stations and offices of division headquarters the day will be commemorated. Some of the ~~ships~~ ships and planes will be in the Bering Sea and others cruising the equatorial islands of the Pacific but all will have some form of observance of Coast Guard Day and ~~will~~ by radio will be in contact with Headquarters in Washington.

Major programs for the day are scheduled at Manteo, N. C., and Grand Haven, Mich. At the former place Assistant Secretary of the Treasury Stephen B. Gibbons, who is in charge of the Coast Guard, will speak and ~~for~~ for the latter celebration the cutter ESCANABA, berthed at Grand Haven, will become the flagship of the Service for the day when the Commandant, Rear Admiral R. R. Waesche, is "piped" aboard. Both demonstrations will be featured by lifesaving drills, boat races and entertainment programs.

In connection with the anniversary, Admiral Waesche today sent the following message to the officers and enlisted men of the Coast Guard:

At Grand Haven ~~the~~ the admiral will be guest of honor at a dinner for 500 Coast Guardsmen and their families. The ceremonies will be broadcast over a nation-wide radio hookup between 6:15 and 6:30 o'clock, Eastern Standard Time, and again between 9:15 and 9:30 o'clock that evening.

None ←

2

United States Coast Guard ~~units~~ throughout the country will celebrate the 148th anniversary of the founding of the service August 3 and 4, ^{Rear} Admiral R.R. Waesche, ~~is~~ announced today.

The two outstanding events will take place at Manteo, N.C., where Assistant Secretary of the Treasury Stephen B. Gibbons will ~~speak~~ speak, and at Grand Haven, Mich., with an address by Rear Admiral ~~Waesche~~ Waesche. Both ~~will~~ demonstrations will ~~be~~ be marked by lifesaving drills by the water and aircraft facilities of the Coast Guard as well as entertainment fetes *including boat races.*

Rear Admiral Waesche sent the following message to officers and enlisted men of the Coast Guard in connection with the anniversary:

"August 4 marks the 148th anniversary of the founding of the United States Coast Guard and I take this opportunity to send warm personal greetings to the officers, men and civilian employes of the Service, and to extend to each of them, individually, my ~~most~~ sincere appreciation for the manner in which they have so efficiently and ~~unselfishly~~ unselfishly performed ^{the} numerous tasks assigned to them.

"With so much unrest in the maritime world today, it behooves each one of us to see that the highest possible degree of efficiency ~~is~~ *maintained* is ~~in~~ in the Coast Guard and that all give a full measure of service in order that undue burdens are not thrown upon others.

(more) --o--

(2) (4)
Coast Guard Headquarters,
Washington, D. C., August 4, 1938.

~~THE COAST GUARD'S BIRTHDAY~~
The Coast Guard was established

August 4th, 1938, marks the 148th anniversary of the establishment of the United States Coast Guard, called into being in 1790 by the First Congress, under the designation of the Revenue Marine. The Continental Navy had been disbanded after the end of the Revolutionary War, and for more than six years after its founding, the little Revenue fleet of ten vessels was the only armed force afloat to safeguard the maritime interests of the ~~United States~~ nation. The first commission granted to an officer of this organization, in fact, the first commission to any officer afloat, was signed by President Washington and tendered to Captain Hopley Yeaton. The original document is now preserved in the Library of Congress in Washington.

The Revenue Marine soon became the United States Revenue Cutter Service, operating under the Treasury Department, and began to acquire new duties under various other Departments as its organization was built up. Established primarily for protecting the ~~revenue~~ revenue of the ~~republic~~ republic by suppressing smuggling, more and more duties were assigned to it. From a humble beginning, the floating units of the Coast Guard, supplemented by the wings of powerful amphibian planes, have been augmented and have been developed into a complete coastal police force, protecting the shores of the Atlantic, Pacific and Great Lakes, the great inland waterways, the waters of Alaska and our insular possessions. The Coast Guard has been charged with the enforcement of all Federal laws on the high seas and navigable waters of the United States. Twenty-three years ago another duty was added - that of maintaining an efficient patrol each Spring and Summer in the North Atlantic Ocean, guarding against the menace of the iceberg peril in the region of the Grand Banks, under the provisions of the International Convention for Safety of Life at Sea, to safeguard the ocean lanes. This duty followed the Titanic disaster.



Of all these duties, however, the one of paramount importance - the one for which the entire organization of the Service is coordinated to perform with all the energy, fidelity and courage at its command - is the saving of life and property on the coasts and other navigable waters of the country.

The Life-Saving Service, established under the Treasury Department in 1845 and gradually expanded until it ^{was} operating a chain of stations on both coasts and on the Great Lakes, was also in the business of saving life and property. In 1915 for reasons of economy and coordination, these two ~~humanitarian~~ humanitarian services of the Treasury Department were amalgamated. ~~They became one symbol of service to the maritime people of this country under the name of the Coast Guard. The Act of Congress which thus formed the Coast Guard provides that it "shall operate under the Treasury Department in time of peace and operate as a part of the Navy, subject to the orders of the Secretary of the Navy, in time of war or when the President shall so direct."~~

By this means, and by the building up of a communication system of central radio stations supplemented by land-wire, cable and telephone lines, every unit of the land and sea forces can now be apprised of a disaster occurring anywhere in the country and those nearest the scene dispatched to aid with the least possible delay.

~~At every moment of the day and night in the lookout towers of the Coast Guard Stations on the Great Lakes and the Atlantic, Pacific and Gulf coasts, a vigilant watch is kept on every land and water activity within the range of vision, while a short-wave radio loud speaker keeps the lookout in constant touch with police emergency broadcasts of accidents he cannot see. A telephone at his elbow warns the nearby station of any mishap and the big power lifeboat hits the water with a rush - away on its mission of rescue. The large cutters and patrol boats~~

6
lie at anchor at strategic points along the coast lines, steam up and a crew on board, ready to cast off and proceed at once to the rescue of some crippled ship, a ship on fire, water-logged, or sinking or unwarily trapped on a reef and about to break up.

~~That such an emergency police and rescue machine may operate smoothly requires a rigid discipline - there must be no delay, no hanging back, no questioning of orders - and such is the case in this Service. The Coast Guard is a strictly military organization throughout, drilled and ready to take its place beside the Navy, as it automatically does in time of war.~~

With Headquarters at Washington, D. C., the Coast Guard operates large cutters and patrol boats, numerous small patrol boats, big amphibian seaplanes and life saving stations, with a total personnel of approximately 10,000 officers and men, ~~all under the Command of Rear Admiral Russell E. Waugh.~~

For the detailed administration of this force, the entire country, including Alaska and the islands of Hawaii and Puerto Rico, is divided into nine divisions, each under a division commander. For the administration of the numerous stations, the divisions are further divided into thirteen districts, each with its district commander responsible to the division commander.

As an indication of the concrete value of the Coast Guard to the people of the United States, it is necessary only to cite the fact that during the fiscal year 1937, it saved 7,631 persons who were in peril of drowning, seized or reported 4,127 vessels which were violating navigation and other laws, patrolled 386 regattas to safeguard against accidents and loss of life, removed or destroyed 230 derelicts and other obstructions that seriously menaced the safety of shipping, and assisted to safety vessels in dire distress to the value of \$98,004,465.00.

~~The Commandant of the Coast Guard, Rear Admiral Russell E. Waugh, has sent to the Officers and Men the following message on this anniversary:~~

TREASURY DEPARTMENT

Washington

FOR RELEASE, AFTERNOON NEWSPAPERS,
Wednesday, August 3, 1938.
8/2/38.

Press Service
No. 14-18

United States Coast Guard units throughout the country and in its territories and possessions will celebrate tomorrow the 148th anniversary of the founding of the Service.

Aboard cutters and in the air and at shore stations and offices of division headquarters the day will be commemorated. Some of the ships and planes will be in the Bering Sea and others cruising the equatorial islands of the Pacific but all will have some form of observance of Coast Guard Day and by radio will be in contact with Headquarters in Washington.

Major programs for the day are scheduled at Manteo, N. C., and Grand Haven, Mich. At the former place Assistant Secretary of the Treasury Stephen B. Gibbons, who is in charge of the Coast Guard, will speak and for the latter celebration the cutter ESCANABA, berthed at Grand Haven, will become the flagship of the Service for the day when the Commandant, Rear Admiral R. R. Waesche, is "piped" aboard. Both demonstrations will be featured by life-saving drills, boat races and entertainment programs.

At Grand Haven the admiral will be guest of honor at a dinner for 500 Coast Guardsmen and their families. The ceremonies will be broadcast over a nation-wide radio hookup between 6:15 and 6:30 o'clock, Eastern Standard Time, and again between 9:15 and 9:30 o'clock that evening.

In connection with the anniversary, Admiral Waesche today sent the following message to the officers and enlisted men of the Coast Guard:

"August 4 marks the 148th anniversary of the founding of the United States Coast Guard and I take this opportunity to send warm personal greetings to the officers, men and civilian employes of the Service, and to extend to each of them, individually, my sincere appreciation for the manner in which they have so efficiently and unselfishly performed the numerous tasks assigned to them.

"With so much unrest in the maritime world today, it behooves each one of us to see that the highest possible degree of efficiency is maintained in the Coast Guard and that all give a full measure of service in order that undue burdens are not thrown upon others.

"There are bound to be disappointments and misunderstandings -- but progress will surely follow if the Service works as a team and thus increases its accomplishments and its capacity for greater responsibilities. Progress for the Service means progress for the individuals who comprise it.

"I cordially invite our friends of the other Services, as well as those in civil pursuits, whose kindness and helpfulness is gratefully acknowledged, to join with us in celebrating this occasion.

"A hearty welcome awaits all who visit our ships and stations and I believe that all of our friends who honor us with their presence will be happily served with a broader knowledge of the important part the United States Coast Guard plays in the maritime life of our country."

The Coast Guard was established in 1790 by the First Congress, under the designation of the Revenue Marine. The Continental Navy had been disbanded after the end of the Revolutionary War, and for more than six years after its founding, the little Revenue fleet of ten vessels was the only armed force afloat to safeguard the maritime interests of the nation. The

first commission granted to an officer of this organization -- in fact, the first commission to any officer afloat -- was signed by President Washington and tendered to Captain Hopley Yeaton. The original document is now preserved in the Library of Congress in Washington.

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From a humble beginning, the floating units of the Coast Guard, supplemented by the wings of powerful amphibian planes, have been augmented and have been developed into a complete coastal police force, protecting the shores of the Atlantic, Pacific and Great Lakes, the great inland waterways, the waters of Alaska and our insular possessions. The Coast Guard has been charged with the enforcement of all Federal laws on the high seas and navigable waters of the United States.

Twenty-three years ago another duty was added -- that of maintaining an efficient patrol each Spring and Summer in the North Atlantic Ocean, guarding against the menace of the iceberg peril in the region of the Grand Banks, under the provisions of the International Convention for Safety of Life at Sea, to safeguard the ocean lanes. This duty followed the Titanic disaster.

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TREASURY DEPARTMENT

Washington

FOR RELEASE, MORNING NEWSPAPERS,
Friday, August 5, 1938.
8/3/38.

Press Service
No. 14-19

Acting Secretary of the Treasury Magill today made public preliminary statistics of corporation income and excess-profits tax returns for 1936 filed in the period January through December, 1937, prepared under the direction of Commissioner of Internal Revenue Guy T. Helvering.

In general, the returns covered by this release are for the calendar year 1936. However, a considerable number of returns are filed for a fiscal year other than the calendar year. These returns for fiscal years ended in the period July, 1936, through June, 1937, are tabulated with the calendar year returns. There are also included part-year returns for which the greater part of the accounting period falls in 1936. The statistics are compiled from the returns as filed and prior to revisions that may subsequently be made as a result of audit by the Bureau of Internal Revenue.

The number of corporation income and excess-profits tax returns for 1936 is 530,779, of which 203,162 show net income amounting to \$9,477,979,748, while 275,695 show a deficit of \$2,156,054,676, and 51,922 have no income data. The normal tax is \$1,024,756,219, the surtax on undistributed profits \$144,967,836, the excess-profits tax \$21,664,845, and the total tax \$1,191,388,900.

The comparability of the figures tabulated from the 1936 returns and those from the 1935 returns is affected, to a great extent, by the provisions of the revenue acts under which returns for the two years were filed. Returns with fiscal years ended prior to December 31, 1936, show income tax data according to the provisions of the Revenue Act of 1934, and returns for the calendar year 1936 and for fiscal years ended in the period January through June, 1937,

TREASURY DEPARTMENT

Washington

FOR RELEASE, MORNING NEWSPAPERS,
Friday, August 5, 1938.
8/5/38.

Press Service
No. 14-19

Acting Secretary of the Treasury Magill today made public preliminary statistics of corporation income and excess-profits tax returns for 1936 filed in the period January through December, 1937, prepared under the direction of Commissioner of Internal Revenue Guy T. Helvering.

In general, the returns covered by this release are for the calendar year 1936. However, a considerable number of returns are filed for a fiscal year other than the calendar year. These returns for fiscal years ended in the period July, 1936, through June, 1937, are tabulated with the calendar year returns. There are also included part-year returns for which the greater part of the accounting period falls in 1936. The statistics are compiled from the returns as filed and prior to revisions that may subsequently be made as a result of audit by the Bureau of Internal Revenue.

The number of corporation income and excess-profits tax returns for 1936 is 530,779, of which 203,162 show net income amounting to \$9,477,979,748, while 275,695 show a deficit of \$2,156,054,676, and 51,922 have no income data. The normal tax is \$1,024,756,219, the surtax on undistributed profits \$144,967,836, the excess-profits tax \$21,664,845, and the total tax \$1,191,388,900.

The comparability of the figures tabulated from the 1936 returns and those from the 1935 returns is affected, to a great extent, by the provisions of the revenue acts under which returns for the two years were filed. Returns with fiscal years ended prior to December 31, 1936, show income tax data according to the provisions of the Revenue Act of 1934, and returns for the calendar year 1936 and for fiscal years ended in the period January through June, 1937,

corporations not filing consolidated returns. The Revenue Act of 1936 extended the privilege of filing consolidated returns to street, suburban, and interurban electric railways.

Corporations are classified industrially according to their predominant business. Owing to the diversified activities of many corporations, the industrial groups do not contain solely corporations engaged exclusively in the industries in which they are classified. This year, the industrial groups "Clothing and apparel," "Petroleum and other mineral oil products" and "Motor vehicles, complete or parts" are shown as major industrial groups for the first time. In prior years, the group "Textile mill products" included "Clothing and apparel," "Chemicals and allied products" included "Petroleum and other mineral oil products," and "Metal and its products" included "Motor vehicles, complete or parts."

In the following table all 1936 returns are segregated by industrial groups and by "returns with net income", "returns with no net income" and "returns of inactive corporations". There are shown, of the following data, the items that are applicable to each segregation: number of returns, gross income, net income or deficit, normal tax, surtax on undistributed profits, excess-profits tax and total tax. In this table, composite data are shown for returns with fiscal years ended prior to December 31, 1936, filed under the Revenue Act of 1934, and for returns for the calendar year 1936 and for fiscal years ended in the period January through June, 1937, filed under the Revenue Act of 1936.

The gross income, deductions, net income and deficit, reported on returns for fiscal years ended prior to December 31, 1936, have been arbitrarily adjusted for this tabulation to conform to the definitions of these items under the Revenue Act of 1936, but the income tax and excess-profits tax have not been adjusted according to the provisions of the Revenue Act of 1936.

Corporation, 1936, returns filed in period January through December, 1937, by major industrial groups and by returns with net income and with no net income; number, gross income, deductions, net income or deficit, normal tax, surtax on undistributed profits, excess-profits tax and total tax; -also number of returns of inactive corporations

(Money figures in thousands of dollars)

Industrial groups	Total number of returns	Returns with net income 1/									Returns with no net income 1/				Number of returns of inactive corporations
		Number	Gross income 2/	Deductions 2/	Net income 1/	Normal tax 3/	Surtax on undistributed profits	Excess profits tax 4/	Total tax	Number	Gross income 2/	Deductions 2/	Deficit 1/		
Agriculture and related industries	9,860	2,920	523,992	458,156	65,837	7,666									
Mining and quarrying	18,174	5,146	2,069,330	1,769,282	300,048	35,083	989	3,025	328	8,983	6,025	201,766	234,470	32,704	915
Manufacturing:															
Food and kindred products	13,057	6,233	8,824,069	8,406,504	417,565	53,544	5,221		1,310	60,076	6,028	1,566,015	1,603,758	37,743	796
Liquors and beverages (alcoholic and nonalcoholic)	3,332	1,766	1,471,645	1,295,889	175,756	23,036	5,080		649	28,765	1,294	198,162	211,486	13,324	272
Tobacco products	379	153	1,188,166	1,060,198	127,968	17,825	538		69	18,432	211	27,440	28,638	1,198	15
Textile mill products	7,827	3,903	3,596,772	3,374,868	221,904	29,697	5,476		863	36,036	3,782	914,737	958,793	44,055	142
Clothing and apparel	8,203	3,633	1,759,667	1,703,322	56,344	7,219	1,226		232	8,677	4,455	523,088	537,132	14,044	115
Leather and its manufactures	2,401	1,200	1,043,709	993,062	50,647	6,683			974	7,791	1,144	239,163	253,436	14,272	57
Rubber products	618	330	910,991	856,220	54,771	7,377			1,143	8,639	259	50,872	54,055	3,183	29
Forest products	6,722	3,145	1,292,135	1,205,294	86,841	10,771			1,927	13,257	3,360	456,523	494,473	37,950	217
Paper, pulp and products	2,371	1,440	1,437,416	1,314,070	123,346	16,367			2,986	19,630	048	291,362	307,179	15,816	83
Printing, publishing and allied industries	12,735	5,469	1,792,311	1,603,836	188,475	23,307			4,064	27,822	6,811	440,889	469,364	28,475	455
Chemicals and allied products	7,175	3,305	3,649,346	3,170,063	479,282	57,408			6,571	65,142	3,507	275,614	294,378	18,764	363
Petroleum and other mineral oil products	853	358	3,716,991	3,492,361	224,630	20,723			2,895	23,671	389	888,562	909,672	21,110	106
Stone, clay and glass products	3,972	1,783	1,196,778	1,035,264	161,514	21,186			2,613	24,507	2,015	183,925	200,532	16,607	174
Metal and its products	19,776	10,473	10,502,899	9,388,837	1,114,062	147,122			24,552	175,456	8,561	2,068,597	2,143,503	74,907	742
Motor vehicles, complete or parts	801	367	4,621,105	4,187,756	433,348	59,700			5,778	66,174	390	163,117	174,771	11,654	44
Manufacturing not elsewhere classified	6,021	2,378	1,370,245	1,214,278	155,967	19,143			3,899	23,576	3,047	293,029	310,907	17,878	596
Total manufacturing	96,243	45,936	48,374,244	44,301,822	4,072,422	521,108	75,243	11,299	607,651	46,101	8,581,096	8,952,076	370,980	4,206	
Construction	17,987	6,193	1,307,283	1,233,290	73,993	9,061			2,030	11,747	10,442	703,492	740,791	37,299	1,352
Transportation and other public utilities	27,486	11,197	8,756,925	7,380,404	1,376,522	164,155			8,516	173,428	13,656	4,055,282	4,409,168	353,885	2,633
Trade	149,805	69,263	34,810,547	33,674,137	1,136,410	143,570			25,102	173,540	76,257	8,460,648	8,673,702	213,054	4,285
Service--Professional, amusements, hotels, etc.	64,426	18,445	2,545,622	2,313,449	232,173	26,029			5,506	32,447	41,258	2,103,313	2,346,549	243,235	4,723
Finance--Banking, insurance, real estate, holding companies, stock and bond brokers, etc.	132,718	43,865	6,371,572	4,151,645	2,219,927	118,007			24,550	144,895	71,832	2,405,692	3,181,233	775,541	17,021
Nature of business not given	14,080	197	2,630	1,982	648	76			7	86	1,482	5,222	10,431	5,209	12,401
Grand total	530,779	203,162	104,762,144	95,284,164	9,477,980	1,024,756	144,968	21,665	1,191,389	275,695	27,514,676	29,670,731	2,156,055	51,922	

1/ Unlike former years, "net income" or "deficit" represents the amount for excess-profits tax computation (item 27, p. 2 of return) which is equal to the difference between "total income" and "total deductions" (items 14 and 26, respectively, p. 2 of return) and also between "gross income" and "deductions" in this table. Net income or deficit includes dividends received on stock of domestic corporations subject to taxation under Title I of the effective revenue acts (item 12(a), p. 2 of return) and interest received on certain Government obligations, which is subject to excess-profits tax (item 8, p. 2 of return), and excludes contributions or gifts (limited to five percent of net income or deficit before deduction of contributions or gifts).

2/ "Gross income" and "deductions" correspond to "total income" and "total deductions" (items 14 and 26, respectively, p. 2 of return) plus, in each instance, "cost of goods sold" and "cost of operations" (items 2 and 5, p. 2 of return). Unlike former years, "gross income" includes interest received on certain Government obligations, which is subject to excess-profits tax, (item 8, p. 2 of return), and "deductions" include contributions or gifts (limited to five percent of net income before deduction of contributions or gifts) and exclude dividends received on stock of domestic corporations (item 12(a), p. 2 of return).

3/ Includes the following amounts: income tax of \$59,290,562 reported on returns with fiscal years ended prior to December 31, 1936; graduated normal tax of \$930,400,743, and flat normal tax of \$35,064,914 for corporations exempt from the graduated rates, reported on returns for the calendar year 1936 and for fiscal years ended in period January through June, 1937.

4/ Corresponds to item 28, p. 2 of return. To secure "net income for income tax computation" (item 29, p. 2 of return) this amount of excess-profits tax is subtracted from the "net income for excess-profits tax computation" (item 27, p. 2 of return).

Treasury Department

Washington

For Release *ams*
Thursday, Aug., 4, 1938

Press Service
No. 13-85

The jury of eight men chosen to make awards in the architectural competition to provide a design and plans for the Post Office and Court House Building at Covington, Ky., began its work today.

The jurors will make their selection from a total of 210 designs contributed from a list of 650 applicants who registered for the competition.

The ~~at~~ author of the winning design will receive an award of \$4,500 for his design, and an additional \$4,500 for consultation services during the preparation of working drawings and specifications.

Announcement of the winning design will be made ^{by The Procurement D} as soon as the jury reaches ~~a~~ a decision.

~~A~~

TREASURY DEPARTMENT

Washington

FOR RELEASE, MORNING NEWSPAPERS,
Thursday, August 4, 1938.
8/3/38.

Press Service
No. 14-20

The jury of eight men chosen to make awards in the architectural competition to provide a design and plans for the Post Office and Court House Building at Covington, Kentucky, began its work today.

The jurors will make their selection from a total of 210 designs contributed from a list of 650 applicants who registered for the competition.

The author of the winning design will receive an award of \$4,500 for his design, and an additional \$4,500 for consultation services during the preparation of working drawings and specifications.

Announcement of the winning design will be made by the Procurement Division as soon as the jury reaches a decision.

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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 8, 1938, ~~(1938)~~ 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 10, 1938.

~~(1938)~~
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. (Attention is invited to Treasury Decision 4550, ruling that Treasury bills are not exempt from the gift tax.) 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.

[Handwritten initials]

~~Single issue date~~
~~Single maturity date~~

~~PRESS STATEMENT CALPDA~~

~~EXHIBIT No. 11~~

TREASURY DEPARTMENT

FOR RELEASE, MORNING PAPERS,
Friday, August 5, 1938.

~~(1)~~

~~STATEMENT BY~~
~~XXXXXXXXXXXXXXXXXXXX~~
~~(3)~~

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, August 8, 1938. Tenders will not be received at the Treasury Department, Washington.

The Treasury bills will be dated August 10, 1938, and will mature on November 9, 1938, 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

Jgm

TREASURY DEPARTMENT

FOR RELEASE, MORNING PAPERS,
Friday, August 5, 1938.

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, August 8, 1938. Tenders will not be received at the Treasury Department, Washington.

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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 8, 1938, 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 10, 1938.

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. (Attention is invited to Treasury Decision 4550, ruling that Treasury bills are not exempt from the gift tax.) 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.

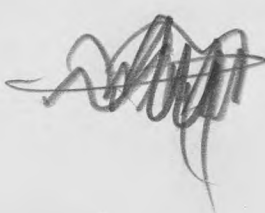
(two)---

Secretary ~~the~~ Morgenthau inaugurated the Treasury Department's annual ~~revolver contests~~ ^{marksmanship training tests, so} in the cause of better law enforcement.

~~and in order~~ that the ~~main~~ agents of the various ~~agencies~~ services might be able to better protect themselves in operations against criminals. ~~It has been emphasized frequently, however, that firearms are to be employed only in the case of emergency and that law enforcement should be humanely administered.~~

~~In the Thursday shooting many remarkable scores were recorded~~ ^{Ⓟ In yesterday's matches} in addition to those of Echols and Ballinger. A.W. Quick of New York, ~~P.M. Chapman of Seattle~~ P.M. Chapman of Seattle and W.J. Osmer of New York, all of the Bureau of Customs, shot ^{each} 297 ~~out of possible 300~~. On the Alcohol Tax Unit Team A.L. Melchoe of Phoenix ^{Ariz.} ~~made a score of 298~~ ^{scored 298} and ^{the targets of} K.A. Wilson of San Francisco ^{totaled} 297. E.L. Warden of the White House Police shot 299 and R.G. Ford of the same organization ^{registered a} 296. [#]

~~for the entire match~~
The ranking shots were Echols, Ford, Warden, M.R. Rogers, of Seattle, Melchoe, P.M. Chapman, of Seattle, R.P. Hallion, of Washington, W.J. Osmer, of New York, A.W. Quick, of New York and K.A. Wilson, of San Francisco.



For Immediate Release
Friday, August 5, 1938.

Treasury Department
Washington

Press Service
No. 14-21

Acting Secretary of the ~~Treasury Bureau~~ Magill

today presented to the Bureau of Customs revolver team

~~the~~ the silver cup offered by Secretary Morgenthau for ~~proficiency~~

proficiency in small-arms

marksmanship by Treasury agents engaged in law-enforcement and protective duties of divisions of the Treasury Department.
~~shooting by the various law enforcement~~

Mr. Magill also presented

gold, silver and bronze medals to the individual winners, who were

topped by L.E. Echols, of New York, ~~Bureau of~~ Bureau of ~~Customs,~~ Customs,

who in the team match shot 300, a perfect score. In two previous

matches Echols *scored* ~~299~~ 299 and 296, completing his

record with another perfect score of 300 yesterday. E.L. Ballinger, of El Paso, Texas, also made a perfect score ~~yesterday~~ yesterday.

~~Following the presentation of the Secretary's Cup and the medals, the competitors departed for the Curtis Bay~~

Coast Guard station, commanded by Captain Leroy *Reinberg* ~~Reinberg,~~ for a

summers ~~summer and get-together affair.~~

The ten leading individual shots were

detailed to remain in Washington during the *period from* August 5 ~~to 20~~ *to 20* August 20 to train for the Camp Perry, Ohio, national matches, which ~~are~~ *open*

As in *their* preliminary training the Treasury law-enforcement officers will be instructed by *experts of the* United States Coast Guard. ~~From~~ From the ten

best shots six will be selected to represent the ~~Treasury~~ Department at Camp Perry.

~~During the matches~~ *T* The Bureau of Customs, Alcohol Tax unit and White House Police ~~teams~~ teams led the shooting. *In this week's matches* The scores were considerably better than in the two previous annual shoots and were ~~higher~~ higher than in the preliminaries which were held

~~throughout~~ throughout the country in July.

(more) -o-

TREASURY DEPARTMENT
Washington

FOR IMMEDIATE RELEASE,
Friday, August 5, 1938.

Press Service
No. 14-21

Acting Secretary Magill today presented to the Bureau of Customs revolver team the silver cup offered by Secretary Morgenthau for proficiency in small-arms marksmanship by Treasury agents engaged in law-enforcement and protective duties.

Mr. Magill also presented gold, silver and bronze medals to the individual winners, who were topped by L. E. Echols of New York, Bureau of Customs, who in the team match shot 300, a perfect score. In two previous matches Echols scored 299 and 296, completing his record with another perfect score of 300 yesterday. E. L. Ballinger of El Paso, Texas, also made a perfect score yesterday.

The ten leading individual shots were detailed to remain in Washington during the period from August 5 to 20 to train for the Camp Perry, Ohio, national matches, which open August 21. As in their preliminary training the Treasury law-enforcement officers will be instructed by experts of the United States Coast Guard. From the ten best shots six will be selected to represent the Department at Camp Perry.

The Bureau of Customs, Alcohol Tax Unit and White House Police teams led the shooting in this week's matches. The scores were considerably better than in the two previous annual shoots and were higher than in the preliminaries which were held throughout the country in July.

Secretary Morgenthau inaugurated the Treasury Department's annual marksmanship training tests so that the agents of the various services might be better able to protect themselves in operations against armed criminals.

In yesterday's matches A. W. Quick of New York, P. M. Chapman of Seattle and W. J. Osmer of New York, all of the Bureau of Customs, shot 297 each. On the Alcohol Tax Unit team A. L. Meloche of Phoenix, Ariz., scored 298 and the targets of K. A. Wilson of San Francisco totaled 297. E. L. Warden of the White House Police shot 299 and R. G. Ford of the same organization registered a 296.

Monday A.M.

14-22

IMPORTS OF DISTILLED LIQUORS AND WINES AND DUTIES COLLECTED THEREON - JUNE 1938

	June 1938	May 1938	June 1937	Fiscal Year 1938 1937	
DISTILLED LIQUORS (Proof Gallons):					
Stock in Customs Bonded Ware- houses at beginning	3,517,231	3,616,086	3,771,454	3,863,839	3,706,839
Total Imports (Free and Dutiable)	903,599	749,553	1,298,096	13,977,379	16,402,696
Available for Consumption	4,420,830	4,365,639	5,069,550	17,841,218	20,109,535
Entered into Consumption (a)	924,466	843,488	1,191,295	14,257,855	16,138,202
Exported from Customs Custody	2,698	4,920	14,416	89,697	107,494
Stock in Customs Bonded Ware- houses at end	3,493,666	3,517,231	3,863,839	3,493,666	3,863,839
STILL WINES (Liquid Gallons):					
Stock in Customs Bonded Ware- houses at beginning	1,363,376	1,374,895	1,242,991	1,298,304	1,633,579
Total Imports (Free and Dutiable)	154,536	188,928	268,984	3,082,354	3,134,345
Available for Consumption	1,517,912	1,563,823	1,511,975	4,380,658	4,767,924
Entered into Consumption (a)	193,251	197,909	213,401	3,045,961	3,462,502
Exported from Customs Custody	3,952	2,538	270	13,988	7,118
Stock in Customs Bonded Ware- houses at end	1,320,709	1,363,376	1,298,304	1,320,709	1,298,304
SPARKLING WINES (Liquid Gallons):					
Stock in Customs Bonded Ware- houses at beginning	297,413	302,769	204,694	206,178	220,745
Total Imports (Free and Dutiable)	24,192	18,032	43,041	631,883	553,502
Available for Consumption	321,605	320,801	247,735	838,061	774,247
Entered into Consumption (a)	27,241	23,388	41,434	542,142	567,468
Exported from Customs Custody	228	-	123	1,783	601
Stock in Customs Bonded Ware- houses at end	294,136	297,413	206,178	294,136	206,178
DUTIES COLLECTED ON:					
Distilled Liquors	\$ 2,287,387	\$ 2,085,976	\$ 2,900,314	\$ 35,128,745	\$ 39,699,403
Still Wines	162,640	170,779	181,153	2,683,840	3,085,842
Sparkling Wines	81,039	70,131	124,065	1,620,264	1,701,378
Total Duties Collected on Liquor	\$ 2,531,066	\$ 2,326,886	\$ 3,205,532	\$ 39,432,849	\$ 44,486,623
Total Duties Collected on Other Commodities	19,419,402	20,008,678	38,510,015	319,754,401	441,869,976
TOTAL DUTIES COLLECTED	\$21,950,468	\$22,335,564	\$41,715,547	\$359,187,250	\$486,356,599
Percent collected on Liquors	11.5%	10.4%	7.7%	11.0%	9.1%

TREASURY DEPARTMENT
Washington

FOR RELEASE, MORNING NEWSPAPERS,
Monday, August 8, 1938.
8-6-38

Press Service
No. 14-22

Commissioner of Customs James H. Moyle today issued the following statement showing imports of distilled liquors and wines, and duties collected thereon, covering the month of June, 1938, with comparative figures for the months of June, 1937, and May, 1938, and the fiscal years 1937 and 1938:

	June 1938	May 1938	June 1937	Fiscal Year	
				1938	1937
DISTILLED LIQUORS (Proof Gallons)					
Stock in Customs Bonded Warehouses at beginning	3,517,231	3,616,086	3,771,454	3,863,839	3,706,839
Total Imports (Free and Dutiable) . . .	903,599	749,553	1,298,096	13,977,379	16,402,696
Available for Consumption	4,420,830	4,365,639	5,069,550	17,841,218	20,109,535
Entered into Consumption (a)	924,466	843,488	1,191,295	14,257,855	16,138,202
Stock in Customs Bonded Warehouses at end	3,493,666	3,517,231	3,863,839	3,493,666	3,863,839
STILL WINES (Liquid Gallons)					
Stock in Customs Bonded Warehouses at beginning	1,363,376	1,374,895	1,242,991	1,298,304	1,633,579
Total Imports (Free and Dutiable)	154,536	188,928	268,984	3,082,354	3,134,345
Available for Consumption	1,517,912	1,563,823	1,511,975	4,380,658	4,767,924
Entered into Consumption (a)	193,251	197,909	213,401	3,045,961	3,462,502
Stock in Customs Bonded Warehouses at end	1,320,709	1,363,376	1,298,304	1,320,709	1,298,304
SPARKLING WINES (Liquid Gallons)					
Stock in Customs Bonded Warehouses at beginning	297,413	302,769	204,694	206,178	220,745
Total Imports (Free and Dutiable)	24,192	18,032	43,041	631,883	553,502
Available for Consumption	321,605	320,801	247,735	838,061	774,247
Entered into Consumption (a)	27,241	23,388	41,434	542,142	567,468
Stock in Customs Bonded Warehouses at end	294,136	297,413	206,178	294,136	206,178
DUTIES COLLECTED ON:					
Distilled Liquors	\$2,287,387	\$2,085,976	\$2,900,314	\$35,128,745	\$39,699,403
Still Wines	162,640	170,779	181,153	2,683,840	3,085,842
Sparkling Wines	81,039	70,131	124,065	1,620,264	1,701,378
Total Duties Collected on Liquors	\$2,531,066	\$2,326,886	\$3,205,532	\$39,432,849	\$44,486,623

(a) Including withdrawals for ship supplies and diplomatic use.

TOTAL DUTIES COLLECTED \$21,950,468 \$22,335,564 \$41,715,547 \$359,187,250 \$486,356,599
 Percent collected on Liquors 11.5% 10.4% 7.7% 11.0% 9.1%

August 6, 1938.

TO: Mr. Magill

FROM: Mr. Schwarz @

For approval, please.

Changes noted.
RM

The Acting Secretary pointed out that literal translations of ~~some~~ ^{Some} of the foreign tax laws had been available previously, but that, ~~if anything, they were sometimes misleading.~~ ^{they were generally out-of-date and frequently misleading} The need, he explained, was for translations by ~~the~~ ^{some} experts who ~~knew~~ ^{were familiar} the intent of ~~the~~ ^{with technical tax terms as used in the United States} language of the various statutes from the revenue and business ~~as well as abroad; and who could have prepared a~~ ^{as well as abroad; and who could have prepared a} viewpoints, rather than for word-for-word definitions. ~~accurate translation.~~

Mr. Magill said that ~~not~~ ^{since} most nations had the same ~~many~~ ^{are common to all nations; it is likely that} tax problems ~~and that~~ the Congress, the Treasury and the taxpayers of the United States ~~would find helpful information in~~ ^{will find it helpful to} compare ~~with our own laws~~ ^{with our own laws} ~~the methods used abroad to solve some of these problems.~~ ^{similar}

~~The Treasury~~ began the task of collecting translations of the major foreign tax laws after discussing the need for such information with Representative Robert L. Doughton of North Carolina, who was then Chairman of the Joint Committee. In a letter to ~~the~~ Secretary Morgenthau in May of 1937, Mr. Doughton asked that the Committee be supplied with the completed translations.

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RECEIVED
MAY 1937

For immediate release
~~to be Monday for Tuesday a.m.s~~

Monday, August 8, 1938.

Acting Secretary of the Treasury Roswell

Magill was notified today by the Joint Committee on Internal Revenue Taxation of the Congress that it ~~has begun to~~ distribute the first of a series of translations of foreign tax laws prepared ~~under~~ ^{under} the supervision of the Department ~~Mr. Magill's direction for use in consideration of revenue proposals for the United States.~~

Initial statutes ~~to~~ come off the presses, ~~the Committee staff reported,~~ are the "Inheritance and Gift Tax Laws of Sweden." In preparation for the use of the ^{Treasury and} Joint Committee are the French, German and Dutch income tax laws, ~~and~~ Revenue measures of other foreign countries will be edited for publication as acceptable translations become available.

"This material ^{should} ~~will~~ be of genuine value in ~~the~~ the formulation of future tax legislation," Mr. Magill said today. "There has been a growing tendency in our revenue hearings ~~and~~ and in outside discussions to refer ~~vaguely~~ to the 'Dutch system' or the 'Swedish system' of handling this or that problem, but when we tried to ~~discover~~ discover just what the system was, we frequently found ourselves in the dark because we lacked adequate translations."

Further, in cases arising under our own revenue laws, the exact meaning of some foreign ^{more} tax statute is often involved

TREASURY DEPARTMENT

Washington

FOR IMMEDIATE RELEASE,
Monday, August 8, 1938.

Press Service
No. 14-23

Acting Secretary of the Treasury Roswell Magill was notified today by the Joint Committee on Internal Revenue Taxation of the Congress that it has begun to distribute the first of a series of translations of foreign tax laws prepared under the supervision of the Department.

Initial statutes to come off the presses are the "Inheritance and Gift Tax Laws of Sweden." In preparation for the use of the Treasury and Joint Committee are the French, German and Dutch income tax laws. Revenue measures of other foreign countries will be edited for publication as acceptable translations become available.

"This material should be of genuine value in the formulation of future tax legislation," Mr. Magill said today. "There has been a growing tendency in our revenue hearings and in outside discussions to refer to the 'Dutch system' or the 'Swedish system' of handling this or that problem, but when we tried to discover just what the system was, we frequently found ourselves in the dark because we lacked adequate translations. Further, in cases arising under our own revenue laws, the exact meaning of some foreign tax statute is often involved."

The Acting Secretary pointed out that literal translations of some of the foreign tax laws had been available previously, but that they were generally out-of-date and frequently misleading. The need, he explained, was for translations by experts who were familiar with technical tax terms as used in the United States, as well as abroad; and who could hence prepare a "really accurate translation."

Mr. Magill said that since many tax problems are common to all nations, it is likely that the Congress, the Treasury and the taxpayers of the United States would find it helpful to compare with our own laws the methods used abroad to solve similar problems. The Treasury began the task of collecting translations

of the major foreign tax laws after discussing the need for such information with Representative Robert L. Doughton of North Carolina, who was then Chairman of the Joint Committee. In a letter to Secretary Morgenthau in May of 1937, Mr. Doughton asked that the Committee be supplied with the completed translations.

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TREASURY DEPARTMENT

WASHINGTON

FOR RELEASE, MORNING NEWSPAPERS,
Tuesday, August 9, 1938.
 8/8/38

Press Service
 14-24

The Secretary of the Treasury announced last evening that the tenders for \$100,000,000, or thereabouts, of 91-day Treasury bills, to be dated August 10 and to mature November 9, 1938, which were offered on August 5, were opened at the Federal Reserve banks on August 8.

The details of this issue are as follows:

Total applied for - \$303,121,000
 Total accepted - 100,025,000

Range of accepted bids:

High	-	99.991	Equivalent rate approximately	0.036	percent
Low	-	99.986	" " " "	0.055	"
Average price	-	99.989	" " " "	0.044	"

(11 percent of the amount bid for at the low price was accepted)

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[Handwritten signature]

TREASURY DEPARTMENT

Washington

FOR RELEASE, MORNING NEWSPAPERS,
Tuesday, August 9, 1938.

8-8-38

Press Service
No. 14-24

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Low	- 99.986	" " " "	0.055	"
Average price	- 99.989	" " " "	0.044	"

(11 percent of the amount bid for at the low price was accepted)

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IMPORTS OF DOUGLAS FIR, WESTERN HEMLOCK AND RED CEDAR SHINGLES
UNDER THE QUOTA PROVISIONS OF THE CANADIAN TRADE AGREEMENT

Preliminary Figures as of July 30, 1938

Customs Districts	January 1 to July 30, 1938				July 1 to
	Sawed Timber & Lumber Not Specially Provided For				30, 1938
	DOUGLAS FIR (Bd.Ft.)	WESTERN HEMLOCK (Bd.Ft.)	MIXED FIR & HEMLOCK (Bd. Ft.)	TOTAL FIR & HEMLOCK (Bd. Ft.)	RED CEDAR SHINGLES (Squares)
TOTAL IMPORTS	60,199,229	14,500,785	16,657,299	91,357,313	368,588
Percent of Quota				36.5%	
FROM CANADA					
Alaska	486,130	-	-	486,130	63
Buffalo	1,245,259	745,766	-	1,991,025	7,513
Connecticut	3,320,736	38,059	-	3,358,795	-
Dakota	11,254,979	931,823	-	12,186,802	152,668
Duluth and Superior	6,483,189	2,538,517	-	9,021,706	41,214
Galveston	-	-	-	-	14,456
Los Angeles	13,643,718	346,949	58,525	14,049,192	4,027
Maine and N. H.	99,958	-	-	99,958	-
Massachusetts	6,012,386	6,852,976	-	12,865,362	-
Michigan	54,875	231,647	-	286,522	742
Minnesota	-	-	-	-	12,797
Montana and Idaho	13,991	-	-	13,991	4,115
New York	13,244	-	16,598,624	16,611,868	1,744
Philadelphia	9,266,369	1,837,730	-	11,104,099	1,170
Rhode Island	530,883	668,879	-	1,199,762	1,150
St. Lawrence	35,512	-	150	35,662	-
San Francisco	260,315	-	-	260,315	-
Vermont	268,815	32,000	-	300,815	6,364
Virginia	-	-	-	-	1,000
Washington	7,208,870	276,439	-	7,485,309	119,565

*Quantity allowable under quota for last six months of the calendar year 1938, not yet announced.

(Compiled by the Division of Statistics and Research, Bureau of Customs)

REPORT OF THE COMMISSIONER OF CUSTOMS AND EXCISE ON THE QUOTA PROVISIONS OF THE CANADIAN TRADE AGREEMENT

VALUATION STATEMENT FOR THE QUOTA YEAR 1938

The Commissioner of Customs today announced preliminary figures for imports of Douglas fir, Western hemlock and red cedar shingles, under the quota provisions of the Canadian Trade Agreement, as of July 30, 1938, and the percentage that such imports bear to the totals allowable under the quota provisions, as follows:

Commodity	Actual Imports	Quota Allowance	Percentage
Douglas fir	428,120	428,120	100.0
Western hemlock	1,043,257	748,708	71.7
Red cedar	2,820,750	21,000	0.7
Shingles	11,204,978	212,200	1.9
Subtotal	15,507,105	1,390,028	8.9
Other shingles	12,242,718	212,200	1.7
White and P. D.	90,000	-	-
Unfinished	2,012,300	1,200,000	59.6
Minnesota	24,000	200,000	83.3
Other	18,100	-	-
Subtotal	14,377,018	1,400,000	9.7
Other	1,130,087	-	-
Subtotal	15,507,105	1,390,028	8.9
Other	200,000	200,000	100.0
Subtotal	200,000	200,000	100.0
Subtotal	15,707,105	1,590,028	10.1

Quantity allowable under quota for 1938 and amount of the remaining quota for 1938 not exhausted.

(Compiled by the Director of Statistics and General, Bureau of Census)

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TREASURY DEPARTMENT

Washington

FOR IMMEDIATE RELEASE,
Tuesday, August 9, 1938.

Press Service
No. 14-25

The Commissioner of Customs today announced preliminary figures for imports of Douglas fir, Western hemlock and red cedar shingles; under the quota provisions of the Canadian Trade Agreement, as of July 30, 1938, and the percentage that such imports bear to the totals allowable under the quota provisions, as follows:

Customs Districts	January 1 to July 30, 1938				July 1 to
	Sawed Timber & Lumber Not Specially Provided For				30, 1938
	DOUGLAS FIR (Bd.Ft.)	WESTERN HEMLOCK (Bd.Ft.)	MIXED FIR & HEMLOCK (Bd. Ft.)	TOTAL FIR & HEMLOCK (Bd. Ft.)	RED CEDAR SHINGLES (Squares)
TOTAL IMPORTS	60,199,229	14,500,785	16,657,299	91,357,313	368,588*
Percent of Quota				36.5%	

FROM CANADA

Alaska	486,130	-	-	486,130	63
Buffalo	1,245,259	745,766	-	1,991,025	7,513
Connecticut	3,320,736	38,059	-	3,358,795	-
Dakota	11,254,979	931,823	-	12,186,802	152,668
Duluth & Superior	6,483,189	2,538,517	-	9,021,706	41,214
Galveston	-	-	-	-	14,456
Los Angeles	13,643,718	346,949	58,525	14,049,192	4,027
Maine and N.H.	99,958	-	-	99,958	-
Massachusetts	6,012,386	6,852,976	-	12,865,362	-
Michigan	54,875	231,647	-	286,522	742
Minnesota	-	-	-	-	12,797
Montana and Idaho	13,991	-	-	13,991	4,115
New York	13,244	-	16,598,624	16,611,868	1,744
Philadelphia	9,266,369	1,837,730	-	11,104,099	1,170
Rhode Island	530,883	668,879	-	1,199,762	1,150
St. Lawrence	35,512	-	150	35,662	-
San Francisco	260,315	-	-	260,315	-
Vermont	268,815	32,000	-	300,815	6,264
Virginia	-	-	-	-	1,000
Washington	7,208,870	276,439	-	7,485,309	119,565

*Quantity allowable under quota for last six months of the calendar year 1938, not yet announced.

IMPORTATIONS OF CATTLE, CREAM AND CERTIFIED SEED POTATOES
UNDER THE QUOTA PROVISIONS OF THE CANADIAN TRADE AGREEMENT

Preliminary Figures as of July 30, 1938

Customs District	January 1 to July 30, 1938				Dec. 1, 1937 to
	CATTLE UNDER 175# (Head)	CATTLE 700# OR MORE (Head)	DAIRY COWS 700# OR MORE (Head)	CREAM (Gal.)	July 30, 1938 WHITE OR IRISH SEED POTATOES (Pounds)
TOTAL IMPORTS	32,040	53,795	3,187	4,799	30,958,594
Percent of Quota	61.7%	34.5%	15.9%	0.3%	68.8%
FROM CANADA					
Alaska	-	-	4	1	-
Buffalo	4,849	6,041	26	-	160,770
Chicago	-	199	-	-	-
Dakota	113	1,844	7	106	109,500
Duluth & Superior	1	33	-	-	40,380
Florida	-	-	-	-	2,497,480
Maine & N. H.	71	19	221	63	2,926,614
Massachusetts	-	19	-	-	3,944,554
Michigan	42	2,162	1	-	1,273,410
Minnesota	1,348	11,682	-	-	-
Montana & Idaho	54	2,310	23	-	-
New York	14,749	101	-	-	18,774,846
Oregon	-	159	-	-	-
Philadelphia	-	-	-	-	415,316
St. Lawrence	5,383	225	466	5	800
Vermont	373	138	2,174	4,222	40,280
Virginia	-	-	-	-	761,944
Washington	2,994	2,829	265	-	12,700
Total from Canada	29,977	27,761	3,187	4,397	30,958,594
FROM MEXICO					
Arizona	751	7,157	-	-	-
El Paso	741	15,248	-	-	-
San Antonio	561	2,610	-	-	-
San Diego	10	1,019	-	-	-
Total from Mexico	2,063	26,034	-	-	-
FROM OTHER COUNTRIES					
Puerto Rico	-	-	-	327	-
New York	-	-	-	75	-

(Prepared by Division of Statistics and Research, Bureau of Customs)

IMPORTATIONS OF CATTLE, CREAM AND CERTIFIED SEED POTATOES
UNDER THE QUOTA PROVISIONS OF THE CANADIAN TRADE AGREEMENT

Statistical Report as of July 30, 1938

7 2000, 1938
7 2000, 1938
7 2000, 1938

The Commissioner of Customs today announced preliminary figures for imports of cattle, cream and certified seed potatoes, under the quota provisions of the Canadian Trade Agreement, as of July 30, 1938, and the percentage that such imports bear to the totals allowable under the quota provisions, as follows:

Commodity	Imports	Quota	Percentage	Total
Cattle	110	1,000	11%	1,110
British & Dominion	1	50	2%	51
Florida	-	-	-	-
Illinois & N. D.	51	10	51%	61
Minnesota	-	10	-	10
Michigan	42	2,100	2%	2,142
Missouri	1,741	13,000	13%	14,741
Ontario & Idaho	58	2,000	3%	2,058
New York	14,728	501	3%	15,229
Wisconsin	-	100	-	100
Unidentified	-	-	-	-
Per Cent	5,200	500	96%	5,700
Canada	574	100	57%	674
Switzerland	-	-	-	-
United States	4,626	400	11%	5,026
Total from Canada	20,107	20,700	97%	20,807
Per Cent	721	2,100	3%	2,821
Per Cent	741	10,000	7%	10,741
Per Cent	501	2,000	2%	2,501
Per Cent	50	1,000	5%	1,050
Total from Canada	2,063	20,700	10%	22,763
Per Cent	-	-	-	-
Per Cent	-	-	-	-

(Prepared by Division of Statistics and Research, Bureau of Customs)

File

OFFICE OF THE COMMISSIONER OF CUSTOMS

Sta

AUG 10 1938

MR. GASTON
(Attention of Mr. Schwarz, Room 289, Treasury Building)

FROM THE ACTING COMMISSIONER OF CUSTOMS:

There is attached for immediate release a tabulation showing imports of cattle, cream and certified seed potatoes, under the quota provisions of the Canadian Trade Agreement, as of July 30, 1938.

When the release has been mimeographed, please have 135 copies forwarded to Miss Henry, Room 415, Washington Building.

F. and S. W.

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TREASURY DEPARTMENT

Washington

FOR RELEASE, MORNING NEWSPAPERS,
 Wednesday, August 10, 1938.
 8-9-38

Press Service
 No. 14-26

The Commissioner of Customs today announced preliminary figures for imports of cattle, cream and certified seed potatoes; under the quota provisions of the Canadian Trade Agreement, as of July 30, 1938, and the percentage that such imports bear to the totals allowable under the quota provisions, as follows:

Customs District	January 1 to July 30, 1938					Dec. 1, 1937 to July 30, 1938
	CATTLE UNDER 175# (Head)	CATTLE 700# OR MORE (Head)	DAIRY COWS 700# OR MORE (Head)	CREAM (Gal.)	WHITE OR IRISH SEED POTATOES (Pounds)	
TOTAL IMPORTS	32,040	53,795	3,187	4,799	30,958,594	
Percent of Quota	61.7%	34.5%	15.9%	0.3%	68.8%	
<u>FROM CANADA</u>						
Alaska	-	-	4	1	-	
Buffalo	4,849	6,041	26	-	160,770	
Chicago	-	199	-	-	-	
Dakota	113	1,844	7	106	109,500	
Duluth & Superior	1	33	-	-	40,380	
Florida	-	-	-	-	2,497,480	
Maine & N.H.	71	19	221	63	2,926,614	
Massachusetts	-	19	-	-	3,944,554	
Michigan	42	2,162	1	-	1,273,410	
Minnesota	1,348	11,682	-	-	-	
Montana & Idaho	54	2,310	23	-	-	
New York	14,749	101	-	-	18,774,846	
Oregon	-	159	-	-	-	
Philadelphia	-	-	-	-	415,316	
St. Lawrence	5,383	225	466	5	800	
Vermont	373	138	2,174	4,222	40,280	
Virginia	-	-	-	-	761,944	
Washington	2,994	2,829	265	-	12,700	
Total from Canada	29,977	27,761	3,187	4,397	30,958,594	
<u>FROM MEXICO</u>						
Arizona	751	7,157	-	-	-	
El Paso	741	15,248	-	-	-	
San Antonio	561	2,610	-	-	-	
San Diego	10	1,019	-	-	-	
Total from Mexico	2,063	26,034	-	-	-	
<u>FROM OTHER COUNTRIES</u>						
Puerto Rico	-	-	-	327	-	
New York	-	-	-	75	-	

TREASURY DEPARTMENT

Washington

FOR RELEASE MORNING NEWSPAPERS
Monday August 15 1938

PRESS SERVICE
No. 14-27

Marshall R. Diggs, Acting Comptroller of the Currency, today announced the completion of the liquidation of 25 receiverships during the month of July, 1938. This makes a total of 1167 receiverships finally closed or restored to solvency since the Banking Holiday of March, 1933. Total disbursements, including offsets allowed, to depositors and other creditors of these 1167 receiverships, exclusive of the 42 restored to solvency, aggregated \$462 388 063 00, or an average return of 80.37 per cent of total liabilities, while unsecured creditors received dividends amounting to an average of 66.95 per cent of their claims. Dividends distributed to creditors of all active receiverships during the month of July, 1938, amounted to \$4 370 764 00. Total dividends paid and distributions to depositors of all receiverships from March 16, 1933 to July 31, 1938, amounted to \$915 566 961 00.

FIRST NATIONAL BANK, ROGERS, ARKANSAS:

This bank was placed in receivership January 13,-
1931. Depositors and other creditors received, includ-
ing offsets allowed, \$429 859 00, representing 66.67
per cent of total liabilities established. Unsecured
depositors received dividends aggregating 52.55 per
cent of claims proved.

ALLIANCE NATIONAL BANK, CHICAGO, ILLINOIS:

This bank was placed in receivership June 15, 1932. Depositors and other creditors received, including offsets allowed, \$1 140 064 00, representing 76.04 per cent of total liabilities established. Unsecured depositors received dividends aggregating 37.2 per cent of claims proved.

HENRY NATIONAL BANK, HENRY, ILLINOIS:

A receiver was appointed for this bank under date of October 27, 1937, for the purpose of collecting a stock assessment covering deficiency in value of assets sold and/or completing unfinished liquidation, depositors and creditors having been previously paid in full by assumption of liabilities by another bank. Dividends paid amounted to 31.487 per cent of claims proved, while total disbursements by the Receiver, including offsets allowed, aggregated \$47 941 00, representing 75.26 per cent of total liabilities.

FIRST NATIONAL BANK, SECOR, ILLINOIS:

This bank was placed in receivership February 6, 1933. Depositors and other creditors received, including offsets allowed, \$107 033 00, representing 70.55 per cent of total liabilities

established. Unsecured depositors received dividends aggregating 53. per cent of claims proved.

FIRST-STERLING NATIONAL BANK, STERLING, ILLINOIS:

This bank was formerly in conservatorship. It was finally placed in receivership March 29, 1934. Depositors and other creditors received, including offsets allowed, \$1 441 850 00, representing 100.51 per cent of total liabilities established. Regular creditors received dividends aggregating 100 per cent principal plus an additional interest dividend of 1.64 per cent.

FARMERS NATIONAL BANK, VIOLA, ILLINOIS:

This bank was formerly in conservatorship. It was finally placed in receivership November 1, 1933. Depositors and other creditors received, including offsets allowed, \$245 335 00, representing 103.64 per cent of total liabilities established. Unsecured depositors received dividends aggregating 100 per cent principal plus an additional interest dividend of 4.9 per cent.

FIRST NATIONAL BANK, CHADWICK, ILLINOIS:

This bank was formerly in conservatorship. It was finally placed in receivership January 12, 1934. Depositors and other creditors received, including offsets allowed, \$197 100 00, representing 85.76 per cent of total liabilities established. Regular creditors received dividends aggregating 100 per cent principal plus an additional interest dividend of 10.53 per cent. Deferred certificate holders received dividends aggregating 11.7 per cent.

AMERICAN NATIONAL BANK, RUSHVILLE, INDIANA:

This bank was placed in receivership April 25, 1933. Depositors and other creditors received, including offsets allowed, \$611 092 00, representing 104.5 per cent of total liabilities established. Unsecured depositors received dividends aggregating 100 per cent principal plus an additional interest dividend of 7.83 per cent. Assets and stockholders' unpaid assessments having book values in the respective aggregate amounts of \$125 901 00 and \$46 848 00 and cash in the sum of \$1551 00 were transferred to an agent elected by the shareholders.

CITIZENS NATIONAL BANK & TRUST COMPANY,
TERRE HAUTE, INDIANA:

This bank was placed in receivership December 17, 1931. Depositors and other creditors received, including offsets allowed, \$992 374 00, representing 78.39 per cent of total liabilities established. Unsecured depositors received dividends aggregating 73.22 per cent of claims proved.

CARROLLTON NATIONAL BANK, CARROLLTON, KENTUCKY:

This bank was formerly in conservatorship. It was finally placed in receivership April 25, 1934. Depositors and other creditors received, including offsets allowed, \$666 878 00, representing 82.36 per cent of total liabilities established. Unsecured depositors received dividends aggregating 76.54 per cent of claims proved.

FIRST NATIONAL BANK, GREENUP, KENTUCKY:

This bank was formerly in conservatorship. It was finally placed in receivership February 2, 1934. Depositors and other creditors received, including offsets allowed, \$454 007 00, representing 109.54 per cent of total liabilities established. Unsecured depositors received dividends aggregating 100 per cent principal plus an additional interest dividend of 5.5 per cent.

FIRST NATIONAL BANK, WHITESBURG, KENTUCKY:

This bank was placed in receivership June 17, 1932. Depositors and other creditors received, including offsets allowed, \$489 409 00, representing 86.64 per cent of total liabilities established. Unsecured depositors received dividends aggregating 82.7 per cent of claims proved.

FIRST NATIONAL BANK, HAMPSTEAD, MARYLAND:

This bank was placed in receivership March 10, 1933. Depositors and other creditors received, including offsets allowed, \$728 948 00, representing 85.69 per cent of total liabilities established. Unsecured depositors received dividends aggregating 83.1 per cent of claims proved.

CHEROKEE NATIONAL BANK, ST. LOUIS, MISSOURI:

This bank was formerly in conservatorship. It was finally placed in receivership April 22, 1933. Depositors and other creditors received, including offsets allowed, \$1 360 168 00, representing 78. per cent of total liabilities established. Unsecured depositors received dividends aggregating 66.8 per cent of claims proved.

FIRST NATIONAL BANK, EAST RUTHERFORD, NEW JERSEY:

This bank was formerly in conservatorship. It was finally placed in receivership March 1, 1934. Depositors and other creditors received, including offsets allowed, \$501 918 00, representing 89.19 per cent of total liabilities established. Unsecured depositors received dividends aggregating 85.8 per cent of claims proved.

MAPLE SHADE NATIONAL BANK,
MAPLE SHADE, NEW JERSEY:

This bank was formerly in conservatorship. It was finally placed in receivership August 23, 1933. Depositors and other creditors received, including offsets allowed, \$126 412 00, representing 63.36 per cent of total liabilities established. Unsecured depositors received dividends aggregating 36.1 per cent of claims proved.

FIRST NATIONAL BANK OF TRENTON,
BARNEVELD, NEW YORK:

This bank was formerly in conservatorship. It was finally placed in receivership September 20, 1933. Depositors and other creditors received, including offsets allowed, \$353 230 00, representing 84.32 per cent of total liabilities established. Unsecured depositors received dividends aggregating 75.1 per cent of claims proved.

FIRST NATIONAL BANK, EL PASO, TEXAS:

This bank was placed in receivership September 4, 1931. Depositors and other creditors received, including offsets allowed, \$6 162 644 00, representing 71.34 per cent of total liabilities established. Unsecured depositors received dividends aggregating 52.927 per cent of claims proved.

PAMPA NATIONAL BANK, PAMPA, TEXAS:

A receiver was appointed for this bank under date of August 13, 1937, for the purpose of collecting a stock assessment covering deficiency in value of assets sold and/or completing unfinished liquidation, depositors and creditors having been previously paid in full by assumption of liabilities by another bank. Dividends paid amounted to 35.4 per cent of claims proved, while total disbursements by the Receiver, including offsets allowed, aggregated \$33 422 00, representing 35.4 per cent of total liabilities.

NATIONAL WHITE RIVER BANK, BETHEL, VERMONT:

This bank was formerly in conservatorship. It was finally placed in receivership November 13, 1933. Depositors and other creditors received, including offsets allowed, \$1 287 876 00, representing 99.83 per cent of total liabilities established. Unsecured depositors received dividends aggregating 100 per cent principal plus an additional interest dividend of .1 per cent.

FIRST NATIONAL BANK, ANAWALT, WEST VIRGINIA:

This bank was placed in receivership October 15, 1931. Depositors and other creditors received, including offsets allowed, \$183 802 00, representing 93.08 per cent of total liabilities established. Unsecured depositors received dividends aggregating 94.3 per cent of claims proved.

BAYARD NATIONAL BANK, BAYARD, WEST VIRGINIA:

This bank was placed in receivership April 28, 1932. Depositors and other creditors received, including offsets allowed, \$156 316 00, representing 89.54 per cent of total liabilities established. Unsecured depositors received dividends aggregating 88.7 per cent of claims proved.

FIRST NATIONAL BANK, PINEVILLE, WEST VIRGINIA:

This bank was placed in receivership May 1, 1930. Depositors and other creditors received, including offsets allowed, \$164 929 00, representing 57.27 per cent of total liabilities established. Unsecured depositors received dividends aggregating 43.7 per cent of claims proved.

OLD NATIONAL BANK, WAUPACA, WISCONSIN:

This bank was formerly in conservatorship. It was finally placed in receivership March 26, 1934. Depositors and other creditors received, including offsets allowed, \$752 566 00, representing 102.73 per cent of total liabilities established. Unsecured depositors received dividends aggregating 100 per cent principal plus an additional interest dividend of 1. per cent.

CITIZENS NATIONAL BANK, WISCONSIN RAPIDS, WISCONSIN:

A receiver was appointed for this bank under date of October 13, 1931, for the purpose of collecting a stock assessment covering deficiency in value of assets sold and/or completing unfinished liquidation, depositors and creditors having been previously paid in full by assumption of liabilities by another bank. The receivership was thereafter finally closed under date of March 21, 1933. However, in order to dispose of certain unfinished business the receivership was reopened under date of February 8, 1938. Dividends paid have now amounted to 100 per cent of claims proved, while total disbursements by the Receiver, including offsets allowed, have aggregated \$228 004 00, representing 99.87 per cent of total liabilities. Assets and stockholders' unpaid assessments having book values in the respective amounts of \$40 004 00 and \$22 278 00, and cash in the sum of \$9086 00 have been transferred to an agent elected by the shareholders.

INSOLVENT NATIONAL BANKS LIQUIDATED AND FINALLY CLOSED
OR RESTORED TO SOLVENCY DURING THE MONTH OF
JULY, 1938.

Page A

<u>Name and Location of Bank.</u>	<u>Date of Failure.</u>	<u>Total Disbursements Including Offsets Allowed.</u>	<u>Per Cent Total Disbursements to Total Liabilities.</u>	<u>Per Cent Dividend Declared to All Claimants.</u>	<u>Capital Stock at Date of Failure.</u>	<u>Cash, Assets, Uncollected Stock Assessments, etc. Returned to Shareholders' Agent.</u>
First Natl Bank Rogers, Ark.	1--13-31	\$ 429 859 00	66.67	52.55	\$ 50 000 00	\$ 000
First Natl Bank Chadwick, Ill.	2/ 1--12-34	197 100 00	85.76	110.53 11.7 *	50 000 00	000
Alliance Natl Bank Chicago, Ill.	6--15-32	1 140 064 00	76.04	37.2	200 000 00	000
Henry Natl Bank Henry, Ill.	1/ 10-27-37	47 941 00	75.26	31.487	65 000 00	000
First Natl Bank Secor, Ill	2--6--33	107 033 00	70.55	53.	25 000 00	000
First-Sterling NB Sterling, Ill.	2/ 3--29-34	1 141 850 00	100.51	101.64	200 000 00	000
Farmers Natl Bank Viola, Ill.	2/ 11-1--33	245 335 00	103.64	104.9	40 000 00	000
American Natl Bank Rushville, Ind.	4-25--33	611 092 00	104.5	107.83	100 000 00	174 300 00
Citizens NB & Tr. Co. Terre Haute, Ind.	12-17-31	992 374 00	78.39	73.22	200 000 00	000
Carrollton Natl Bank Carrollton, Ky.	2/ 4--25-34	666 878 00	82.36	76.54	60 000 00	000
First Natl Bank Greemp, Ky.	2/ 2--1--34	454 007 00	109.54	105.5	50 000 00	000
First Natl Bank Whitesburg, Ky.	6--17-32	489 409 00	86.64	82.7	50 000 00	000

INSOLVENT NATIONAL BANKS LIQUIDATED AND FINALLY CLOSED
OR RESTORED TO SOLVENCY DURING THE MONTH OF
JULY, 1938

Page B

Name and Location of Bank.	Date of Failure.	Total Disbursements Including Offsets Allowed.	Fer Cent Total Dis- bursements to Total Liabilities.	Fer Cent Dividend Declared to All Claimants.	Capital Stock at Date of Failure.	Cash, Assets, Uncollected Stock Assessments, etc. Returned to Share- holders' Agent.
First Natl Bank Hampstead, Md.	3--10-33	\$ 728 948 00	85.69	83.1	\$ 50 000 00	\$ 000
Cherokee Natl Bank St. Louis, Mo.	2/ 4--22-33	1 360 168 00	78.	66.8	200 000 00	000
First Natl Bank East Rutherford, N. J.	2/ 3--1--34	501 918 00	89.19	85.8	50 000 00	000
Maple Shade Natl Bank Maple Shade, N. J.	2/ 8--23-33	126 412 00	63.36	36.1	50 000 00	000
First Natl Bank of Trenton Barneveld, N. Y.	2/ 9--20-33	353 230 00	84.32	75.1	40 000 00	000
First Natl Bank El Paso, Texas.	9--4--31	6 162 644 00	71.34	52.927	1 000 000 00	000
Fampa Natl Bank Fampa, Texas	1/ 8--13-37	33 422 00	35.4	35.4	50 000 00	000
Natl White River Bank Bethel, Vt.	2/ 11-13-33	1 287 876 00	99.83	100.1	50 000 00	000
First Natl Bank Anawalt, W. Va.	10-15-31	183 802 00	93.08	94.3	50 000 00	000
Bayard Natl Bank Bayard, W. Va.	4--28-32	156 316 00	89.54	88.7	25 000 00	000
First Natl Bank Fineville, W. Va.	5--1--30	164 929 00	57.27	43.7	25 000 00	000

INSOLVENT NATIONAL BANKS LIQUIDATED AND FINALLY CLOSED
OR RESTORED TO SOLVENCY DURING THE MONTH OF
JULY, 1938

Page C

Name and Location of Bank.	Date of Failure.	Total Disbursements Including Offsets Allowed.	Per Cent Total Disbursements to Total Liabilities.	Per Cent Dividend Declared to All Claimants.	Capital Stock at Date of Failure.	Cash, Assets, Uncollected Stock Assessments, etc. Returned to Shareholders' Agent.
Old Natl Bank Waupaca, Wisc.	2/ 3--26-34	\$ 752 566 00	102.73	101.	\$ 50 000 00	\$ 000
Citizens Natl Bank Wisconsin Rapids, Wis.	1/ 2--8--38 **	228 004 00	3/ 99.87	100. ***	100 000 00	71 368 00

1/ -- Receiver appointed to levy and collect stock assessment covering deficiency in value of assets sold, or to complete unfinished liquidation.

2/ -- Formerly in conservatorship.

(*) - Principal dividend payment to deferred certificate holders.

(**) - Date of reopening for the purpose of delivery to the shareholders' agent of equity in assets.

(***) - In addition to 100 per cent principal dividend payment, the single creditor received payment of interest in full through the proceeds of collateral collections.

3/ -- Including \$73 335 00 reported on date of first closing March 21, 1933.

LIQUIDATION DATA

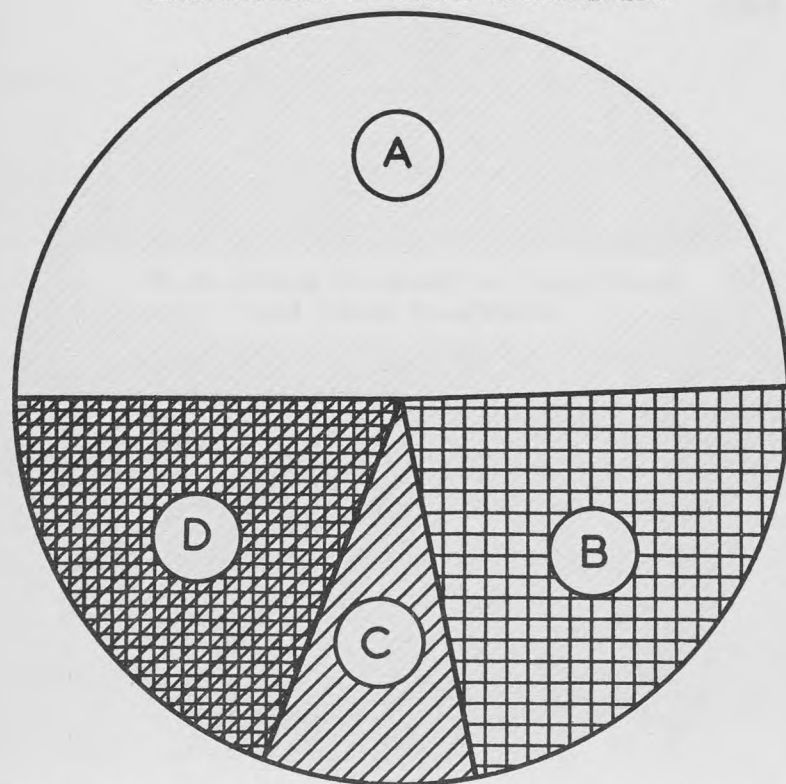
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INSOLVENT NATIONAL BANKS

COMPLETELY LIQUIDATED AND FINALLY CLOSED

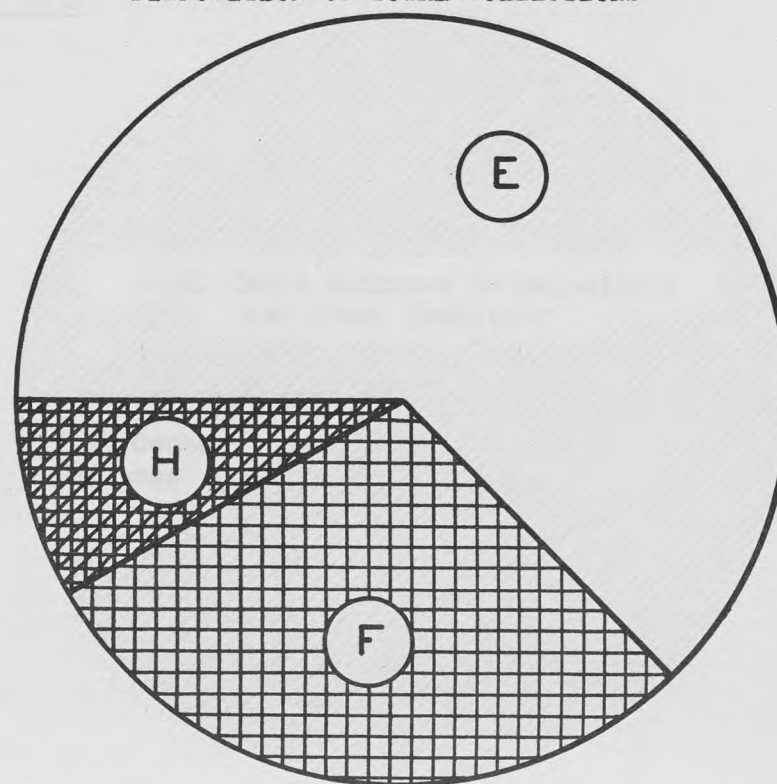
MONTH OF JULY 1938

DISPOSITION OF TOTAL LIABILITIES



A - Dividend Payments	\$ 11,436,110	49.3%
B - Other Cash Payments	\$ 5,254,844	22.6%
C - Offsets Allowed	\$ 2,098,888	9.0%
D - Unpaid Liabilities	\$ 4,429,790	19.1%
	<u>\$ 23,219,632</u>	

DISPOSITION OF TOTAL COLLECTIONS



E - Dividend Payments	\$ 11,436,110	62.8%
F - Other Cash Payments	\$ 5,254,844	28.8%
G - Returned to Shareholders	\$ 10,637	.1%
H - Expense of Liquidation	\$ 1,519,786	8.3%
	<u>\$ 18,221,377</u>	

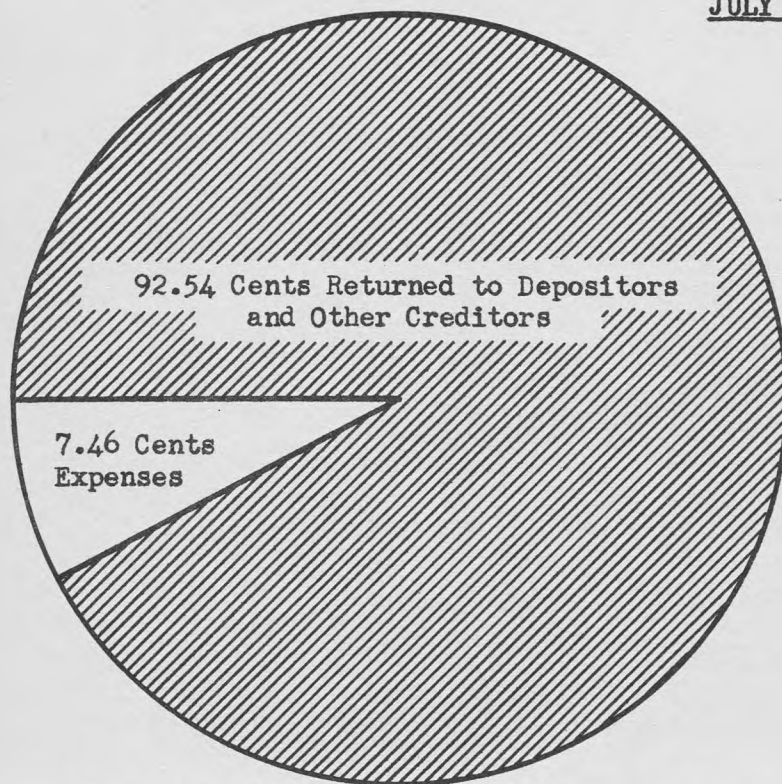
TREASURY DEPARTMENT

Office of the Comptroller of the Currency

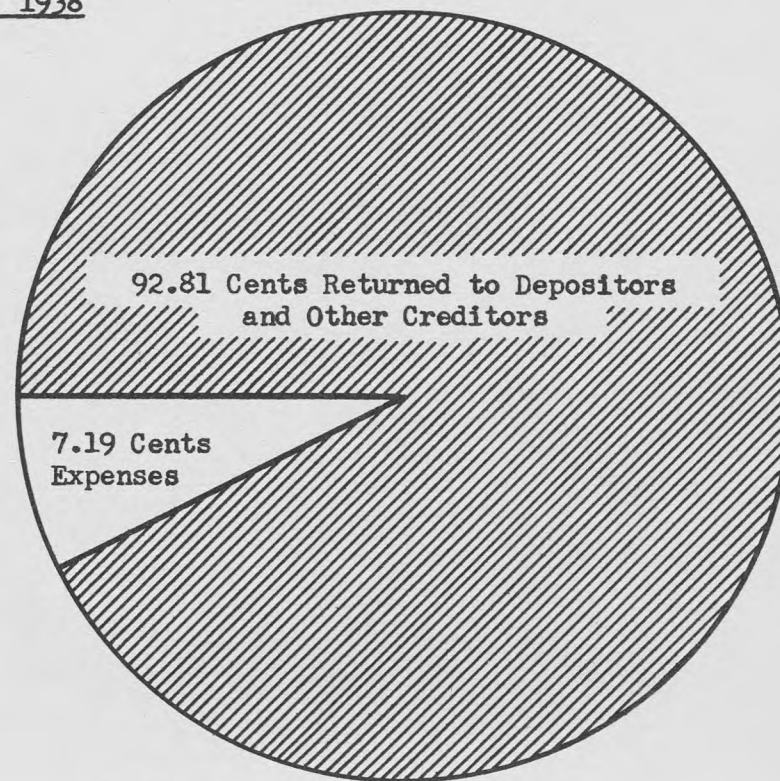
INSOLVENT NATIONAL BANKS

DISPOSITION OF COLLECTION DOLLAR (INCLUDING OFFSETS ALLOWED) IN
CLOSED RECEIVERSHIP BANKS THE LIQUIDATION OF WHICH HAD BEEN COMPLETED

TO
JULY 31, 1938



1,125 Receiverships Liquidated and Closed
period March 16, 1933 to July 31, 1938



2,236 Receiverships Liquidated and
Closed April 14, 1865 to July 31, 1938

IMPORTS OF COMMODITIES FROM THE PHILIPPINES UNDER QUOTA
PROVISIONS OF PHILIPPINE INDEPENDENCE ACT AND CORDAGE ACT OF 1935

Preliminary Figures, as of July 30, 1938

Customs District	January 1 to July 30, 1938			May 1 to July
	COCONUT OIL (Pounds)	REFINED SUGAR (Pounds)	UNREFINED SUGAR (Pounds)	CORDAGE (Pounds)
TOTAL IMPORTS	203,669,132	69,303,268	1,334,143,140	336,122
Per Cent of Quota	45.5%	61.9%	74.4%	5.6%
Hawaii	18,238	-	15,773	57,341
Los Angeles	5,095,154	16,991,670	473,805	69,341
Maryland	1,325,850	-	146,181,726	-
Massachusetts	39,557,122	-	65,511,770	-
New Orleans	31,451,770	-	206,689,159	10,832
New York	106,021,509	-	522,144,679	75
Oregon	-	20,968,556	61,596	-
Philadelphia	6,644,920	-	355,934,445	12,704
Puerto Rico	72,564	-	-	4,959
San Francisco	12,809,657	-	37,074,615	161,078
Virginia	-	-	-	8,497
Washington	672,348	31,343,042	55,572	11,295

(Prepared by Division of Statistics and Research, Bureau of Customs)

REPORT OF COMMISSIONER FROM THE PHILIPPINE ISLAND QUOTA
 PROVISIONS OF PHILIPPINE INDEPENDENCE ACT AND CORDAGE ACT OF 1935

Preliminary Figures, as of July 30, 1938

The Commissioner of Customs today announced preliminary figures for imports of commodities coming into the United States from the Philippine Islands under the quota provisions of the Philippine Independence Act, during the period January 1 to July 30, 1938, and under the Cordage Act of 1935, during the period May 1 to July 30, 1938, also the percentage that such imports bear to the totals allowable under the quota provisions, as follows:

Commodity	Imports under Philippine Independence Act, 1938	Imports under Cordage Act, 1935	Total Imports	Percentage of Total
Bacon	104,082,509	-	104,082,509	100.00
Coffee	21,451,770	-	21,451,770	100.00
Cocoa Beans	4,544,700	-	4,544,700	100.00
Cocoa Beans, Shell	52,264	-	52,264	100.00
Cocoa Beans, Shell, Broken	18,679,225	-	18,679,225	100.00
Cocoa Beans, Shell, Whole	876,000	20,788,206	21,664,206	100.00
Cocoa Beans, Shell, Whole, Broken	-	21,096	21,096	100.00
Cocoa Beans, Shell, Whole, Broken, Broken	-	236,524,443	236,524,443	100.00
Cocoa Beans, Shell, Whole, Broken, Broken	-	181,279	181,279	100.00
Cocoa Beans, Shell, Whole, Broken, Broken	-	8,300	8,300	100.00
Cocoa Beans, Shell, Whole, Broken, Broken	-	53,392	53,392	100.00

(Prepared by Division of Statistics and Research, Bureau of Customs)

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TREASURY DEPARTMENT

Washington

FOR RELEASE, MORNING NEWSPAPERS,
Thursday, August 11, 1938.
 8-10-38

Press Service
 No. 14-28

The Commissioner of Customs today announced preliminary figures for imports of commodities coming into the United States from the Philippine Islands under the quota provisions of the Philippine Independence Act, during the period January 1 to July 30, 1938, and under the Cordage Act of 1935, during the period May 1 to July 30, 1938, also the percentage that such imports bear to the totals allowable under the quota provisions, as follows:

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TOTAL IMPORTS	203,669,132	69,303,268	1,334,143,140	336,122
Per Cent of Quota	45.5%	61.9%	74.4%	5.6%
Hawaii	18,238	-	15,773	57,341
Los Angeles	5,095,154	16,991,670	473,805	69,341
Maryland	1,325,850	-	146,181,726	-
Massachusetts	39,557,122	-	65,511,770	-
New Orleans	31,451,770	-	206,689,159	10,832
New York	106,021,509	-	522,144,679	75
Oregon	-	20,968,556	61,596	-
Philadelphia	6,644,920	-	355,934,445	12,704
Puerto Rico	72,564	-	-	4,959
San Francisco	12,809,657	-	37,074,615	161,078
Virginia	-	-	-	8,497
Washington	672,348	31,343,042	55,572	11,295

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 15, 1938, ~~(18)~~ 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 17, 1938.

~~(19)~~
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. (Attention is invited to Treasury Decision 4550, ruling that Treasury bills are not exempt from the gift tax.) 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.

S. Mast

1938

~~Single issue date~~
~~Single maturity date~~

~~PRESS STATEMENT "ALPHA"~~

~~Exhibit No. 1~~

TREASURY DEPARTMENT

FOR RELEASE, MORNING PAPERS,
Friday, August 12, 1938.

~~(1)~~

~~STATEMENT BY~~
~~XXXXXXXXXXXXXXXXXXXX~~
~~(2)~~

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, August 15, 1938. Tenders will not be received at the Treasury Department, Washington.

The Treasury bills will be dated August 17, 1938, and will mature on November 16, 1938, 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

Aug 13

TREASURY DEPARTMENT

FOR RELEASE, MORNING PAPERS,
Friday, August 12, 1938.

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Immediately after the closing hour for receipt of tenders on August 15, 1938, 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 17, 1938.

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. (Attention is invited to Treasury Decision 4550, ruling that Treasury bills are not exempt from the gift tax.) 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 MORNING NEWSPAPERS
Friday August 12 1938PRESS SERVICE
No. 14-29

Acting Comptroller of the Currency Marshall R. Diggs, announced today that the total assets of the 5248 active national banks in the continental United States, Alaska, Hawaii and the Virgin Islands of the United States on June 30, 1938, the date of the recent call for statements of condition, amounted to \$30 387 082 000, an increase of \$563 582 000, or 1.89 per cent, over the amount reported by the 5256 active banks as of March 7, 1938, the date of the previous call, and an increase of \$50 011 000, or .16 per cent, over the amount reported by the 5299 active banks on June 30, 1937, the date of the corresponding call a year ago.

Loans and discounts, including overdrafts, totalled \$8 334 624 000, in comparison with \$8 631 366 000 on March 7, 1938, and \$8 812 895 000, on June 30, 1937.

Investments in United States Government obligations direct and fully guaranteed aggregating \$7 987 716 000, decreased \$104 446 000, or 1.29 per cent, since March, and \$231 479 000, or 2.82 per cent, since June 30 a year ago. Direct and indirect obligations held on June 30, 1938, were \$6 510 362 000 and \$1 477 354 000, respectively. Other bonds, stocks and securities held of \$3 656 560 000 which included obligations of States, counties and municipalities of \$1 415 997 000, decreased \$66 167 000, or 1.78 per cent, since March, and \$246 532 000, or 6.32 per cent, since June 30, 1937.

Balances with other banks and cash items in process of collection of \$8 922 250 000, including reserve with Federal Reserve banks of \$4 618 177 000, showed an increase of \$974 169 000 since March 7, and increased \$988 979 000 in the year. Cash in vault of \$528 305 000 was \$97 630 000 more than in March and \$83 707 000 more than the amount held a year ago.

Total deposits on June 30, 1938, aggregated \$26 815 894 000, the highest since December 31, 1936, when the 5331 active banks reported deposits totalling \$27 608 397 000. Deposits on the recent call date showed an increase of \$577 652 000 since March, and an increase of \$49 981 000 since June 30 last year. The aggregate of deposits on June 30, 1938, consisted of demand and time

deposits of individuals, partnerships and corporations of \$12 138 047 000 and \$7 548 899 000, respectively, United States Government deposits of \$394 272,- 000, State, county and municipal deposits of \$2 106 342 000, postal savings deposits of \$73 066 000, deposits of other banks of \$4 211 101 000, and certified and cashiers' checks, cash letters of credit and travelers' checks outstanding, etc., of \$344 167 000. Deposits evidenced by savings pass books amounted to \$6 638 177 000, which represented 15 941 369 accounts.

The unimpaired capital stock was \$1 572 900 000, representing a par value of \$1 577 421 000. The latter figure consists of Class A preferred stock of \$248 885 000, Class B preferred stock of \$17 210 000, and common stock of \$1 311 326 000.

Surplus of \$1 118 413 000, undivided profits of \$409 167 000, reserves for contingencies of \$159 309 000 and preferred stock retirement fund of \$14 030 000, a total of \$1 700 919 000, increased \$19 457 000 since March and \$70 885 000 since June last year.

Bills payable of \$7 731 000, and rediscounts of \$1 289 000, a total of \$9 020 000, showed a decrease of \$4 246 000 since the previous call, but an increase of \$490 000 in the year.

The percentage of loans and discounts to total deposits on June 30, 1938, was 31.08, in comparison with 32.90 on March 7, 1938, and 32.93 on June 30,- 1937.

Statement showing comparison of principal items of assets and liabilities of active national banks
as of June 30, 1938, March 7, 1938, and June 30, 1937
(In thousands of dollars.)

	: June 30, : : 1938 :	: March 7, : : 1938 :	: June 30, : : 1937 :	: Increase or decrease : : since Mar. 7, 1938 : : Amount : Per Cent :		: Increase or decrease : : since June 30, 1937 : : Amount : Per Cent :	
Number of banks.....	5 248	5 256	5 299	-8	-.15	-51	-.96
ASSETS							
Loans and discounts, including overdrafts.....	\$ 8 334 624	\$ 8 631 366	\$ 8 812 895	\$ -296 742	-3.44	\$ -478 271	-5.43
U. S. Government securities:							
Direct obligations.....	6 510 362	6 771 752	6 902 521	-261 390	-3.86	-392 159	-5.68
Obligations fully guaranteed.....	1 477 354	1 320 410	1 316 674	156 944	11.89	160 680	12.20
State, county, and municipal obligations.....	1 415 997	1 450 021	1 451 629	-34 024	-2.35	-35 632	-2.45
Other bonds, stocks, and securities.....	2 240 563	2 272 706	2 451 463	-32 143	-1.41	-210 900	-8.60
Total loans and investments.....	19 978 900	20 446 255	20 935 182	-467 355	-2.29	-956 282	-4.57
Reserve with Federal Reserve banks.....	4 618 177	4 282 582	4 152 839	335 595	7.84	465 288	11.20
Cash in vault.....	528 305	430 675	444 598	97 630	22.67	83 707	18.83
Balances with other banks.....	4 304 073	3 665 499	3 780 382	638 574	17.42	523 691	13.85
Total reserve with Federal Reserve banks, cash, and balances with other banks.....	9 450 555	8 378 756	8 377 869	1 071 799	12.79	1 072 686	12.80
Other assets.....	957 627	998 489	1 024 020	-40 862	-4.09	-66 393	-6.48
Total assets.....	30 387 082	29 823 500	30 337 071	563 582	1.89	50 011	.16
LIABILITIES							
Deposits of individuals, partnerships, and corporations:							
Demand.....	12 138 047	11 893 101	12 430 183	244 946	2.06	-292 136	-2.35
Time.....	7 548 899	7 531 158	7 469 842	17 741	.24	79 057	1.06
Postal savings deposits.....	73 066	79 270	88 542	-6 204	-7.83	-15 476	-17.48
U. S. Government deposits.....	394 272	495 629	379 331	-101 357	-20.45	14 941	3.94
State, county, and municipal deposits.....	2 106 342	2 044 926	2 203 466	61 416	3.00	-97 124	-4.41
Deposits of other banks.....	4 211 101	3 922 807	3 790 587	288 294	7.35	420 514	11.09
Certified and cashiers' checks, cash letters of credit, etc.	344 167	271 351	403 962	72 816	26.83	-59 795	-14.80
Total deposits.....	26 815 894	26 238 242	26 765 913	577 652	2.20	49 981	.19
Bills payable.....	7 731	12 362	7 968	-4 631	-37.46	-237	-2.97
Rediscounts.....	1 289	904	562	385	42.59	727	129.36

(See page 2)

(In thousands of dollars)

	: : June 30, : 1938 :	: : March 7, : 1938 :	: : June 30, : 1937 :	: : Increase or decrease : since Mar. 7, 1938 : Amount : Per Cent :	: : Increase or decrease : since June 30, 1937 : Amount : Per Cent :
LIABILITIES - Continued					
Capital stock (book value)	\$ 1 572 900	\$ 1 575 898	\$ 1 582 131	\$ -2 998 - .19	\$ 9 231 - .58
Surplus	1 118 413	1 106 495	1 073 154	11 918 1.08	45 259 4.22
Profits and reserves	582 506	574 967	556 880	7 539 1.31	25 626 4.60
Total capital account	3 273 819	3 257 360	3 212 165	16 459 .51	61 654 1.92
Other liabilities	288 349	314 632	350 463	-26 283 -8.35	-62 114 -17.72
Total liabilities	30 387 082	29 823 500	30 337 071	563 582 1.89	50 011 .16
MEMORANDA					
Par value of capital stock:					
Class A preferred stock	248 885	251 833	281 012	-2 948 -1.17	-32 127 -11.43
Class B preferred stock	17 210	17 210	17 965	--- ---	-755 -4.20
Common stock	1 311 326	1 310 987	1 288 749	339 .03	22 577 1.75
Total	1 577 421	1 580 030	1 587 726	-2 609 -.17	-10 305 -.65
Ratio of loans (including overdrafts) to total deposits	Per Cent	31.08	32.90	32.93	
Ratio of U. S. Gov't deposits to total deposits	Per Cent	1.47	1.89	1.42	
Ratio of postal savings to total deposits	Per Cent	.27	.30	.33	
Ratio of U. S. Gov't and postal savings deposits to total deposits	Per Cent	1.74	2.19	1.75	
Ratio of U. S. Gov't obligations held to amount outstanding	Per Cent	19.28	19.39	20.30	
Direct	Per Cent	17.80	18.26	19.28	
Fully guaranteed as to interest and principal	Per Cent	30.44	28.42	28.08	

Note: Minus sign denotes decrease.

mercury; lead arsenate studies; silica analysis; also the Division
among other studies is making a ^{understanding a study.} preliminary study of fatigue of
bus and truck drivers along three lines: Visual changes, physio-
logical changes, and psychological changes associated with ~~the~~ ^{at the}
continued driving. ^{7/28} Other studies of materials in industrial
occupations include a study of mica, feldspar and kaolin, a ^{Common}
manganese study, a lead storage battery study. Research studies ^{Common}
in progress include among others an investigation relating to the
solubility of lead arsenate in blood serum and a study of lead
arsenate on the gastro-intestinal tract. In June outstanding
studies were completed including dust hazards in the pottery
industry and determination of the particle size of industrial dust.

-oOo-

in the State; (2) Surveys by field personnel of plant conditions causing or suspected of causing occupational diseases in order that the department may advise or make recommendations for the control of existing or potential health hazards; (3) Arrangements for securing and investigating reports of occupational diseases by the division or bureau of industrial hygiene; (4) Arrangements for securing reports of all diseases for which sick benefits are paid by industrial sick benefit organizations in the State department of health; (5) Cooperation to provide a source of information for other State departments, such as, industry, labor, insurance, and medical interests, or any agency interested in industrial hygiene; (6) Educational program to acquaint industry and various groups interested as to the importance of the problem.

insert A

For many years the Public Health Service has conducted scientific research in the field of industrial hygiene in an effort to ascertain and combat the deleterious effects of a large number of materials to which workers are exposed. This is the major function of the Division of Industrial Hygiene.

In its research activities the Division has given particular attention to industrial dusts, specific industrial poisons such as lead, radium, benzol, and carbon monoxide; also attention to dermatoses, ventilation, illumination, and industrial morbidity and mortality.

Among its studies are those of skin hazards in the refining of lead, copper, gold, and silver ore; studies of asbestos, pottery,

States are in process of making industrial hygiene surveys of the number of plants and employes in the particular State surveyed, concentrating on the manufacturing, mechanical, and mineral industries which are the most important from the viewpoint of specific occupational hazards. Provisions made for safety supervision, medical services available, sickness records, and related data connected with selected industries are tabulated. Employes are then surveyed occupationally, the nature of their work is examined, and the raw materials or by-products associated with their activity are listed. From this investigation a preliminary survey of occupational exposure to specific materials demonstrated through experience to be inimical to health under certain conditions is available. The surveys do not set forth the actual degree of exposure but an exposure that exists which may be hazardous. Therefore only from such surveys can States ascertain the magnitude of their special industrial hygiene problem and cope with it according to a definite policy and program.

Surveys of this kind have been completed in 8 States: Alabama, South Carolina, North Carolina, Virginia, Pennsylvania, Rhode Island, Maryland, and Utah. Similar surveys are underway in 12 States: Maine, Ohio, Illinois, Indiana, Missouri, Arkansas, Iowa, California, Colorado, Idaho, Tennessee, and New Hampshire.

In cooperation with the Public Health Service, States have agreed upon a uniform method of conducting each survey. Certain minimum activities are essential: (1) Preliminary surveys to determine the scope and nature of the industrial hygiene problem

involved. The Public Health Service through the Conference was able to furnish further assistance to States in the organization of their industrial hygiene divisions and in the initiation of State studies for the purpose of defining the nature and scope of the problem.

During the past year the Division of Industrial Hygiene gave consultation services to 27 States about administrative and technical subjects and sent its experts to 23 States one or more times upon request. Technical aid was also rendered in the evaluation and control of health hazards in industry and on occasions personnel from the Division conducted studies in selected industries in cooperation with State and local personnel.

Lectures on the subject were delivered at two universities designated by the Public Health Service as training centers for public health personnel. Brief courses were conducted in 7 States. One of the serious problems confronting the Public Health Service in connection with establishing industrial hygiene units in State departments of health has been the shortage of trained personnel. The practice of industrial hygiene and sanitation requires a specialized training. A doctor or engineer undertaking this type of work should not only have a thorough grounding in public health work but should also be well-trained in subjects such as, ventilation, illumination, industrial toxicology, dust determinations, and various other specialized subjects pertaining to industrial health. Qualifications for Service have been set up in cooperation with State representatives.

or more occupational diseases. For many years the State and Provincial Health Authorities of North America sustained interest in the problem through their Committee on Industrial Hygiene in spite of a lack of State funds.

After the passage of the Social Security Act, the Public Health Service in cooperation with this Committee inaugurated a program designed to establish industrial hygiene units in the health departments of the various States.

Industrial hygiene facilities are provided in States affecting 33,000,000 gainful workers; however, there are 16,000,000 persons for whom no such provisions have yet been made.

The Federal Division of Industrial Hygiene renders consultative services to States upon their request. It has behind it many years of experience, research, and findings in respect to the problem, having published between 600 and 700 papers on the subject. After the program was aggressively launched two years ago, the Public Health Service held two seminars to introduce industrial hygiene procedure and initiate the program. These seminars culminated in a National Conference on Governmental Industrial Hygienists which convened in Washington, D. C., the latter part of June this year. Twenty-three States were represented, including a medical doctor and an engineer from each State health department. The Conference resolved to maintain itself as a permanent organization and to promote uniformity of methods in tackling industrial hygiene. Nine preliminary committees were set up to deal with the various problems

given stimulating encouragement.

According to the census of 1930, a study of gainful workers indicated that of 49,000,000 persons gainfully employed in the United States, 15,000,000 were engaged in manufacturing, mechanical, and mineral industries. It has been found that occupational exposures known to exist among industrial workers embrace more than 500 materials and conditions which may be inimical or hazardous to health. Studies of industrial workers conducted by the Public Health Service and other agencies disclose clearly that certain of these workers experience high morbidity and mortality rates and that the industrial occupation is an important factor underlying the cause of excessive illness and mortality rates.

On behalf of State and Territorial Health Officers, the Public Health Service has been instrumental in bringing about agreements with the chemical industry covering certain poisonous materials to protect those working in that industry and also to those using its products.

Standards of health and safety are developed through cooperative efforts of the Public Health Service, Bureau of Mines, Labor Department, and American Standards Association. Industrial hygiene covers the scope of industrial safety, sanitation, and general working conditions, and is of significant importance in connection with the administration of workmen's compensation laws. All but 2 States have workmen's compensation laws for accidental injury, while ~~approximately 15~~²¹ States provide compensation for one

are tackling the problem under their State departments of labor. States which have not developed industrial hygiene activities are: New Jersey, Delaware, Kentucky, Georgia, Florida, Louisiana, Oklahoma, Nebraska, South Dakota, North Dakota, Montana, Wyoming, New Mexico, Arizona, Nevada, and Oregon.

In a comparatively short time a majority of the States have accepted "industrial hygiene" as a necessary obligation in the protection of the health of the workers. The rapid development of this phase of public health service indicates that industrial hygiene is now regarded as a major health problem. It is a fact that the incidence of diseases, such as tuberculosis, pneumonia, and degenerative conditions associated with industrial environment, is greater among industrial workers than the general population. It also has been shown that the life expectancy of the industrial worker is less than that of the non-industrial worker.

In recent years, large industrial establishments have contributed to the protection of the health of the workers. However, since nearly 90 percent of the plants in the United States employ less than 100 persons, many establishments are not prepared to handle effectively the problem of industrial hygiene alone.

The protection of the health of the worker is coextensive with Social Security and is an important health function and one which can be handled best by a State or local health department in cooperation with employers and workers and other agencies interested in the problem. All groups have cooperated wholeheartedly and have

Page two
Industrial Hygiene

Nineteen have a separate division or bureau dealing with the problem. Nine States include this health activity as a part of some division in their State health departments.

Before the passage of the Social Security Act, Title VI of which authorizes an annual appropriation of \$8,000,000 as a grant-in-aid to States for the improvement of their health services and an additional \$2,000,000 to the Public Health Service for disease and sanitation investigations, \$30,877 was expended annually by States on industrial hygiene. The annual budgets of 30 States, as of June 1938, for industrial hygiene now total \$612,276.

Under the impetus of the Division of Industrial Hygiene by means of the grants-in-aid from the Social Security Act, 20 States since 1936 have set up industrial hygiene activities and 6 limited activities under their State health departments. These activities are handled by appropriate divisions under the department of labor in 2 States. Thus far only 16 of the 48 States are without industrial hygiene service.

Connecticut, Maryland, Ohio, and Mississippi were the 4 States ^{departments of health} interested in the problem prior to 1936. The 20 States which have established industrial hygiene activities since then are: New Hampshire, Vermont, Rhode Island, Pennsylvania, West Virginia, Virginia, North Carolina, South Carolina, Alabama, Tennessee, Indiana, Michigan, Wisconsin, Iowa, Illinois, Missouri, Kansas, Texas, Washington, and California. The 6 States which have limited activities under a health department are: Maine, Minnesota, Arkansas, Colorado, Utah, and Idaho. Massachusetts and New York

(Friday)
Saturday

TREASURY DEPARTMENT
U. S. Public Health Service
Washington

Industrial Hygiene in the United States
FOR RELEASE
Saturday, August 13, 1938

One of the most rapid developments in the field of public health resulting from appropriations provided under the Social Security Act is that of Industrial Hygiene.

Thirty-two States in cooperation with the Public Health Service are attacking the problem and 20 have lined up in conducting various surveys to ascertain occupational hazards to which workers are subjected.

For the first time States, employers, and employes in conjunction with the United States Health Service are systematically amassing on a Nation wide scale, State by State, authoritative scientific data on the occupational conditions under which employes work and the extent of danger to health involved.

This activity of the Public Health Service is carried on by its Division of Industrial Hygiene whose purpose is to develop means for the protection and improvement of the health of the working population. In cooperation with State health agencies, industry, and workers, it conducts field investigations, engages in laboratory research, and renders State health departments various consultative services.

Only 4 States prior to 1936 had established industrial hygiene as a part of their health functions. Now 32 States have set up some kind of an agency responsible for industrial hygiene.

TREASURY DEPARTMENT
U. S. PUBLIC HEALTH SERVICE

MEMORANDUM

DATE August 10, 1938.

FROM: Philip S. Broughton

TO: Mr. Charles Schwartz,
Treasury Department.

Here is the first of our three releases on the Third Anniversary of the Social Security Act. It deals with Industrial Hygiene and has been read and approved by Dr. Neal and Mr. Bloomfield of the Industrial Hygiene Division in the absence of Dr. Sayres, and by Dr. Olesen and myself. This is for Friday afternoon release.

Another release summarizing the Research of the Service has been prepared for Saturday morning and will follow shortly.

The third release summarizing the Advances in Public Health Facilities throughout the United States will follow for Sunday morning, August 14th.

Philip S. Broughton
Philip S. Broughton,
In Charge, Office of
Health Education.

PSB:MG

Copy to Dr. Olesen.

C O R R E C T I O N

Press Service No. 14-30, Page 3, line 21 - "while approximately fifteen provide", should read "while approximately twenty-one provide", etc.

TREASURY DEPARTMENT
U. S. Public Health Service
Washington

FOR RELEASE, AFTERNOON PAPERS,
Friday, August 12, 1938.
8-11-38

Press Service
No. 14- 30

With the approach of the third anniversary of the Social Security Act, officials of the United States Public Health Service today said that one of the most rapidly expanding phases of national health improvement under the Act is its program for industrial hygiene.

Passage of the Act, said the Public Health Service officers, gave the health of protected workers an accentuated economic importance. Working through State health agencies, industry and employees, the Service's Division of Industrial Hygiene conducts field investigations, engages in laboratory research and acts as consultant to State health departments.

Now, for the first time, workers, employers, and the States themselves are cooperating with the Public Health Service in the compilation of scientific data on occupational hazards of labor. Thirty-two States already are attacking these problems, and a score are conducting specific surveys to determine their nature and the dangers to health involved.

Prior to 1936, only four States--Connecticut, Maryland, Ohio and Mississippi--had established industrial hygiene units. Under the impetus of the Division of Industrial Hygiene, and through grants-in-aid from the Social Security Act, twenty States since 1936 have set up industrial hygiene activities, and six have begun limited activities under their State health departments.

These activities are handled by appropriate divisions under the Departments of Labor in two States; nineteen have a separate division or bureau dealing with the problem; and nine include the industrial problem as a part of some division in their State health departments. Thus far, only a third of the forty-eight States are without some sort of industrial hygiene service.

(51)

Before the passage of the Social Security Act, which authorizes an annual appropriation of \$8,000,000 as a grant-in-aid to States for the improvement of their health services, and an additional \$2,000,000 to the Public Health Service for disease and sanitation investigations, \$30,877 was expended annually by States on industrial hygiene. As of June, 1938, the annual budgets of thirty States for industrial hygiene totaled \$612,276.

In a comparatively short time, then, a majority of the States have accepted protection of the welfare of their workers as a major health problem. It has been established that the incidence of diseases, such as tuberculosis, pneumonia, and degenerative conditions associated with industrial environment, is greater among industrial workers than the general population. It also has been shown that the life expectancy of the industrial employee is less than that of the "white-collar" worker.

In recent years, large industrial establishments have more and more contributed to the protection of the health of the workers. However, since nearly 90 percent of the plants in the United States still employ less than 100 persons, many establishments are not prepared to handle the problem of industrial hygiene effectively alone. Thus, since the protection of the health of the worker is involved with Social Security, it is a function which it is believed can be handled best by State or local health departments in cooperation with employers, workers, and other interested agencies. Industrial hygiene facilities are provided in states affecting 33,000,000 gainful workers. There are still 16,000,000 persons, however, for whom no such provisions have yet been made.

According to the latest census, 15,000,000 U. S. workers are engaged in manufacturing, mechanical, and mineral industries. It has been found that occupational exposures exist among industrial workers embracing more than 500 materials and conditions which may be inimical or hazardous to health. Studies of industrial workers conducted by the Public Health Service and other agencies disclose clearly

that certain of these workers experience high morbidity and mortality rates, and that industrial occupation is an important factor underlying the cause of excessive illness and mortality.

In its research activities the Division has given particular attention to industrial dusts, specific industrial poisons such as lead, radium, benzol, and carbon monoxide; also attention to dermatoses, ventilation, illumination, and industrial morbidity and mortality.

Among its studies are those of skin hazards in the refining of lead, copper, gold, and silver ore; studies of asbestos, pottery, mercury; lead arsenate; and silica. Other studies of materials in industrial occupations include ones of mica, feldspar and kaolin, manganese, and lead storage-batteries. Research studies in progress, include among others, an investigation relating to the solubility of lead arsenate in blood serum and a study of lead arsenate on the gastro-intestinal tract. In June, outstanding studies were completed, including dust hazards in the pottery industry, and determination of the particle size of industrial dust.

Standards of health and safety are being developed through cooperative efforts of the Public Health Service, Bureau of Mines, Labor Department, and American Standards Association. Industrial hygiene covers the scope of industrial safety, sanitation, and general working conditions, and is of significant importance in connection with the administration of workmen's compensation laws. All but two States have laws covering accidental injury, while approximately fifteen provide compensation for one or more occupational diseases. For many years the State and Provincial Health Authorities of North America sustained interest in the problem through their Committee on Industrial Hygiene in spite of a lack of State funds.

After the passage of the Social Security Act, the Public Health Service in cooperation with this Committee inaugurated a program designed to establish industrial hygiene units in the health departments of the various States. On behalf of State and territorial health officers, for example, the Public Health Service

has been instrumental in bringing about agreements with the chemical industry covering certain poisonous materials to protect workers in that industry and also those using its products. It renders consultative services to States upon their request. It has behind it many years of experience, research, and findings in respect to the problem, having published between 600 and 700 papers on the subject.

After the program was aggressively launched two years ago, the Public Health Service held two seminars to introduce industrial hygiene procedure and initiate the program. These seminars culminated in a National Conference on Governmental Industrial Hygienists which convened in Washington, D.C., the latter part of June this year. Twenty-three States were represented, including a medical doctor and an engineer from each State health department. The Conference resolved to maintain itself as a permanent organization and to promote uniformity of methods in tackling industrial hygiene. Nine preliminary committees were set up to deal with the various problems involved. The Public Health Service through the Conference was able to furnish further assistance to States in the organization of their industrial hygiene divisions and in the initiation of State studies for the purpose of defining the nature and scope of the problem.

During the past year the Division of Industrial Hygiene gave consultation services to twenty-seven States about administrative and technical subjects, and sent its experts to twenty-three States one or more times upon request. Technical aid was also rendered in the evaluation and control of health hazards in industry and, on occasions, personnel from the Division conducted studies in selected industries in cooperation with State and local personnel.

Lectures on the subject were delivered at two universities designated by the Public Health Service as training centers for public health personnel. Brief courses were conducted in seven States. One of the serious problems confronting the Public Health Service in connection with establishing industrial hygiene units in State departments of health has been the shortage of trained personnel. The

practice of industrial hygiene and sanitation requires a specialized training. A doctor or engineer undertaking this type of work should not only have a thorough grounding in public health work, but should also be well-trained in such subjects as ventilation, illumination, industrial toxicology, dust determinations, and various other specialized subjects pertaining to industrial health. Qualifications for service have been set up in cooperation with State representatives.

Those States in process of making industrial hygiene surveys, are concerned with the number of plants and employees in the particular State surveyed, concentrating on the manufacturing, mechanical, and mineral industries which are the most important from the viewpoint of specific occupational hazards. Provisions made for safety supervision, medical service available, sickness records, and related data connected with selected industries are being tabulated. Employees are then surveyed occupationally, the nature of their work is examined, and the raw materials or by-products associated with their activity are listed. From this investigation a preliminary survey of occupational exposure to specific materials demonstrated through experience to be inimical to health under certain conditions is available. The surveys do not set forth the actual degree of exposure, but an exposure that exists which may be hazardous. Therefore, only from such surveys can States ascertain the magnitude of their special industrial hygiene problem and cope with it according to a definite policy and program.

Surveys of this kind have been completed in eight States: Alabama, South Carolina, North Carolina, Virginia, Pennsylvania, Rhode Island, Maryland and Utah. Similar surveys are under way in Maine, Ohio, Illinois, Indiana, Missouri, Arkansas, Iowa, California, Colorado, Idaho, Tennessee and New Hampshire.

In conjunction with the Public Health Service, the cooperating States have agreed upon a uniform method of conducting each survey. Certain minimum activities are essential: (1) Preliminary surveys to determine the scope and nature of the industrial hygiene problem in the State; (2) Surveys by field personnel of plant

conditions causing or suspected of causing occupational diseases in order that the department may advise or make recommendations for the control of existing or potential health hazards; (3) Arrangements for securing and investigating reports of occupational diseases by the division or bureau of industrial hygiene; (4) Arrangements for securing reports of all diseases for which sick benefits are paid by industrial sick benefit organizations in the State department of health; (5) Cooperation to provide a source of information for other State departments, such as, industry, labor, insurance, and medical interests, or any agency interested in industrial hygiene; (6) Educational program to acquaint industry and various groups interested as to the importance of the problem.

The above activities are a summary of the work of the Division of Industrial Hygiene in the development of industrial health programs in State departments of health, but these activities constitute only a small portion of the work of this Division. The major function of the Division of Industrial Hygiene is concerned with scientific research in an effort to ascertain and combat the deleterious effects of a large number of materials and conditions to which workers are exposed. Since the legal responsibility for the health of workers in the United States rests with State and local Government, it is highly essential that these local governments be prepared to apply the research findings of the Federal agency, if we are to improve the health of the industrial workers in this country. Obviously, therefore, these two functions--namely, research and development of industrial hygiene units in local health departments--are of a supplemental character.

The Treasury includes in the daily statement of the United States Treasury for the 10th of each month, a complete statement of receipts and expenditures under the Social Security Act with a statement of account showing cumulative figures to ^{the} close of the preceding month.

#

S. Mat.



UNEMPLOYMENT TRUST FUND, JULY 31, 1938

Credits:

On account of deposits by State agencies ...	\$ 1,093,707,194.82
Interest on investments	<u>18,000,904.97</u>
Total	1,111,708,099.79
Less withdrawals by State agencies	<u>227,945,000.00</u>
Balance in fund July 31, 1938	<u><u>883,763,099.79</u></u>

Assets:

Face amount of 2½ percent Treasury certificates of indebtedness, unemployment trust fund series, maturing June 30, 1939	872,000,000.00
Cash balance with Treasurer of the United States	<u>11,763,099.79</u>
Total fund assets July 31, 1938	<u><u>883,763,099.79</u></u>

In carrying out the provisions of the Social Security Act the Treasury Department has also made payments aggregating \$504,204,188.20, representing grants to states, the following sums to accredited agencies of the forty-eight states, District of Columbia, Alaska, and Hawaii, for the following purposes:

Old-age assistance	\$ 350,590,010.70
Aid to dependent children	45,819,189.05
Aid to the blind	11,528,663.82
Maternal and child health services	8,538,383.76
Services for crippled children	5,715,952.49
Child welfare services	2,735,562.78
Public health work	19,275,077.78
Unemployment compensation administration	<u>60,001,347.82</u>
Total	<u><u>504,204,188.20</u></u>

almost three times
~~than triple~~ the benefits paid out. The grand total in the Old-Age
~~Reserve~~
~~Retirement~~ Account on July 31 was \$1,136,463,498.56 , of
which \$700,300,000.00 has been invested in three percent
special Treasury notes.

Under the provisions of Title IX of the Social Security Act, which levies an excise tax graduating from one percent for the calendar year 1936 to three percent for the calendar year 1938 and thereafter, on the annual payroll of employers of eight or more, 301,792 employers have paid \$150,416,831.69 into the Treasury on their payrolls. This tax, which is generally regarded as the unemployment-insurance tax, is paid only by the employer. Employers paying taxes into a State Unemployment Compensation Fund under a system approved by the Social Security Board are allowed to deduct from their Federal tax the amount so paid, not exceeding, however, ninety percent of the Federal tax.

The forty-eight states, *District of Columbia,* Alaska, and Hawaii on July 31, 1938, had deposited \$ 1,093,707,194.82 into the Unemployment Trust Fund, from which they had withdrawn a total of \$ 227,945,000.00 from February 1, 1936 to July 31, 1938. This Fund, which operates in accordance with Section 904 of Title IX of the Social Security Act, now has a balance of \$ 883,763,099.79 . The status of the fund on July 31, 1938, is shown in the following statement:

TREASURY DEPARTMENT

WASHINGTON

FOR IMMEDIATE RELEASE, *PM'S*
~~SATURDAY~~, AUGUST 12, 1938
FRIDAY,

Press Service
No. 14-31

On the eve of the third anniversary of the enactment of the Social Security Act, ^{*Act*} Secretary of the Treasury ^{*Magill today*} ~~Magill~~ announced that \$887,946,271.71 in Social Security taxes had been deposited in the Treasury up to July 31, 1938. ^{*A total of*} \$1,232,558,598.28 has been expended in carrying out the provisions of the Act, including transfer of \$690,000,000.00 to the Old-Age Reserve Account.

Tax receipts under Title VIII of the Social Security Act, deposited from January 1, 1937, to July 31, 1938, totaled \$737,526,539.32, and were paid by 38,265,000 employees and 1,787,000 employers. This tax, which imposes an income tax on the wages of every employee and an excise tax on every employer of one or more, is popularly known as the old-age retirement tax. Both employee and employer pay a tax of one percent of the employee's wages.

Benefit payments from the Old-Age Reserve Account, created under the provisions of Title II of the Social Security Act, amounted to \$6,210,545.30 on July 31, ~~1938~~. Interest on the investments made by the Treasury in behalf of the Reserve Account totaled \$ 17,674,043.86 on the same date, ~~more~~

TREASURY DEPARTMENT

Washington

FOR RELEASE, AFTERNOON PAPERS,
Friday, August 12, 1938.
8-11-38

Press Service
No. 14-31

On the eve of the third anniversary of the enactment of the Social Security Act, Acting Secretary of the Treasury Magill today announced that \$887,946,271.71 in Social Security taxes had been deposited in the Treasury up to July 31, 1938. A total of \$1,232,558,598.28 has been expended in carrying out the provisions of the Act, including transfer of \$690,000,000.00 to the Old-Age Reserve Account.

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Benefit payments from the Old-Age Reserve Account, created under the provisions of Title II of the Social Security Act, amounted to \$6,210,545.30 on July 31. Interest on the investments made by the Treasury in behalf of the Reserve Account totaled \$17,674,043.86 on the same date, almost three times the benefits paid out. The grand total in the Old-Age Reserve Account on July 31 was \$1,136,463,498.56, of which \$700,300,000.00 has been invested in three per cent special Treasury notes.

Under the provisions of Title IX of the Social Security Act, which levies an excise tax graduating from one per cent for the calendar year 1936 to three per cent for the calendar year 1938 and thereafter, on the annual payroll of employers of eight or more, 301,792 employers have paid \$150,416,831.69 into the Treasury on their payrolls. This tax, which is generally regarded as the unemployment-insurance tax, is paid only by the employer. Employers paying taxes into a

State Unemployment Compensation Fund under a system approved by the Social Security Board are allowed to deduct from their Federal tax the amount so paid, not exceeding, however, ninety per cent of the Federal tax.

The forty-eight states; District of Columbia, Alaska and Hawaii on July 31, 1938, had deposited \$1,093,707,194.82 into the Unemployment Trust Fund, from which they had withdrawn a total of \$227,945,000.00 from February 1, 1936, to July 31, 1938. This Fund, which operates in accordance with Section 904 of Title IX of the Social Security Act, now has a balance of \$883,763,099.79. The status of the fund on July 31, 1938, is shown in the following statement:

UNEMPLOYMENT TRUST FUND, JULY 31, 1938

Credits:

On account of deposits by State agencies	\$1,093,707,194.82
Interest on investments	18,000,904.97
Total	<u>1,111,708,099.79</u>
Less withdrawals by State agencies	<u>227,945,000.00</u>
Balance in fund July 31, 1938	<u>\$ 883,763,099.79</u>

Assets:

Face amount of 2½ per cent Treasury certificates of indebtedness, unemployment trust fund series, maturing June 30, 1939	\$ 872,000,000.00
Cash balance with Treasurer of the United States . . .	<u>11,763,099.79</u>
Total fund assets July 31, 1938	<u>\$ 883,763,099.79</u>

In carrying out the provisions of the Social Security Act the Treasury Department has also made payments aggregating \$504,204,188.20, representing grants to States, the following sums to accredited agencies of the forty-eight States, District of Columbia, Alaska, and Hawaii, for the following purposes:

Old-age assistance	\$350,590,010.70
Aid to dependent children	45,819,189.05
Aid to the blind	11,528,663.82
Maternal and child health services	8,538,383.76
Services for crippled children	5,715,952.49
Child welfare services	2,735,562.78
Public health work	19,275,077.78
Unemployment compensation administration	<u>60,001,347.82</u>
Total	<u>\$504,204,188.20</u>

The Treasury includes in the Daily Statement of the United States Treasury for the 10th of each month, a complete statement of receipts and expenditures under the Social Security Act with a statement of account showing cumulative figures to the close of the preceding month.

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November 18, 1937

TREASURY DEPARTMENT

Washington

FISCAL ADMINISTRATION OF THE SOCIAL SECURITY ACT

The Social Security Act approved August 14, 1935, provides in Titles VIII and IX for taxes upon employers and employees and also authorizes appropriations to meet expenditures for various Social Security purposes. The taxes collected under the provisions of this Act are covered into the Treasury to the credit of the General Fund as Internal Revenue taxes and expenditures for the purposes named in the Act are made out of the General Fund. The taxes collected and the expenditures made under authority of the Social Security Act are handled in the same manner as all other taxes and expenditures of the Federal Government.

Title II of the Act provides for Federal old-age benefits. Section 201(a) of this title creates an account in the Treasury of the United States to be known as the "Old-Age Reserve Account." It authorizes to be appropriated, beginning with the fiscal year ending June 30, 1937, an amount sufficient as an annual premium to provide for old-age benefit payments, and requires that such amount shall be determined on a reserve basis in accordance with accepted actuarial principles, and upon an interest rate of 3 per centum per annum, compounded annually.

Old-Age Benefit Investments

Section 201(b) of the Act places a duty upon the Secretary of the Treasury to invest such portion of the amounts credited to the Old-Age Reserve Account as is not, in his judgment, required to meet current

withdrawals. Such investments may be made only in interest-bearing obligations of the United States or in obligations guaranteed as to both principal and interest by the United States. For such purpose such obligations may be acquired (1) on original issue at par, or (2) by purchase of outstanding obligations at the market price.

The Social Security Act extended the provisions of the Second Liberty Bond Act, as amended, so as to authorize the issuance at par of special obligations exclusively to the Old-Age Reserve Account, and specifically provided that such special obligations shall bear interest at the rate of 3 per centum per annum. Furthermore, the Social Security Act specifically provides that obligations other than such "special" obligations may be acquired for the Old-Age Reserve Account only on such terms as to provide an investment yield of not less than 3 per centum per annum.

In view of the fact that the market quotations on direct and guaranteed obligations of the United States during recent months have been on a basis which would not provide an investment yield of 3 per centum per annum, the Treasury has in fact been limited to investing the old-age reserve appropriations in original issues at par.

When the Treasury sells its obligations to the Old-Age Reserve Account the receipts from such sales belong to the General Fund of the Treasury and are treated identically in the accounts as if the obligations were sold in the market. The fact that the Treasury, instead of a bank, holds these obligations does not change the character of either the transaction or the security itself. In either event the ultimate payment of the obligation rests upon the credit of the United States.

Old-Age Benefit Payments

Section 207 of the Act provides that the Social Security Board shall from time to time certify to the Secretary of the Treasury the name and address of each person entitled to receive an old-age benefit payment, the amount of such payment, and the time at which it should be made, and the Secretary of the Treasury is required to make payment in accordance with the certification by the Social Security Board.

Under the Act such payments obviously would not and could not be paid from the particular taxes collected from employees under the Social Security Act. When such payments are certified by the Social Security Board to the Treasury Department, they will be made from the cash balance in the Old-Age Reserve Account and in the event the cash balance should be insufficient to meet current withdrawals, it is the duty of the Secretary of the Treasury under the Act to sell back to the general treasury such amount of the special 3 per cent interest-bearing obligations as is necessary to provide the money with which to make the payments.

Such payments will not be dependent upon the appropriation of money to the Old-Age Reserve Account (other than the current annual premium previously referred to), but the securities held in the Old-Age Reserve Account will be redeemed from money in the Treasury, in the same manner as any other public debt obligations of the United States would be redeemed.

Here again, the fact that such obligations are held by the Secretary of the Treasury, instead of a bank, does not in any way affect the character of either the transaction or the security itself. The fundamental principles involved with respect to the redemption of special obligations held for the

Old-Age Reserve Account are identical with the redemption of United States obligations held by the public. The payment of either rests upon the credit of the United States and the Congress has provided the machinery for the Secretary of the Treasury to meet such obligations promptly upon redeemable or maturity dates.

The method employed to build up the Old-Age Reserve Account is not an innovation of the Secretary of the Treasury, but is specifically provided for in the Act of Congress approved August 14, 1935.

The procedure of investing the old-age reserve appropriation in special interest-bearing obligations of the United States is the same as that which was followed by the Government in connection with the investment of the war veterans' Adjusted Service Certificate Fund. The Treasury met its obligations to the veterans through and to the extent of such investments when it was called upon to do so. It is also the same as the procedure which has been followed for many years in the investment of retirement funds for the benefit of Government employees.

The method has the following advantages:

1. The securities exactly fit the actuarial requirements which are by law made the basis for fixing the appropriations for the fund.
2. The bond market is not disturbed by the purchase of large blocks of securities, and by a subsequent continuous pressure for the sale of securities to provide cash for the Old-Age Reserve Account to meet current withdrawals, the effect of which might be purchases on a high market and sales on a low market.
3. Commissions to brokers on the purchase and sale of Government securities are saved.

4. Administrative expenses are smaller.

5. It is not necessary for the Treasury to be continuously in the market for funds or to borrow during the regular quarterly financing periods additional cash and to carry this cash, with a consequent loss of interest, until it can be invested in Government securities on the market as and when the appropriations become available.

6. Cash demands of the Old-Age Reserve Account can be immediately satisfied by the redemption by the Treasury of the special obligations and the whole plan has greater flexibility.

7. When the heavy payments under the Old-Age Reserve Account fall due several years hence, the Treasury will be in a position to do the necessary financing to meet the conditions then existing, without being compelled to sell a quantity of miscellaneous Government securities perhaps unsuited at that time to the market and to the Treasury's program.

Unemployment Trust Fund

Section 904 of the Social Security Act establishes in the Treasury an Unemployment Trust Fund to which are credited moneys deposited by the States from State unemployment funds. The requirements for investment of the moneys received into this fund are similar to the requirements with respect to the Old-Age Reserve Account, except that the required rate of yield of investments for the Unemployment Trust Fund is governed by the average rate of interest paid on the public debt. In the light of considerations stated with respect to the Old-Age Reserve Account, investments for this Fund have also been made in special obligations which at the present time bear interest at the rate of 2-1/2 per cent.

Effect on the Budget and the Public Debt

As stated above, the taxes collected under Titles VIII and IX of the Social Security Act pass into the General Fund of the Treasury. They are revenue receipts of the Government and are listed as such in the Daily Treasury Statement and in the Budget Statements. Similarly, the expenditures for Social Security purposes authorized by the Act are paid out of the General Fund and are accounted for as General Fund expenditures both in the Daily Treasury Statement and in the Budget Statements. These expenditures include: (1) administrative expenses; (2) investments in the Old-Age Reserve Account; (3) grants to States for old age assistance, for aid to dependent children, for maternal and child welfare, for public health work, for aid to the blind and for unemployment compensation administration. The total of these expenditures has exceeded by a substantial amount the revenue receipts under the Act.

Moneys received from the States for the Unemployment Trust Fund are treated differently. They do not enter into receipts or expenditures of the General Fund, nor do they constitute part of the Federal Budget. These moneys are received by the Secretary of the Treasury as a custodian or trustee for investment in United States Government obligations under the terms of the Social Security Act.

The effect of the investment of Social Security funds in Government securities is to transfer to the Old-Age Reserve Account and to the Unemployment Trust Fund the ownership of an amount of Government obligations which would otherwise be held by others. The amount of the obligations

held by these funds is listed as a part of the public debt. The issuance of the special obligations to these funds does not operate to reduce the total amount of the public debt, but only to effect a transfer of ownership of a part of it.

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<u>Purpose</u>	<u>Number of States</u>	<u>Amount</u>
Tuberculosis Control	25	\$ 280,641.50
Vital Statistics	32	161,149.14
Public Health Nursing	21	144,370.00
Malaria Control	9	129,323.00
Health Education	23	112,613.00
Pneumonia Control	4	85,099.68
Dental Hygiene	8	70,615.00
Rodent Plague Control	5	58,748.00
Food and Drug Inspection	5	54,895.00
Trachoma Control	5	34,263.00
Cancer Control	5	29,614.00
Maternal and Child Health	7	25,540.00
Mental Hygiene	1	15,380.00
Total (including expended balances carried forward)		\$10,304,663.50

The enlargement of the sphere of Federal assistance in the field of public health has been gradual. Since 1893, the Surgeon General of the Public Health Service has been required by law to cooperate with State and municipal authorities in the enforcement of State and local health regulations. The Public Health Service has acted advisory to States in matters of public health administration. This cooperative aid was strengthened in 1917 when Congress set aside annually \$25,000, later increasing the amount from time to time, for the Public Health Service to cooperate with States in studies and demonstrations in rural health. Under extraordinary circumstances, such as during the World War, during devastating droughts, and at times of great floods, large sums have been set aside to cope with emergency needs in the aid of States and local areas.

was expended, leaving a balance of \$881,859.21 to be carried forward and added to the appropriation for the fiscal year 1937. The full \$8,000,000 appropriated for 1937 added to the surplus left over from 1936, which is legitimate under the Act, made a total of \$8,881,859.21 available. Of this latter amount, \$7,765,203.33 was paid to the States, leaving for the 1938 fiscal year a surplus of \$1,116,655.88. The total of \$9,116,655.00 available for allocation in 1938 was allotted as follows:

According to population	\$2,800,000
According to financial needs	2,787,968
According to special health problems:	
Special diseases and conditions	997,232
Specific programs	216,600
Training	1,116,655
Surplus available for general purposes	1,218,200
Total	\$ 9,116,655

State and local funds required to match Federal funds were:

With existing appropriations	\$3,052,150
With new appropriations	2,892,666

The purposes with which the total allotments to States from all funds appropriated under Section 601 of the Social Security Act for the fiscal year 1938 were budgeted by the States and Territories as of January 1, 1938, as follows:

<u>Purpose</u>	<u>Number of States</u>	<u>Amount</u>
Local Health Services	45	\$4,219,935.79
Training of Public Health Workers	51	1,485,467.29
Veneral Disease Control	43	827,325.56
Sanitary Engineering	44	539,559.52
Promotion and Supervision of Local Health Services	36	527,321.00
Laboratory Research	41	412,086.09
General Administrative Expenses	48	372,109.53
General Preventable Disease Activities	38	362,453.19
Industrial Hygiene	21	355,654.21

special health problems; and (c) the financial needs of the State being aided. Funds not used at the end of the fiscal year are redistributed among all the States receiving aid the following year. States match these grants in accordance with the regulations equitably worked out by a conference of State and territorial health officers with the Surgeon General of the United States Public Health Service.

The Public Health Service in administering the grants-in-aid to the States does not establish Federal jurisdiction over health work in States. State and local laws and regulations govern the health administration of States. The Federal Government merely assists in expanding services and in extending protection and guidance in matters affecting health. Local responsibility is paramount. The Public Health Service does not recommend a standard pattern of organization in administrative practice. On the contrary, it encourages States to adopt plans applicable to their particular needs. The Public Health Service approves any plan which is scientifically sound and gives promise of realizing the purposes of the law.

Expenditures

Since the operation of public health services under the Social Security Act, appropriations and expenditures in the form of grants-in-aid have been as follows: for the five-month period February 1 to June 30, 1936, the amount of \$3,333,000 was appropriated for distribution to the States and actually \$2,451,140.79

of State public health activities. For example, prior to the passage of the Social Security Act, only 13 States had separate divisions of venereal disease control. Only 9 employed a full-time venereal disease control officer. By July 1, 1937, 24 had separate divisions and 30 had full-time and two part-time officers employed for venereal disease control. Other health activities show a marked increase in this direction under the impetus of the Social Security Act.

Through new State appropriations to match Federal grants, many States have set up separate divisions for these special activities in their State departments of health. The development of these activities in States between January 1, 1936 and May 1938 clearly illustrates State health improvement.

For preventable diseases 35 States had separate divisions prior to January 1, 1936, 44 in May 1938; for local health administration, 16 compared with 31 now; for public health nursing, 20 compared with 32; for industrial hygiene, 3 compared with 15 now; for maternal and child health, 30 compared with 51; for dental hygiene, 8 compared with 17; for public health education, 16 compared with 21; for engineering, 44 compared with 50; for tuberculosis, 13 compared with 17; for cancer control, 3 compared with 4; for laboratories, 45 compared with 46 now, while 3 States now have separate divisions on malaria control and 4 on rodent plague control.

Money allotted to the States under Title VI of the Social Security Act is distributed on the basis of (a) population; (b)

physician is being reached through lectures and treatment demonstration in the control of syphilis, cancer, tuberculosis cooperation with county and State medical societies.

Public health nurses employed by local and State agencies in the United States increased from 16,000 to 18,000 between 1931 and 1937. This was an increase of 22 percent, with an increase of 32 percent in rural areas.

All States and territories participating in the Social Security program now provide public health nursing consultation service compared with 38 in 1931. State health departments employed 322 health nursing administrators, supervisors, and consultants in 1937, compared with 149 in 1931. This is an increase of 116 percent.

Prior to the Act, full-time health officers served 667 counties, but by December 31, 1937, following the passage of the Act, 1,166 counties were served by full-time officers, an increase of 74.8 percent. This increase was due to Federal aid and State cooperation. Now six States are completely covered by full-time health officers compared with three January 1, 1935. This does not mean in all cases a health officer in each county, but in many States it has been found more economical to group a number of counties in a health district as a unit of administration.

Through grants-in-aid to States a number of specialized public health functions have been set up as separate divisions

4. The extension of full-time public health service to nearly double the number of counties which enjoyed such service prior to the passage of the Social Security Act. A career service is essential in so specialized a field as public health. Trained personnel is essential to the economical expenditure of funds. With the rising tide of interest in medical research and the achievements of preventive medicine, physicians and nurses have turned to this field under the stimulus of Social Security grants. \$1,485,000 was allowed in the fiscal year 1937--38 for the training of health workers.

Nearly 3,000 persons had been given post-graduate training in public health work up to June 30, 1937. During 1938, a total of 1,300 have received training thus far. Those trained include 651 medical officers, 162 engineers, 1,540 nurses, 451 sanitation officers, 88 laboratory workers, and 60 others. More than 200 medical officers had received a full one-year course in public health administration at the close of the current year, and 161 nurses had been given a whole year of post-graduate work.

A marked increase in the number of laboratory personnel trained this year has been due to the emphasis on and the increased interest in syphilis and pneumonia control. Venereal disease control has greatly expanded in the States. Many States are providing periods of training for clinicians engaged in venereal disease control work as part of their State health programs. The private

Sunday

Nationwide gains in the development of public health facilities were reviewed today by the United States Public Health Service in a summary of three years of achievement under the Social Security Act.

When Congress passed the Social Security Act in 1935 it recognized that if the nation were to assume responsibility for the disabled and dependent, preventable disability and dependency must be reduced to a minimum. Under Title VI of the Act, therefore, it provided for an annual appropriation of \$8,000,000 for aid to the States in the development of public health work.

Achievements recorded by the Public Health Service in its statement included:

1. The training of thousands of new public health workers, and the establishment of training centers directed toward creating adequate personnel for this most professional of all public services.

2. Development of many new and useful public health activities and the expansion of old ones, in many State health departments. With this has come a great increase in the number of trained workers engaged in health work with State and local health departments throughout the country.

3. A demonstration of the extent to which judicious administration of federal funds could stimulate and encourage voluntary private support, local appropriation and action for useful public services.

TREASURY DEPARTMENT
U.S. Public Health Service
Washington

FOR RELEASE, MORNING NEWSPAPERS,
Sunday, August 14, 1938.
8-11-38

Press Service
No. 14-32

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2. The training of thousands of new public health workers for this highly professional public service.

3. A demonstration of the extent to which judicious administration of federal funds could stimulate and encourage State and local appropriations and action for useful public services.

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medicine, physicians and nurses have turned to this field. Under the stimulus of Social Security grants, in the fiscal year 1937-38 \$1,485,000 was allotted for the training of health workers.

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Through grants-in-aid to States a number of specialized public health functions have been set up as separate divisions of State public health activities. For example, prior to the passage of the Social Security Act, only 13 States had separate divisions of venereal disease control. Only 9 employed a full-time venereal disease control officer. By July 1, 1937, 24 had separate divisions and 30 had full-time and two part-time officers employed for venereal disease control. Other health activities show a marked increase in this direction under the impetus of the Social Security Act.

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distributed on the basis of (a) population; (b) special health problems; and (c) the financial needs of the State being aided. Funds not used at the end of the fiscal year are redistributed among all the States receiving aid the following year. States match these grants in accordance with the regulations equitably worked out by a conference of State and territorial health officers with the Surgeon General of the United States Public Health Service.

The Public Health Service in administering the grants-in-aid to the States does not establish Federal jurisdiction over health work in States. State and local laws and regulations govern the health administration of States. The Federal Government merely assists in expanding services and in extending protection and guidance in matters affecting health. Local responsibility is paramount. The Public Health Service does not recommend a standard pattern of organization in administrative practice. On the contrary, it encourages States to adopt plans applicable to their particular needs. The Public Health Service approves any plan which is scientifically sound and gives promise of realizing the purposes of the law.

Expenditures

Since the operation of public health services under the Social Security Act, appropriations and expenditures in the form of grants-in-aid have been as follows: for the five-month period February 1 to June 30, 1936, the amount of \$3,333,000 was appropriated for distribution to the States and actually \$2,451,140.79 was expended, leaving a balance of \$881,859.21 to be carried forward and added to the appropriation for the fiscal year 1937. The full \$8,000,000 appropriated for 1937 added to the surplus left over from 1936, which is legitimate under the Act, made a total of \$8,881,859.21 available. Of this latter amount, \$7,765,203.33 was paid to the States, leaving for the 1938 fiscal year a surplus of \$1,116,657.67. The total of \$9,116,655.00 available for allocation in 1938 was allotted as follows:

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According to financial needs	2,767,968
According to special health problems:	
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Specific programs	216,600
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State and local funds required to match Federal funds were:

With existing appropriations	\$ 3,052,150
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The purposes with which the total allotments to States from all funds appropriated under Section 601 of the Social Security Act for the fiscal year 1938 were budgeted by the States and Territories as of January 1, 1938, as follows:

<u>Purpose</u>	<u>Number of States</u>	<u>Amount</u>
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Total (Including expended balances carried forward).		<u>\$ 10,304,663.50</u>

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in the enforcement of State and local health regulations. The Public Health Service has acted advisory to States in matters of public health administration. This cooperative aid was strengthened in 1917 when Congress set aside annually \$25,000, later increasing the amount from time to time, for the Public Health Service to cooperate with States in studies and demonstrations in rural health. Under extraordinary circumstances, such as during the World War, during devastating droughts, and at times of great floods, large sums have been set aside to cope with emergency needs in the aid of States and local areas.

38,265,596 employees and 1,787,708 employers have paid a total tax of \$ 737,526,539.32. When the Title VIII tax was inaugurated on January 1, 1937 returns and tax payments were made by the employers in behalf of themselves and their employees monthly. However, in a ruling issued by ^{the} ~~the~~ Commissioner of Internal Revenue ~~the~~ Holman, Title VIII returns and taxes were placed on a quarterly basis as of January 1, 1938.

This change in tax collection procedure was accomplished to simplify bookkeeping on the part of employers and the Bureau of Internal Revenue. ~~The employer is still required to deduct his employee's tax from his weekly pay envelope.~~

The field forces of the Bureau of Internal Revenue, in accordance with ~~the~~ terms of the Social Security Act which imposed severe penalties for failure to make tax returns and payments, have ~~conducted~~ made thorough checkups of More than ~~vigorous drives against~~ delinquents. ~~39,000~~ 39,000 delinquent investigations are being conducted currently. During the first quarter of 1938, ending March 31, a total of 42,533 new taxpayers were added to ~~the total~~ those making Social Security tax payments.

In administering the Social Security funds, the Treasury Department follows the procedure outlined by Congress in the Act. ~~2699,000,000~~ In line with appropriations, The Secretary of the Treasury has transferred \$690,000,000 ~~has been transferred~~ to the Old-Age Reserve Account ~~by the Secretary~~ of the Treasury, Henry Morgenthau, Jr., with the approval of Congress. On certification of the Social Security Board, the Secretary has distributed \$60,001,347.82 to the forty-eight States of Columbia states, Alaska and Hawaii for ~~the~~ State Unemployment Compensation Administration; \$11,528,663.82 for Aid to the Blind, and \$350,590,010.70 for Old-Age Assn; \$45,819,189.05 for aid to Dependent Children on certi-

and the balance a reservation of the Treasury

S. matt. RS

For Saturday

14-33

The Treasury Department today described its method of collecting and administering the taxes levied by the Social Security Act, which imposes a direct tax on the greatest number of people in the

history of the country. Under the Act, which will have been in effect three years tomorrow, ^{Under the provisions of the legislation} 38,265,596 employees and 2,089,500

employers have paid \$ 887,946,271.71 into the general Treasury fund as of July 30, ~~1937~~ ¹⁹³⁸

Enacted to provide Old-Age Pensions and Unemployment Insurance for employees, the Social Security Act levies an income tax on the ~~wages~~ wages of employees and an excise tax on employers of one or more persons under the provisions of Title VIII, and an excise tax on the annual payroll of employers of eight or more persons under Title IX.

Collection of the taxes is the duty of the Bureau of Internal Revenue, with its sixty-four Collection Districts in the forty-eight states, Alaska and Hawaii. The one percent excise levy contained in Title IX of the Act was first imposed on employers having eight

or more persons on their payroll during the calendar year of 1936. ^{This tax was increased to two percent during the calendar year 1937 and three percent during the calendar year 1938 and thereafter.} Total collections of this tax, which is paid by the employer alone, amounted to \$ 150,416,831.69 ^{at the end of July} on July 30, ~~1937~~ ¹⁹³⁸.

Title VIII taxes, levying an income tax of one percent on the ~~wages~~ wages of all employees and an excise tax of one percent on the ~~wages~~ wages paid by employers of one or more persons, went into effect on January 1, 1937. From that date to July 30, ~~1937~~ ¹⁹³⁸,

PS†

TREASURY DEPARTMENT

Washington

FOR RELEASE, MORNING NEWSPAPERS,
Saturday, August 13, 1938.
8-11-38

Press Service
No. 14-33

The Treasury Department today described its method of collecting and administering the taxes levied by the Social Security Act, which will have been in effect three years tomorrow. Under the provisions of the legislation, 38,265,596 employees and 2,089,500 employers have paid \$887,946,271.71 into the general Treasury fund as of July 31, 1938.

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Collection of the taxes is the duty of the Bureau of Internal Revenue, with its sixty-four Collection Districts in the forty-eight States, Alaska and Hawaii. The one per cent excise levy contained in Title IX of the Act was first imposed on employers having eight or more persons on their payroll during the calendar year of 1936. This tax was increased to two per cent during the calendar year 1937 and three per cent during the calendar year 1938 and thereafter. Total collections of this tax, which is paid by the employer alone, amounted to \$150,416,831.69 at the end of July.

Title VIII taxes, levying an income tax of one per cent on the wages of all employees and an excise tax of one per cent on the wages paid by employers of one or more persons, went into effect on January 1, 1937. From that date to July 31, 1938, 38,265,596 employees and 1,787,708 employers have paid a total tax of \$737,526,539.32. When the Title VIII tax was inaugurated on January 1, 1937, returns and tax payments were made by the employers in behalf of themselves and

their employees monthly. However, in a ruling issued by the Commissioner of Internal Revenue Title VIII returns and taxes were placed on a quarterly basis as of January 1, 1938.

This change in tax collection procedure was accomplished to simplify book-keeping on the part of employers and the Bureau of Internal Revenue.

The field forces of the Bureau of Internal Revenue, in accordance with terms of the Social Security Act which impose severe penalties for failure to make tax returns and payments, have made thorough checkups of delinquents. More than 39,000 delinquent investigations are being conducted currently. During the first quarter of 1938, ending March 31, a total of 12,533 new taxpayers were added to those making Social Security tax payments.

In administering the Social Security funds, the Treasury Department follows the procedure outlined by Congress in the Act. In line with appropriations, the Secretary of the Treasury has transferred \$690,000,000 to date to the Old-Age Reserve Account.

apparent cause for this lies in the fact that resources are scattered and efforts duplicated because of a lack of common direction in prosecuting health work.

These are but a few of the numerous research activities and studies being carried on by the National Institute of Health. Others of great significance, unifying and rounding out the whole program are of importance. For example, the Institute extends cooperative service to various Federal departments and bureaus, to States, local authorities, welfare agencies, professional and lay organizations, municipal and private hospitals, and individuals throughout the United States, and in turn receives their cooperation in a number of ways. Much of the work which the Institute has been performing could not have been done effectively without this reciprocal action. Its relationship has been consultative and advisory. This cooperation has embraced the Departments of Labor, Justice, Interior, Commerce, Agriculture, Navy, Army; the Housing Commission several states in the development of Industrial Hygiene; local governments in conducting milk sanitation, seminars, and various technical health training courses. It has cooperated with the Rockefeller Foundation, Bureau of Entomology and Plant Quarantine, and the T. V. A. There has been an exchange of mutual services between the Institute and the Milbank Fund, the Federation of Sewage Laws Association, the International Association of Milk Sanitariums, the Pan-American Sanitary Bureau, the American Standards Association, the American Gas Association, and the National Resources Committee. Many universities have participated in cooperative studies and seventy-five hospitals from Coast to Coast have sent autopsy material for trichinosis studies.

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Other research activities include research projects in milk sanitation, child hygiene, improved methods for controlling malaria, in tuberculosis, and in clinical research. Still other activities include research on practical and efficient methods of destroying insects aboard aeroplanes, on health of transients, on communicable diseases, water supplies, and sewage disposal.

The Institute made an analysis of data bearing on the income, expenditures, and personnel of hospitals. It was found from the analysis that general and special hospitals receive more than one-half of their funds from patrons, about one-third from taxes, and one-eighth from other sources. Bed costs were highest in Federal hospitals and lowest in hospitals operated by local and State governments. In general, it was found that compensation for administrators of health agencies were higher for non-official than for official organizations. The

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A study of the health of young people according to age groups involving 9,000 families scattered over eighteen States indicated that the least amount of illness occurs between the ages of 15 and 24, while the greatest amount appeared in children under 5 years of age.

A comparison of the more serious diseases of childhood showed that for whooping cough and measles, the spread between the rates for the younger and the older groups has increased slightly, and that these two diseases continue to attack the very young children as much as ever. However, for meningitis, diphtheria, scarlet fever, and poliomyelitis, it was found that this spread has definitely decreased, especially for the latter two diseases. The fatality of infantile paralysis has decreased among the younger age groups, according to the findings.

The area of Rocky Mountain spotted fever infection was found to have increased during the past year to include Ohio and Massachusetts and a number of counties in various states where the disease already occurs.

Studies in trichinosis continued. The wide prevalence of trichinosis, a disease caused by a parasite acquired from eating uncooked pork, has made it of public health importance. Recent studies demonstrated about 17 percent of the people of the United States are infected with the disease. Its prevalence is high along the North Atlantic coast and the Southern Pacific coast, low in the South, and intermediate elsewhere.

Weil's disease, an acute infectious disease, sporadic in the United States, was heretofore regarded as a tropical malady until cases

Certain outstanding discoveries have evolved from the research of Institute workers which are of great value. Among these have been advances in hookworm studies; the close relationship between contagious abortion in cattle and undulant fever of man; the standardization of a number of biologic products; the infectious period of measles whereby quarantine for this disease has been greatly shortened; the causes of tularemia, pellagra, and endemic typhus fever; epidemiology of Rocky Mountain spotted fever and the production of a protective vaccine for the disease; and a remedy for acute mercurial poisoning.

Most recent studies of particular interest to the average citizen include those in rheumatic heart disease; illness according to age group; investigations and experiments in Rocky Mountain spotted fever and typhus control; immunization against scarlet fever, infantile paralysis, and Weil's disease...In the field of industrial hygiene - the protection of the health of workers exposed to factory materials and conditions hazardous to health - studies have been made which constitute a chapter by themselves.

From these and other investigations certain results are significant. Studies during the past year disclosed that rheumatic heart disease, for example, ranks fourth as a cause of death. Its fatality is exceeded only by tuberculosis, pneumonia, and syphilis. Rheumatic heart disease among college students was investigated and questionnaires involving 104,163 students revealed from returns received a rate of 11.6 per thousand, of which 9.2 was for men and 14.9 for women students. This disease, among persons under twenty, is found to cause more deaths than whooping cough,

effects of lead-arsenate in a study of insecticide sprays.

These are but a few of the sweeping studies conducted by the staff members. They penetrate man and his environment from parasites to illumination, from disease and illness to cause, and from cause to prevention and control - each a serious effort to insure better health.

These activities are carried on by the National Institute of Health, which evolved from a small laboratory established at the Marine Hospital in New York in 1887. Later transferred to Washington and named the Hygienic Laboratory, in 1930 the name, by Congressional Act, was changed to National Institute of Health. For thirty-six years it has functioned as the major research organization of the Public Health Service. Its broad function, according to law, is "the investigation of infectious and contagious diseases and matters pertaining to the public health.

The National Institute of Health has a scientific staff of 241, eighty-one of whom are commissioned medical officers. The total personnel of the Institute numbers 672. Their studies are highly specialized and require exact scientific training to understand their significance. Nevertheless, their bearing upon ultimate health is of utmost importance to all American citizens; for once the investigations disclose satisfactory results in the field of preventive medicine, they become common property for the benefit of all.

The general scope of the research prosecuted at the National Institute of Health falls under four major divisions: The Division of Pathology and Bacteriology, the Division of Pharmacology, the Division of Chemistry, and the Division of Zoology.

Saturday

Treasury Department
U. S. Public Health Service
Washington

For Release: A.M. Papers
Saturday, August 13, 1938.

RESEARCH OF THE U. S. PUBLIC HEALTH SERVICE

Title VI, Section 603, of the Social Security Act, authorizes an annual appropriation of \$2,000,000 to be spent by the U. S. Public Health Service "for investigation of diseases and problems of sanitation".

Under this stimulus, the National Institute of Health, which is the research division of the Service, has carried on an amazing variety of studies both in field and laboratory, all directed toward the common goal of controlling disease and improving health, and touching virtually every major salient of the nation's welfare.

These studies cover a range of activities varying from minute investigations of bacteria to general, statistical inquiries into the efficiency of public health administration; from highly technical vaccine researches to the control of mosquitoes; from analyses of sugar and carbohydrates, to studies relating to rheumatic fever and heart disease.

They vary from statistical inquiries into morbidity and mortality, to chemical examinations of water; from studies of milk and milk sanitation for the reduction of milk-borne diseases to advisory assistance to States in developing milk control programs; from studies of dust in dust-producing industries to determine their physical effects and properties, to voluntary experiments by members of the research staff in testing on themselves the

These transfers are in the form of special
3 percent Treasury notes

Department of Health
Public Health Service
Washington, D. C.

The United States Public Health Service today summarized its research activities under Title VI of the Social Security Act, which will be three years old tomorrow and under which an annual appropriation of \$2,000,000 has been made "for investigation of diseases and problems of sanitation."

The Public Health Service today announced that it has received from the Social Security Administration a total of \$2,000,000 for the fiscal year 1935. This amount is the first of the \$2,000,000 which will be available for the purpose of carrying out the research program authorized by Title VI of the Social Security Act. The program is designed to provide for the investigation of diseases and problems of sanitation, and to provide for the dissemination of information concerning the same.

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TREASURY DEPARTMENT
U. S. Public Health Service
Washington

FOR RELEASE, MORNING NEWSPAPERS,
Saturday, August 13, 1938.
8-12-38

Press Service
No. 14-34

The United States Public Health Service today summarized its research activities under Title VI of the Social Security Act, which will be three years old tomorrow and under which an annual appropriation of \$2,000,000 has been made "for investigation of diseases and problems of sanitation."

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These are but a few of the sweeping studies conducted by the staff members. They penetrate man and his environment from parasites to illumination, from disease and illness to cause, and from cause to prevention and control - each a

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The general scope of the research prosecuted at the National Institute of Health falls under eight major divisions: Infectious Diseases, Pathology, Biologics Control, Pharmacology, Chemistry, Zoology, Industrial Hygiene, and Public Health Methods.

Certain outstanding discoveries have evolved from the research of Institute workers which are of great value. Among these have been advances in hookworm studies; the close relationship between contagious abortion in cattle and undulant fever of man; the standardization of a number of biologic products; the infectious period of measles whereby quarantine for this disease has been greatly shortened; the causes of tularemia, pellagra; the transmission of endemic typhus fever; geographical distribution of Rocky Mountain spotted fever and the production of a protective vaccine for the disease; and a remedy for

acute mercurial poisoning.

Most recent studies of particular interest to the average citizen include those in rheumatic heart disease; illness according to age group; investigations and experiments in Rocky Mountain spotted fever and typhus control; immunization against scarlet fever, infantile paralysis, and Weil's disease. In the field of industrial hygiene - the protection of the health of workers exposed to factory materials and conditions hazardous to health - studies have been made which constitute a chapter by themselves.

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Weil's disease, an acute infectious disease, sporadic in the United States, was heretofore regarded as a tropical malady until cases were found in New York, Michigan, Pennsylvania, South Carolina, West Virginia, Texas, Iowa, and Florida. The staff of the Institute at once put at the disposal of physicians in the affected areas, information concerning its prevalence and methods of diagnosis.

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TREASURY DEPARTMENT

OFFICE OF THE SECRETARY

WASHINGTON

COMMISSIONER OF
ACCOUNTS AND DEPOSITS

August 8, 1938.

TO MR. GASTON:

During the month of July, 1938, the following market transactions took place in Government securities:

Total purchases	\$ 1,176,600
Total sales	<u>25,000</u>
Net purchases	<u><u>\$ 1,151,600</u></u>

S. Mat.

TREASURY DEPARTMENT

WASHINGTON

FOR RELEASE, MORNING NEWSPAPERS,
Tuesday, August 16, 1938.
8/15/38

Press Service

The Secretary of the Treasury announced last evening that the tenders for \$100,000,000, or thereabouts, of 91-day Treasury bills, to be dated August 17 and to mature November 16, 1938, which were offered on August 12, were opened at the Federal Reserve banks on August 15.

The details of this issue are as follows:

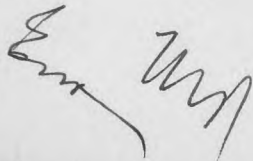
Total applied for	-	\$285,722,000
Total accepted	-	100,493,000

Range of accepted bids:

High	-	99.991	Equivalent rate approximately	0.036	percent
Low	-	99.987	"	"	"
Average price	-	99.988	"	"	"

(60 percent of the amount bid for at the low price was accepted)

S-matt.



TREASURY DEPARTMENT

Washington

FOR RELEASE, MORNING NEWSPAPERS,
Tuesday, August 16, 1938.
 8-15-38

Press Service
 No. 14-36

The Secretary of the Treasury announced last evening that the tenders for \$100,000,000, or thereabouts, of 91-day Treasury bills, to be dated August 17 and to mature November 16, 1938, which were offered on August 12, were opened at the Federal Reserve banks on August 15.

The details of this issue are as follows:

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Range of accepted bids:					
High	- 99.991	Equivalent rate approximately	0.036	percent	
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Average price	- 99.988	" "	" "	" "	0.047 "

(60 percent of the amount bid for at the low price was accepted)

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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 22, 1938, 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 24, 1938.

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. (Attention is invited to Treasury Decision 4550, ruling that Treasury bills are not exempt from the gift tax.) 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.

S. MAN

TREASURY DEPARTMENT

FOR RELEASE, MORNING PAPERS,
Friday, August 19, 1938.

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, August 22, 1938. Tenders will not be received at the Treasury Department, Washington.

The Treasury bills will be dated August 24, 1938, and will mature on November 23, 1938, 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 22, 1938, 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 24, 1938.

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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, MORNING NEWSPAPERS,
Tuesday, August 23, 1938.
8/22/38

Press Service

14-37

The Secretary of the Treasury announced last evening that the tenders for \$100,000,000, or thereabouts, of 91-day Treasury bills, to be dated August 24 and to mature November 23, 1938, which were offered on August 19, were opened at the Federal Reserve banks on August 22.

The details of this issue are as follows:

Total applied for	- \$245,680,000
Total accepted	- 100,057,000

Range of accepted bids:

High	- 99.990	Equivalent rate approximately	0.040 percent
Low	- 99.987	" " "	0.051 "
Average price	- 99.988	" " "	0.048 "

(49 percent of the amount bid for at the low price was accepted)

Ann *WV*

TREASURY DEPARTMENT

Washington

FOR RELEASE, MORNING NEWSPAPERS,
Tuesday, August 23, 1938.
8-22-38

Press Service
No. 14-37

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The recommendation of the Treasury, which Congress adopted in Section 820 of the Revenue Act of 1938, was the result of research by Treasury experts and conferences with members of the bar extending over a period of many months.

The regulations approved today are as follows:

"We confidently expect that these provisions of the law will eliminate many of the inequities and controversies that have arisen from the operation of the statute of limitations and have proved to be a source of irritation to both the taxpayers and the Treasury.

"Prior to the enactment of Section 820, a taxpayer might have paid his tax in 1932 on a certain item of income and the Government might later claim that the item of income was erroneously taxed in 1932 and should be taxed in 1938. If it was finally determined that the proper year for taxing the item of income was 1938, the Government would often receive two taxes because the taxpayer would not be able to recover the tax paid in 1932 due to the statute of limitations barring such recovery.

"Similarly, ~~it frequently happened that~~ the taxpayer ^{may have} claimed a deduction in 1932, and in 1936, after the statute of limitations had run, he might claim a deduction again, asserting that 1936 was the proper year for the taking of the deduction. If it was finally determined that 1936 was the proper year for the claim, the Government would in effect be forced to allow a double deduction since it could not recover from the taxpayer any additional tax for 1932 because of the statute of limitations."

Mr. Magill also stated that closing agreements would be entered into wherever necessary to effect an adjustment under the Section and that ^{so} as far as possible such adjustment would be expedited by settling the tax liability for the open year and the adjustment for the closed year in one proceeding. Moreover, it was pointed out that Section 820 was designed to provide equitable relief and will not be applied to penalize taxpayers in cases in which an inconsistent position is inadvertently taken and then withdrawn prior to a determination.

For immediate release
Wednesday, August 24, 1938.

Acting Secretary Magill today approved new income tax regulations carrying out provisions of Section 820 of the Revenue Act of 1938.

As a result, the law and regulations now allow for adjustment of cases otherwise closed by the statute of limitations when such correction is necessary to prevent a double tax advantage either to the taxpayer or the Government because of an inconsistent position taken by the party claiming such an advantage. Throughout the Government's income tax experience, the period in which an item of income should be taxed or a deduction allowed frequently has been a matter of controversy. A great amount of time-wasting litigation and consequent expense has been incurred both by the Government and the taxpayer ^{"Mr. Magill said today" (u)} in cases where, despite the fact that it is admitted that an item of income is taxable or a deduction is allowable, there is a dispute as to the proper year to tax the item of income or allow the deduction. In many cases, it has been finally determined that a deduction allowed or an item of income taxed in one year should properly be allowed or taxed in a subsequent year. If the tax was paid or the deduction taken originally on a return on which the statute of limitations had expired, there was no protection for the Government against two deductions or for the taxpayer against double assessment on the same item of income.

^{"Therefore, it can readily be seen that these}
~~"The~~ new regulations," ~~said Mr. Magill today,~~ "deal with the application and effect of one of the most important and beneficial provisions of the income tax laws enacted in some time."

TREASURY DEPARTMENT

Washington

FOR IMMEDIATE RELEASE,
Wednesday, August 24, 1938.

Press Service
No. 14-38

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"A great amount of time-wasting litigation and consequent expense has been incurred both by the Government and the taxpayer," Mr. Magill said today, "in cases where, despite the fact that it is admitted that an item of income is taxable or a deduction is allowable, there is a dispute as to the proper year to tax the item of income or allow the deduction. In many cases, it has been finally determined that a deduction allowed or an item of income taxed in one year should properly be allowed or taxed in a subsequent year.

"If the tax was paid or the deduction taken originally on a return on which the statute of limitations had expired, there was no protection for the Government against two deductions or for the taxpayer against double assessment on the same item of income.

"Therefore, it can readily be seen that these new regulations deal with the application and effect of one of the most important and beneficial provisions of the income tax laws enacted in some time.

"We confidently expect that these provisions of the law will eliminate

many of the inequities and controversies that have arisen from the operation of the statute of limitations and have proved to be a source of irritation to both taxpayers and the Treasury.

"Prior to the enactment of Section 820, a taxpayer might have paid his tax in 1932 on a certain item of income and the Government might later claim that the item of income was erroneously taxed in 1932 and should be taxed in 1938. If it was finally determined that the proper year for taxing the item of income was 1938, the Government would often receive two taxes because the taxpayer would not be able to recover the tax paid in 1932 due to the statute of limitations barring such recovery.

"Similarly, the taxpayer may have claimed a deduction in 1932, and in 1936, after the statute of limitations had run, he might claim a deduction again, asserting that 1936 was the proper year for the taking of the deduction. If it was finally determined that 1936 was the proper year for the claim, the Government would in effect be forced to allow a double deduction since it could not recover from the taxpayer any additional tax for 1932 because of the statute of limitations."

Mr. Magill also stated that closing agreements would be entered into wherever necessary to effect an adjustment under the section and that so far as possible such adjustment would be expedited by settling the tax liability for the open year and the adjustment for the closed year in one proceeding. Moreover, it was pointed out that Section 820 was designed to provide equitable relief and will not be applied to penalize taxpayers in cases in which an inconsistent position is inadvertently taken and then withdrawn prior to a determination.

The recommendation of the Treasury, which Congress adopted in Section 820 of the Revenue Act of 1938, was the result of research by Treasury experts and conferences with members of the bar extending over a period of many months.

(T. D. 4856)

Income Tax

Revenue Act of 1938

Regulations under section 820 relating to
the mitigation of the effect of limitation
and other provisions in income tax cases.

TREASURY DEPARTMENT

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

TO COLLECTORS OF INTERNAL REVENUE
AND OTHERS CONCERNED:

Pursuant to section 820 of the Revenue Act of 1938, enacted May 28, 1938 (Public, No. 554, Seventy-fifth Congress, Chapter 289, third session), section 3447 of the United States Revised Statutes, and other provisions of the internal revenue laws, the following regulations, with respect to the mitigation of the effect of limitation and other provisions in income tax cases, are hereby prescribed, various sections or subsections of the internal revenue laws applicable thereto being quoted in, and made a part of, such regulations:

Art. 820-1. Purpose and scope of section 820.—Section 820 provides for correction of the effect of certain types of errors specified in section 820 (b) and articles 820 (b)-1 to 820 (b)-5, when one or more provisions of the internal revenue laws, such as the statute of limitations, would otherwise prevent such correction. Corrections are authorized under section 820 only when the Commissioner, if the correction would result in an allowance of a refund or credit for the year with respect to which the error was made, or the taxpayer, if the correction would result in an additional assessment for such year, has maintained a position inconsistent with the error. No correction is permissible unless the inconsistent position is adopted by a determination made on or after August 27, 1938. (See section 820 (a) and articles 820 (a)-1 to 820 (a)-3, inclusive, for definition of the term "determination".)

[Section 820 (a) (1) (A) of the Revenue Act of 1938.]

"SEC. 820. MITIGATION OF EFFECT OF LIMITATION AND OTHER PROVISIONS
IN INCOME TAX CASES.

"(a) Definitions.—For the purpose of this section --

"(1) Determination.—The term 'determination under the
income tax laws' means --

"(A) A closing agreement made under section 606
of the Revenue Act of 1928, as amended;

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Such term shall not include any such agreement made * * * prior
to ninety days after the date of the enactment of this Act."

(over)

[Section 901 of the Revenue Act of 1938, in part.]

"SEC. 901. DEFINITIONS.

"(a) When used in this Act--

"(1) The term 'person' means an individual, a trust or estate, a partnership, or a corporation.

"(2) The term 'corporation' includes associations, joint-stock companies, and insurance companies.

"(3) The term 'partnership' includes a syndicate, group, pool, joint venture, or other unincorporated organization, through or by means of which any business, financial operation, or venture is carried on, and which is not, within the meaning of this Act, a trust or estate or a corporation; and the term 'partner' includes a member in such a syndicate, group, pool, joint venture, or organization.

* * *

"(6) The term 'fiduciary' means a guardian, trustee, executor, administrator, receiver, conservator, or any person acting in any fiduciary capacity for any person.

* * *

"(11) The term 'Secretary' means the Secretary of the Treasury.

"(12) The term 'Commissioner' means the Commissioner of Internal Revenue.

* * *

"(b) The terms 'includes' and 'including' when used in a definition contained in this Act shall not be deemed to exclude other things otherwise within the meaning of the term defined."

[Section 606 (a) and (b) of the Revenue Act of 1928, as amended by sections 801 and 802 of the Revenue Act of 1938.]

"SEC. 606. CLOSING AGREEMENTS.

"(a) Authorization.--The Commissioner (or any officer or employee of the Bureau of Internal Revenue, including the field service, authorized in writing by the Commissioner) is authorized to enter into an agreement in writing with any person relating to the liability of such person (or of the person or estate for whom he acts) in respect of any internal-revenue tax for any taxable period.

"(b) Finality of agreements.--If such agreement is approved by the Secretary, the Under Secretary, or an Assistant Secretary, within such time as may be stated in such agreement, or later agreed to, such agreement shall be final and conclusive, and, except upon a showing of fraud or malfeasance, or misrepresentation of a material fact --

"(1) the case shall not be reopened as to the matters agreed upon or the agreement modified, by any officer, employee, or agent of the United States, and

"(2) in any suit, action, or proceeding, such agreement, or any determination, assessment, collection, payment, abatement, refund, or credit made in accordance therewith, shall not be annulled, modified, set aside, or disregarded."

Art. 820 (a)-1. Closing agreement as a determination.--For the purposes of section 820, a determination may take the form of a closing agreement authorized by section 606 of the Revenue Act of 1928, as amended. Such an agreement may relate to the total tax liability of the taxpayer for a particular taxable year or years or to one or more separate items affecting such liability. If it becomes necessary or desirable to effect a determination in order to obtain or accelerate an adjustment authorized by section 820, a closing agreement may be used for such purpose whenever a taxpayer and the Government have concurred in the disposition of an item or items. A closing agreement becomes final within the meaning of section 820 on the date of its approval by the Secretary, the Under Secretary, or an Assistant Secretary.

[Section 820 (a) (1) (B) of the Revenue Act of 1938.]

[SEC. 820. MITIGATION OF EFFECT OF LIMITATION AND OTHER PROVISIONS IN INCOME TAX CASES.]

["(a) Definitions.--For the purpose of this section --

"(1) Determination.--The term 'determination under the income tax laws' means --]

"(B) A decision by the Board of Tax Appeals or a judgment, decree, or other order by any court of competent jurisdiction, which has become final; * * *

* * *

Such term shall not include any * * * decision, judgment, decree, or order which has become final * * * prior to ninety days after the date of the enactment of this Act."

Art. 820 (a)-2. Decision by Board or Court as a determination.--A determination may take the form of a decision by the Board of Tax Appeals or a judgment, decree, or other order by any court of competent jurisdiction, which has become final.

The date upon which a decision by the Board of Tax Appeals becomes final is prescribed in section 1005 of the Revenue Act of 1926, as amended.

The date upon which a judgment of a court becomes final must be determined upon the basis of the facts in the particular case. Ordinarily, a judgment of a United States District Court becomes final upon the expiration of the time allowed for taking an appeal, if no such appeal is duly taken within such time; and a judgment of the United States Court of Claims becomes final upon the expiration of the time allowed for filing a petition for certiorari if no such petition is duly filed within such time.

[Section 820 (a) (1) (C) of the Revenue Act of 1938.]

[SEC. 820. MITIGATION OF EFFECT OF LIMITATION AND OTHER PROVISIONS IN INCOME TAX CASES.]

[(a) Definitions.--For the purpose of this section --

"(1) Determination.--The term 'determination under the income tax laws' means --]

"(C) A final disposition by the Commissioner of a claim for refund. For the purposes of this section a claim for refund shall be deemed finally disposed of by the Commissioner --

"(i) as to items with respect to which the claim was allowed, upon the date of allowance of refund or credit or upon the date of mailing notice of disallowance (by reason of offsetting items) of the claim for refund, and

"(ii) as to items with respect to which the claim was disallowed, in whole or in part, or as to items applied by the Commissioner in reduction of the refund or credit, upon expiration of the time for instituting suit with respect thereto (unless suit is instituted prior to the expiration of such time).

Such term shall not include any * * * claim for refund finally disposed of, prior to ninety days after the date of the enactment of this Act."

Art. 820 (a)-3. Final disposition of claim for refund as a determination. A determination may take the form of a final disposition of a claim for refund. Such disposition may result in a determination with respect to two classes of items, i.e., items included by the taxpayer in a claim for refund and items applied by the Commissioner to offset the alleged overpayment. The time at which a disposition in respect of a particular item becomes final may depend not only upon what action is taken with respect to that item but also upon whether the claim for refund is allowed or disallowed.

(a) Items with respect to which the taxpayer's claim is allowed.---

(1) The disposition with respect to an item as to which the taxpayer's contention in the claim for refund is sustained becomes final on the date of allowance of the refund or credit if --

(i) The taxpayer's claim for refund is unqualifiedly allowed; or

(ii) The taxpayer's contention with respect to an item is sustained and with respect to other items is denied, so that the net result is an allowance of refund or credit; or

(iii) The taxpayer's contention with respect to an item is sustained, but the Commissioner applies other items to offset the amount of the alleged overpayment and the items so applied do not completely offset such amount but merely reduce it so that the net result is an allowance of refund or credit.

(2) If the taxpayer's contention in the claim for refund with respect to an item is sustained but the Commissioner applies other items to offset the amount of the alleged overpayment so that the net result is a disallowance of the claim for refund, the date of mailing, by registered mail, of the notice of disallowance (see section 3226 of the Revised Statutes, as amended) is the date of the final disposition as to the item with respect to which the taxpayer's contention is sustained.

(b) Items with respect to which the taxpayer's claim is disallowed.---

The disposition with respect to an item as to which the taxpayer's contention in the claim for refund is denied becomes final upon the expiration of the time allowed by section 3226 of the Revised Statutes, as amended, for instituting suit on the claim for refund, unless suit is instituted prior to the expiration of such period, if --

(i) The taxpayer's claim for refund is unqualifiedly disallowed; or

(ii) The taxpayer's contention with respect to an item is denied and with respect to other items is sustained so that the net result is an allowance of refund or credit; or

(iii) The taxpayer's contention with respect to an item is sustained in part and denied in part. For example, if the taxpayer claims a deductible loss of \$10,000 and a consequent overpayment of \$2,500 and the Commissioner concedes that a deductible loss was sustained but in the amount of \$5,000 only, or that a deductible loss of \$10,000 was sustained, but under the Commissioner's computation the consequent overpayment is only \$2,000, the disposition of the claim for refund with respect to both the allowance of the \$5,000 and the disallowance of the remaining \$5,000, or the allowance of the \$2,000 overpayment and the denial of the \$500, becomes final upon the expiration of the time for instituting suit on the claim for refund unless suit is instituted prior to the expiration of such period.

(over)

(c) Items applied by the Commissioner in reduction of the refund or credit.

If the Commissioner applies an item in reduction of the overpayment alleged in the claim for refund, and the net result is an allowance of refund or credit, the disposition with respect to the item so applied by the Commissioner becomes final upon the expiration of the time allowed by section 3226 of the Revised Statutes, as amended, for instituting suit on the claim for refund, unless suit is instituted prior to the expiration of such period. If such application of the item results in the assertion of a deficiency, such action does not constitute a final disposition by the Commissioner of a claim for refund within the meaning of section 820 (a) (1) (C) (ii) of the Act, but subsequent action taken with respect to such deficiency may result in a determination under section 820 (a) (1) (A) or (B) of the Act.

The necessity of waiting for the expiration of the two-year period of limitations provided in section 3226 of the Revised Statutes, as amended, may be avoided in such cases as are described under (b) or (c) of this article by the use of a closing agreement to effect a determination.

[Section 820 (a) (2) and (3) of the Revenue Act of 1938.]

[SEC. 820. MITIGATION OF EFFECT OF LIMITATION AND OTHER PROVISIONS IN INCOME TAX CASES.]

[(a) Definitions.--For the purpose of this section --]

"(2) Taxpayer.--Notwithstanding the provisions of section 901, the term 'taxpayer' means any person subject to a tax under the applicable Revenue Act.

"(3) Related taxpayer.--The term 'related taxpayer' means a taxpayer who, with the taxpayer with respect to whom a determination specified in subsection (b) (1), (2), (3), or (4) is made, stood, in the taxable year with respect to which the erroneous inclusion, exclusion, omission, allowance, or disallowance therein referred to was made, in one of the following relationships: (A) husband and wife; (B) grantor and fiduciary; (C) grantor and beneficiary; (D) fiduciary and beneficiary, legatee, or heir; (E) decedent and decedent's estate; or (F) partner."

Art. 820 (a)-4. Related taxpayer.--An adjustment in the case of the taxpayer with respect to whom the error was made may be authorized under section 820 although the determination is made with respect to a different taxpayer, provided that such taxpayers stand in one of the relationships specified in section 820 (a) (3). The concept of "related taxpayer" has application only to section 820 (b) (1), (2), (3), or (4) and does not apply to section 820 (b) (5). If such relationship exists, it is not essential that the error be with respect to a transaction possible only by reason of the existence of the relationship. For example, if the error with respect to which an adjustment is sought under section 820 grew out of an assignment of rents between taxpayer A and taxpayer B who are partners, and the determination is with respect to taxpayer A, an adjustment with respect to taxpayer B may be permissible despite the fact that

the assignment had nothing to do with the business of the partnership. The relationship need not exist throughout the entire taxable year with respect to which the error was made, but only at some time during that taxable year. For example, if a taxpayer on February 15 assigns to his fiancée the net rents of a building which the taxpayer owns, and the two are married before the end of the taxable year, an adjustment may be permissible if the determination relates to such rents despite the fact that they were not husband and wife at the time of the assignment. See article 820 (b)-8 for the requirement in certain cases that the relationship exist at the time an inconsistent position is first maintained.

[Section 820 (b) of the Revenue Act of 1938.]

[SEC. 820. MITIGATION OF EFFECT OF LIMITATION AND OTHER PROVISIONS IN INCOME TAX CASES.]

"(b) Circumstances of Adjustment.—When a determination under the income tax laws —

"(1) Requires the inclusion in gross income of an item which was erroneously included in the gross income of the taxpayer for another taxable year or in the gross income of a related taxpayer; or

"(2) Allows a deduction or credit which was erroneously allowed to the taxpayer for another taxable year or to a related taxpayer; or

"(3) Requires the exclusion from gross income of an item with respect to which tax was paid and which was erroneously excluded or omitted from the gross income of the taxpayer for another taxable year or from the gross income of a related taxpayer; or

"(4) Allows or disallows any of the additional deductions allowable in computing the net income of estates or trusts, or requires or denies any of the inclusions in the computation of net income of beneficiaries, heirs, or legatees, specified in section 162 (b) and (c) of this Act, and corresponding sections of prior revenue Acts, and the correlative inclusion or deduction, as the case may be, has been erroneously excluded, omitted, or included, or disallowed, omitted, or allowed, as the case may be, in respect of the related taxpayer; or

"(5) Determines the basis of property for depletion, exhaustion, wear and tear, or obsolescence, or for gain or loss on a sale or exchange, and in respect of any transaction upon which such basis depends there was an erroneous inclusion in or omission from the gross income of, or an erroneous recognition or nonrecognition of gain or loss to, the taxpayer or any person who acquired title to such property in such transaction and from whom mediately or immediately the taxpayer derived title subsequent to such transaction--

and, on the date the determination becomes final, correction of the effect of the error is prevented by the operation (whether before, on, or after the date of enactment of this Act) of any provision of the internal-revenue laws other than this section and other than section 3229 of the Revised Statutes, as amended (relating to compromises), then the effect of the error shall be corrected by an adjustment made under this section. Such adjustment shall be made only if there is adopted in the determination a position maintained by the Commissioner (in case the amount of the adjustment would be refunded or credited in the same manner as an overpayment under subsection (c)) or by the taxpayer with respect to whom the determination is made (in case the amount of the adjustment would be assessed and collected in the same manner as a deficiency under subsection (c)), which position is inconsistent with the erroneous inclusion, exclusion, omission, allowance, disallowance, recognition, or nonrecognition, as the case may be. In case the amount of the adjustment would be assessed and collected in the same manner as a deficiency, the adjustment shall not be made with respect to a related taxpayer unless he stands in such relationship to the taxpayer at the time the latter first maintains the inconsistent position in a return, claim for refund, or petition (or amended petition) to the Board of Tax Appeals for the taxable year with respect to which the determination is made, or if such position is not so maintained, then at the time of the determination."

[Section 162 (b) and (c) of the Revenue Act of 1938.]

"SEC. 162. NET INCOME.

"The net income of the estate or trust shall be computed in the same manner and on the same basis as in the case of an individual, except that--

* * * * *

"(b) There shall be allowed as an additional deduction in computing the net income of the estate or trust the amount of the income of the estate or trust for its taxable year which is to be distributed currently by the fiduciary to the beneficiaries, and the amount of the income collected by a guardian of an infant which is to be held or distributed as the court may direct, but the amount so allowed as a deduction shall be included in computing the net income of the beneficiaries whether distributed to them or not. Any amount allowed as a deduction under this paragraph shall not be allowed as a deduction under subsection (c) of this section in the same or any succeeding taxable year;

"(c) In the case of income received by estates of deceased persons during the period of administration or settlement of the estate, and in the case of income which, in the discretion of the fiduciary, may be either distributed to the beneficiary or accumulated, there shall be allowed as an additional deduction in computing the net income of the estate or trust the amount of the income of the estate or trust for its taxable year, which is properly paid or credited during such year to any legatee, heir, or beneficiary, but the amount so allowed as a deduction shall be included in computing the net income of the legatee, heir, or beneficiary."

Art. 820 (b)-0. Circumstances of adjustment.---Section 820 may be applied to correct the effect of an error if, on the date of the determination, correction of the effect of the error is prevented by the operation, whether before, on, or after the date of enactment of section 820, of any provision of the internal revenue laws other than section 820 and other than section 3229 of the Revised Statutes, as amended (relating to compromises). Examples of such provisions are: Section 275, 311 (b) and (c), and 322 (b) and (d) of the Revenue Act of 1938 and the corresponding provisions of prior Revenue Acts, section 3226 of the Revised Statutes, as amended, section 610 of the Revenue Act of 1928, and section 906 (e) of the Revenue Act of 1924, as amended by section 601 of the Revenue Act of 1928 (periods of limitation); sections 272 (f) and 322 (c) of the Revenue Act of 1938 and corresponding provisions of prior Revenue Acts (effect of petition to Board of Tax Appeals on further deficiency letters and on credits or refunds); section 606 of the Revenue of 1928, as amended by sections 801 and 802 of the Revenue Act of 1938 (closing agreements); and sections 607, 608, and 609 of the Revenue Act of 1928 (payments, refunds or credits after period of limitation has expired).

If the tax liability for the year with respect to which the error was made has been compromised under section 3229 of the Revised Statutes, as amended, no adjustment may be made under section 820 with respect to that year.

Section 820 is not applicable if, on the date of the determination, correction of the effect of the error is permissible without recourse to such section.

The determination may be with respect to the tax imposed by Title I, Title IA, or section 602 of Title III, of the Revenue Act of 1938, and by the corresponding provisions of any prior Revenue Acts, by Title III of the Revenue Act of 1936, or by more than one of such provisions. Section 820 may be applied to correct the effect of the error only as to the tax or taxes for the year with respect to which the error was made which corresponds to the tax or taxes with respect to which the determination relates. Thus, if the determination relates to the tax imposed by Title I of the Revenue Act of 1938, the adjustment may be only with respect to the tax imposed by Title I of the Revenue Act applicable to the year with respect to which the error was made; if the determination relates to section 602 of Title III of the Revenue Act of 1938, the adjustment may be only with respect to the tax imposed by the corresponding provisions of the Revenue Act applicable to the year with respect to which the error was made.

Art. 820 (b)-1. Double inclusion of item of gross income.--Section 820 (b) (1) applies if the determination requires the inclusion, in a taxpayer's gross income, of an item which was erroneously included in the gross income of the same taxpayer for another taxable year or of a related taxpayer for the same or another taxable year.

Example (1): A taxpayer who keeps his books on the cash basis, erroneously included in his return for 1933 an item of accrued rent. In 1938, after the period of limitations on refunds for 1933 has expired, the Commissioner discovers that the taxpayer received this rent in 1934 and asserts a deficiency for the year 1934, which is sustained by the Board of Tax Appeals in 1941. An adjustment is authorized with respect to the year 1933. If the taxpayer had returned the rent for both 1933 and 1934 and by a determination was denied a refund claimed for 1934 on account of the rent item, a similar adjustment is authorized.

Example (2): A husband assigned to his wife salary to be earned by him in the year 1936. The wife included such salary in her separate return for that year and the husband omitted it. The Commissioner asserted a deficiency against the wife for 1936 with respect to a different item and she contested that deficiency before the Board of Tax Appeals. The wife would therefore be barred by section 322 (c) of the Revenue Act of 1936 from filing a claim for refund for 1936. Thereafter, the Commissioner asserts a deficiency against the husband on account of the omission of such salary from his return for 1936. The husband unsuccessfully contests the deficiency before the Board of Tax Appeals. An adjustment is authorized with respect to the wife's tax for 1936.

Art. 820 (b)-2. Double allowance of a deduction or credit.--Section 820 (b) (2) applies if the determination allows the taxpayer a deduction or credit which was erroneously allowed the same taxpayer for another taxable year or a related taxpayer for the same or another taxable year.

Example (1): A taxpayer in his return for 1935 claimed and was allowed a deduction for destruction of timber by a forest fire. Subsequently it was discovered that the forest fire occurred in 1936 rather than in 1935. After the expiration of the period of limitations for the assessment of a deficiency for 1935, the taxpayer files a claim for refund for 1936 based upon a deduction for the fire loss in that year. The Commissioner allows the claim for refund. An adjustment is authorized with respect to the year 1935.

Example (2): The beneficiary of a testamentary trust in his return for 1933 claimed, and was allowed, a deduction for depreciation of the trust property. The Commissioner asserted a deficiency against the beneficiary for 1933 with respect to a different item and final decision of the Board of Tax Appeals was rendered in 1935, so that the Commissioner was thereafter barred by section 272 (f) of the Revenue Act of 1932 from asserting a further deficiency against the beneficiary for 1933. The trustee thereafter filed a timely refund claim contending that under the terms of the will the trust, and not the beneficiary, was entitled to the allowance for depreciation. The court in 1939 sustains the refund claim. An adjustment is authorized with respect to the beneficiary's tax for 1933.

Art. 820 (b)-3. Erroneous exclusion of item of gross income with respect to which tax was paid.--Section 820 (b) (3) applies if the determination requires the exclusion, from a taxpayer's gross income, of an item with respect to which tax was paid and which was erroneously excluded or omitted from the gross income of the same taxpayer for another taxable year or of a related taxpayer for the same or another taxable year.

Example (1): A taxpayer received payments in 1936 under a contract for the performance of services and included the payments in his return for that year. A closing agreement was thereafter made with respect to the tax liability of the taxpayer for 1935. The taxpayer subsequently filed a claim for refund for the year 1936, asserting that he kept his books on the accrual basis and that, as the payments had accrued in 1935, they were properly taxable in that year. The claim for refund is allowed in 1939. An adjustment is authorized with respect to the year 1935. If the taxpayer had not included the payments in any return and the Commissioner had asserted a deficiency for 1936 with respect to the payments, and the deficiency is not sustained by the Board of Tax Appeals in its final decision in 1940, no adjustment is authorized with respect to the year 1935. Although the determination requires the exclusion of the item from gross income, no tax had been paid with respect thereto. If the taxpayer, however, had paid the deficiency and thereafter successfully contested it before the Board or successfully sued for refund in court, an adjustment is authorized.

(over)

Example (2): A father and son conducted a partnership business, each being entitled to one-half of the net profits. The father included the entire net income of the partnership in his return for 1933 and the son included no portion of this income in his return for that year. Shortly before the expiration of the period of limitations with respect to deficiency assessments and refund claims for both father and son for 1933, the father filed a claim for refund of that portion of his 1933 tax attributable to the half of the partnership income which should have been included in the son's return. The court sustains the claim for refund in 1940. An adjustment is authorized with respect to the son's tax for 1933.

Art. 820 (b)-4. Correlative deductions and inclusions specified in section 162 (b) and (c), Revenue Act of 1938, and corresponding provisions of prior Revenue Acts.--(a) Section 820 (b) (4) applies if the determination relates to the additional deduction specified in section 162 (b) and (c) of the Revenue Act of 1938, or the corresponding provisions of a prior Revenue Act, for amounts distributable to the beneficiaries, heirs, or legatees of an estate or trust, and such determination requires:

(1) The allowance to the estate or trust of such additional deduction when such amounts have been erroneously omitted or excluded from the income of the beneficiaries, heirs or legatees;

(2) The inclusion of such amounts in the income of the beneficiaries, heirs, or legatees when such additional deduction has been erroneously disallowed to or omitted by the estate or trust;

(3) The disallowance to an estate or trust of such additional deduction when such amounts have been erroneously included in the income of the beneficiaries, heirs, or legatees; or

(4) The exclusion of such amounts from the income of the beneficiaries, heirs, or legatees when such additional deduction has been erroneously allowed to the estate or trust.

The provisions of (a) (1) of this article may be illustrated as follows:

Example: For the taxable year 1935, a trustee, directed by the trust instrument to accumulate the trust income, made no distribution to the beneficiary and returned the entire net income as taxable to the trust. Accordingly, the beneficiary did not include the trust income in his return for the year 1935. In 1937 a State court held invalid the clause directing accumulation. In 1939 the trustee, relying upon the court decision, files a claim for refund of the tax paid on behalf of the trust for the year 1935. The claim is sustained by the court in 1941, after the expiration of the period of limitations upon deficiency assessments against the beneficiary for the year 1935. An adjustment is authorized with respect to the beneficiary's tax for the year 1935.

The provisions of (a) (2) of this article may be illustrated as follows:

Example: Assume the same facts as in the example under (a) (1) except that, instead of the trustee's filing a refund claim, the Commissioner, relying upon the decision of the State court, asserts a deficiency against the beneficiary for 1935. The deficiency is sustained by final decision of the Board of Tax Appeals in 1941, after the expiration of the period for filing claim for refund on behalf of the trust for 1935. An adjustment is authorized with respect to the trust for the year 1935.

The provisions of (a) (3) of this article may be illustrated as follows:

Example: A trustee claimed in the return for 1935 a deduction for income distributed to the beneficiary. The income was included by the beneficiary in his return for 1935. In 1939 the Commissioner asserts a deficiency against the trust on the ground that the amount distributed to the beneficiary represented a charge against the corpus of the trust and did not constitute a distribution of income. The deficiency is sustained by final decision of the Board of Tax Appeals in 1941, after the expiration of the period for filing claims for refund by the beneficiary for 1935. An adjustment is authorized with respect to the beneficiary's tax for the year 1935.

The provisions of (a) (4) of this article may be illustrated as follows:

Example: Assume the same facts as in the example under (a) (3), except that, instead of the Commissioner's asserting a deficiency, the beneficiary files a refund claim for 1935 on the same ground. The claim is sustained by the court in 1941, after the expiration of the period of limitations upon deficiency assessments against the trust for 1935. An adjustment is authorized with respect to the trust for the year 1935.

(over)

Art. 820 (b) - 5. Determination of basis of property in case of erroneous treatment of transaction relating to acquisition thereof.---Section 820 (b) (5) applies if the determination establishes the basis of property for income tax purposes and in respect of the transaction upon which such basis depends there was an erroneous inclusion in or omission from gross income or an erroneous recognition or nonrecognition of gain or loss with respect to (1) the taxpayer with respect to whom the determination is made, or (2) any person who acquired title to such property in such transaction and the taxpayer with respect to whom the determination is made mediately or immediately derived title from such person subsequent to such transaction. Subsection 820 (b) (5) applies with respect to the person who acquired the property and any subsequent transferees or donees who have a substituted basis ascertained by reference to the basis in the hands of such person. No adjustment is authorized with respect to the transferor of the property in the transaction upon which the basis of the property depends, when the determination is with respect to (1) the original transferee, or (2) a subsequent transferee of such original transferee.

Example (1): In 1933 taxpayer A transferred property which had cost him \$5,000 to the X Corporation in exchange for an original issue of shares of its stock having a fair market value of \$10,000. In his return for 1933 taxpayer A treated the exchange as one in which gain or loss was not recognizable:

(a) In 1938 the X Corporation claims that gain should have been recognized on the exchange in 1933 and therefore the property it received had a \$10,000 basis for depreciation. Its contention is confirmed by a closing agreement. No adjustment is authorized with respect to the tax of the X Corporation for 1933, as there was no "erroneous inclusion in or omission from the gross income of, or an erroneous recognition or nonrecognition of gain or loss to" the X Corporation with respect to the exchange in 1933. Moreover no adjustment is authorized with respect to taxpayer A, as he is not the taxpayer with respect to whom the determination is made, nor does the determination relate to the property which taxpayer A acquired in the exchange in 1933, but, rather, to the property which he transferred in such exchange.

(b) In 1939 the X Corporation transfers the property to the Y Corporation in a tax-free exchange. In 1940 the Y Corporation sells the property and computes its profit on the basis of \$10,000, which basis is sustained by the Board of Tax Appeals. No adjustment is authorized with respect to the Y Corporation or with respect to taxpayer A, for the reason stated in (a).

(c) In 1941 taxpayer A sells the stock which he had received in 1933 and claims that, as gain should have been recognized on the exchange in 1933, the basis for computing the profit on the sale is \$10,000. His contention is confirmed in a closing agreement. An adjustment is authorized with respect to his tax for the year 1933, as the basis for computing gain on the sale depends upon the transaction in 1933 and in respect of that transaction there was an erroneous non-recognition of gain to taxpayer A, "the taxpayer" with respect to whom the determination is made.

(d) Taxpayer A does not sell the stock but makes a gift of it to taxpayer B, who later sells the stock and claims the \$10,000 basis, which contention is confirmed in a closing agreement. An adjustment is authorized with respect to the tax of taxpayer A for 1933, as the basis for computing gain on the sale by taxpayer B depends upon the transaction in 1933 and in respect of that transaction there was erroneous nonrecognition of gain to taxpayer A, the "person who acquired title to such property in such transaction and from whom * * * immediately" taxpayer B, with respect to whom the determination is made, "derived title subsequent to such transaction".

Example (a): In 1934 taxpayer A sold property acquired at a cost of \$5,000 to taxpayer B for \$10,000. In his return for 1934 taxpayer A failed to include the profit on such sale. In 1939 taxpayer B sells the property for \$12,000 and in his return for 1939 reports a gain of \$2,000 upon the sale, which is confirmed in a closing agreement. No adjustment is authorized with respect to the tax of taxpayer A for 1934, as taxpayer A is not the taxpayer with respect to whom the determination is made; nor does the determination relate to property which taxpayer A acquired in the transaction in 1934, but rather to property which he transferred in such transaction.

Example (3): In 1933 a taxpayer received as additional compensation shares of stock in a corporation but did not include any amount in his return for that year on account of the receipt of such stock. In 1938, after the expiration of the period of limitations on deficiency assessments for 1933, he sells the stock for \$15,000 and reports \$5,000 in his return for 1938 as profit on the sale. A deficiency is asserted by the Commissioner on the theory that the basis is zero and the recognized gain is \$15,000. The Board of Tax Appeals sustains the taxpayer's contention that the transaction was erroneously treated in 1933 in that the property then had a fair market value of \$10,000. An adjustment is authorized with respect to the year 1933.

Example (4): In 1933 a taxpayer received 100 shares of stock of the X Corporation having a fair market value of \$5,000, in exchange for shares of stock in the Y Corporation which he had acquired at a cost of \$12,000. In his return for 1933 the taxpayer treated the exchange as one in which gain or loss was not recognizable. The taxpayer sold 50 shares of the X Corporation stock in 1934 and in his return for that year treated such shares as having a \$6,000 basis. In 1938 the taxpayer sells the remaining 50 shares of stock of the X Corporation for \$7,500 and reports \$1,500 gain in his return for 1938. After the expiration of the period of limitations on deficiency assessments and on refund claims for 1933 and 1934, the Commissioner asserts a deficiency for 1938 on the ground that the loss realized on the exchange in 1933 was erroneously treated as nonrecognizable, and that the basis for computing gain upon the sale in 1938 is \$2,500, resulting in a gain of \$5,000. The deficiency is sustained by the Board of Tax Appeals in 1943. An adjustment is authorized with respect to the year 1933 as to the entire \$7,000 loss realized on the exchange. No adjustment is authorized with respect to the year 1934 as the basis for computing gain upon the sale of the 50 shares in 1938 does not depend upon the transaction in 1934.

Art. 820 (b) - 6. Law applicable in determination of error.--The question whether there was an erroneous inclusion, exclusion, omission, allowance, disallowance, recognition, or nonrecognition is determined under the provisions of

(over)

the internal revenue laws applicable with respect to the year as to which the inclusion, exclusion, omission, allowance, disallowance, recognition, or nonrecognition, as the case may be, was made. The fact that the inclusion, exclusion, omission, allowance, disallowance, recognition, or nonrecognition, as the case may be, was in pursuance of an interpretation, either judicial or administrative, accorded such provisions of the internal revenue laws at the time of such action is not necessarily determinative of this question. For example, if a later judicial decision authoritatively alters such interpretation so that such action was contrary to such provisions of the internal revenue laws as later interpreted, the inclusion, exclusion, omission, allowance, disallowance, recognition, or nonrecognition, as the case may be, is erroneous within the meaning of section 820.

Art. 820 (b) -- 7. Operation dependent upon maintenance of inconsistent position.---(a) Adjustments resulting in additional assessments.--- An adjustment which would result in an additional assessment is authorized only if (1) the taxpayer, with respect to whom the determination is made, has, in connection therewith, maintained a position which is inconsistent with the erroneous inclusion, exclusion, omission, allowance, disallowance, recognition, or nonrecognition, as the case may be, and (2) such inconsistent position is adopted in the determination.

Example: A taxpayer in his return for 1935 claimed and was allowed a deduction for a loss arising from a casualty. After the taxpayer had filed his return for 1936 and after the period of limitations upon the assessment of a deficiency for 1935 had expired, it was discovered that the loss actually occurred in 1936. The taxpayer, therefore, filed a claim for refund for the year 1936 based upon the allowance of a deduction for the loss in that year, and the claim was allowed by the Commissioner. The taxpayer thus has maintained a position inconsistent with the allowance of the deduction for 1935 by filing a claim for refund for 1936 based upon the same deduction. As the determination--the allowance by the Commissioner of the claim for refund--adopts such inconsistent position, an adjustment is authorized for the year 1935.

An adjustment which would result in an additional assessment is not authorized if the Commissioner, and not the taxpayer, has maintained such inconsistent position.

Example: In the first example under this article, assume that the taxpayer did not file a claim for refund for 1936 but the Commissioner issued a notice of deficiency for 1936 based upon other items. The taxpayer filed a petition with the Board of Tax Appeals and the Commissioner in his answer voluntarily proposed the allowance of a deduction for the loss previously allowed for 1935. The Board took the deduction into account in its redetermination of the tax for the year 1936. In such case no adjustment would be authorized for the year 1935 as the Commissioner, and not the taxpayer, has maintained a position inconsistent with the allowance of a deduction for the loss in that year.

(b) Adjustments resulting in refund or credit.---An adjustment which would result in the allowance of a refund or credit is authorized only if (1) the Commissioner, in connection with a determination, has maintained a position which is inconsistent with the erroneous inclusion, exclusion, omission, allowance, disallowance, recognition, or nonrecognition, as the case may be, and (2) such inconsistent position is adopted in the determination.

Example: A taxpayer who keeps his books on the cash basis erroneously included in his return for 1936 an item of accrued interest. After the period of limitations on refunds for 1936 had expired, the Commissioner asserted a deficiency for the year 1937 on the ground that the item of interest was received in 1937, and, therefore, was properly includible in gross income for that year. The taxpayer appealed to the Board of Tax Appeals, which sustained the deficiency. By asserting a deficiency for 1937 based upon the inclusion of the interest item in that year, the Commissioner has maintained a position inconsistent with the inclusion of the interest item in 1936. As the determination--the decision of the Board of Tax Appeals sustaining the deficiency--adopted such inconsistent position, an adjustment is authorized for the year 1936.

An adjustment which would result in the allowance of a refund or credit is not authorized if the taxpayer with respect to whom the determination is made, and not the Commissioner, has maintained such inconsistent position.

Example: In the first example under (b) of this article assume that the Commissioner asserted a deficiency for 1937 based upon other items for that year, but in computing the net income upon which such deficiency was based did not include the item of interest. The taxpayer appealed to the Board of Tax Appeals and in his petition asserted that the interest item should be included in gross income for 1937. The Board included the item of interest in its re-determination of the tax for the year 1937. In such case no adjustment would be authorized for 1936 as the taxpayer, and not the Commissioner, has maintained a position inconsistent with the erroneous inclusion of the item of interest in the gross income of the taxpayer for that year.

Art. 820 (b)-8. Existence of status of related taxpayer at time of the first maintenance of an inconsistent position.--No adjustment by way of a deficiency assessment shall be made with respect to a related taxpayer unless the relationship existed both in the taxable year with respect to which the error was made and at the time the taxpayer with respect to whom the determination is made first maintained, in the manner described in this article, the inconsistent position with respect to the taxable year to which the determination relates.

If the inconsistent position is maintained in a return, claim for refund, or petition (or amended petition) to the Board of Tax Appeals, for the taxable year in respect of which the determination is made, the requisite relationship must exist on the date of filing such document. If the inconsistent position is maintained in more than one of such documents, the requisite date is the date of filing of the document in which it was first maintained. If the inconsistent position was not thus maintained then the relationship must exist on the date of the determination, as, for example, where at the instance of the taxpayer a deduction is allowed, the right to which was not asserted in a return, claim for refund, or petition to the Board, and a determination is effected by means of a closing agreement.

(over)

[Section 820 (c) of the Revenue Act of 1938.]

[SEC. 820. MITIGATION OF EFFECT OF LIMITATION
AND OTHER PROVISIONS IN INCOME
TAX CASES.]

"(c) Method of Adjustment.--The adjustment authorized in subsection (b) shall be made by assessing and collecting, or refunding or crediting, the amount thereof, to be ascertained as provided in subsection (d), in the same manner as if it were a deficiency determined by the Commissioner with respect to the taxpayer as to whom the error was made or an overpayment claimed by such taxpayer, as the case may be, for the taxable year with respect to which the error was made, and as if on the date of the determination specified in subsection (b) one year remained before the expiration of the periods of limitation upon assessment or filing claim for refund for such taxable year."

Art. 820 (c) - 1. Method of adjustment.--If the amount of the adjustment ascertained pursuant to section 820 (d) represents an increase in tax it is to be treated as if it were a deficiency determined by the Commissioner with respect to the taxpayer as to whom the error was made and for the taxable year with respect to which the error was made. The amount of the adjustment is thus to be assessed and collected under the law and regulations applicable to the assessment and collection of deficiencies, subject, however, to the limitations imposed by section 820 (e). Notice of deficiency, unless waived, must be issued with respect to such amount and the taxpayer may contest the deficiency before the Board of Tax Appeals or, if he chooses, may pay the deficiency and later file claim for refund. If the amount of the adjustment ascertained pursuant to section 820 (d) represents a decrease in tax, it is to be treated as if it were an overpayment claimed by the taxpayer with respect to whom the error was made for the taxable year with respect to which the error was made. Such amount may be recovered under the law and regulations applicable to overpayments of tax, subject, however, to the limitations imposed by section 820 (e). The taxpayer must file a claim for refund thereof, unless the overpayment is refunded without such claim, and if the claim is denied or not acted upon by the Commissioner within the prescribed time, the taxpayer may then file suit for refund. The amount of the adjustment treated as if it were a deficiency or an overpayment, as the case may be, will bear interest and be subject to additions to the tax to the extent provided by the internal revenue laws applicable to deficiencies and overpayments for the taxable year with respect to which the error was made.

For the purpose of the adjustment authorized by section 820, the period of limitation upon the making of an assessment or upon refund or credit for the taxable year with respect to which the error was made, as the case may be, shall be considered as if, on the date of the determination, one year remained before expiration of such period, regardless of whether or not such period had expired prior to the date of the determination. The Commissioner thus has one year from the date of the determination within which to mail a notice of deficiency in respect of the amount of the adjustment where such amount is treated as if it were a deficiency. The issuance of such notice of deficiency, in accordance with the law and regulations applicable to the assessment of deficiencies, will suspend the running of the one-year period of limitations provided by section 820 (c).

(T. D. 4856)

In accordance with the applicable law and regulations governing the collection of deficiencies (see section 276 (c) of this Act and the corresponding provisions of prior Revenue Acts), the period of limitation for collection of the amount of the adjustment will commence to run from the date of assessment of such amount. Similarly, the taxpayer has a period of one year from the date of the determination within which to file a claim for refund in respect of the amount of the adjustment where such adjustment is treated as if it were an overpayment. Where the amount of the adjustment is treated as if it were a deficiency and the taxpayer chooses to pay such deficiency and contest it by way of claim for refund, the period of limitation upon filing claim for refund will commence to run from the date of such payment (see section 322 (b) of the Revenue Act of 1938 and the corresponding provisions of prior Revenue Acts).

[Section 820 (d) of the Revenue Act of 1938.]

[SEC. 820. MITIGATION OF EFFECT OF LIMITATION AND OTHER PROVISIONS IN INCOME TAX CASES.]

"(d) Ascertainment of Amount of Adjustment.--In computing the amount of an adjustment under this section there shall first be ascertained the tax previously determined for the taxable year with respect to which the error was made. The amount of the tax previously determined shall be (1) the tax shown by the taxpayer, with respect to whom the error was made, upon his return for such taxable year, increased by the amounts previously assessed (or collected without assessment) as deficiencies, and decreased by the amounts previously abated, credited, refunded, or otherwise repaid in respect of such tax; or (2) if no amount was shown as the tax by such taxpayer upon his return, or if no return was made by such taxpayer, then the amounts previously assessed (or collected without assessment) as deficiencies, but such amounts previously assessed, or collected without assessment, shall be decreased by the amounts previously abated, credited, refunded, or otherwise repaid in respect of such tax. There shall then be ascertained the increase or decrease in the tax previously determined which results solely from the correct exclusion, inclusion, allowance, disallowance, recognition, or nonrecognition, of the item, inclusion, deduction, credit, gain, or loss, which was the subject of the error. The amount so ascertained (together with any amounts wrongfully collected, as additions to the tax or interest, as a result of such error) shall be the amount of the adjustment under this section."

Art. 820 (d) - 1. Ascertainment of amount of adjustment.--The amount of the adjustment shall be ascertained as follows:

(1) The tax previously determined for the taxpayer as to whom the error was made, for the taxable year with respect to which the error was made, must first be ascertained. This may be the amount of tax shown on the taxpayer's return, but if any changes in that amount have been made they must be taken into account. In such cases the tax previously determined will be the tax shown on the return, increased by any amounts previously assessed (or collected without assessment) as deficiencies, and decreased by any amounts previously abated, credited, refunded or otherwise repaid in respect of such tax. If no amount was shown as the tax upon the return, or if no return was made, the tax previously determined will be the sum of the amounts previously assessed, or collected without assessment, as deficiencies, decreased by any amounts previously abated, credited, or otherwise repaid in respect of such tax.

(over)

The tax previously determined may consist of tax for any taxable year beginning after December 31, 1931, imposed by Title I, Title IA, section 602 of Title III, of the Revenue Act of 1938, by the corresponding provisions of prior Revenue Acts, by Title III of the Revenue Act of 1936, or by any one or more of such provisions.

(2) After the tax previously determined has been ascertained a recomputation must then be made to ascertain the increase or decrease in tax, if any, resulting from the correction of the error. The difference between the tax previously determined and the tax as recomputed after correction of the error will be the amount of the adjustment.

With the exception of the items upon which the tax previously determined was based and the item or items with respect to which the error was made, no other item shall be considered in computing the amount of the adjustment. If the treatment of any item upon which the tax previously determined was based, or if the application of any provisions of the internal revenue laws with respect to such tax, depends upon the amount of income (e.g., charitable contributions, foreign tax credit, earned income credit), readjustment in these particulars will be necessary as part of the recomputation in conformity with the change in the amount of the income which results from the correct treatment of the item or items in respect of which the error was made.

Any interest or additions to the tax collected as a result of the error shall be taken into account in determining the amount of the adjustment.

Example: For the taxable year 1936 a married man with no dependents, who kept his books on the cash receipts and disbursements basis, filed a return disclosing gross income of \$42,000, deductions amounting to \$12,000, and a net income of \$30,000. Included among other items in the gross income were salary in the amount of \$15,000 and rents accrued but not yet paid in the amount of \$5,000. During the taxable year he donated \$10,000 to the American Red Cross and in his return claimed a deduction of \$5,294.12 on account thereof, representing the maximum deduction allowable under the 15 percent limitation imposed by section 23 (c), Revenue Act of 1936. In computing his net income he omitted interest income amounting to \$6,000 and neglected to take a deduction for interest paid in the amount of \$4,500. The return disclosed a tax liability of \$3,565, which was assessed and paid. After the expiration of the period of limitations upon the assessment of a deficiency or the allowance of a refund for 1936, the Commissioner included the item of rental income amounting to \$5,000 in the taxpayer's gross income for the year 1937 and asserted a deficiency for that year. As a result of a final decision of the Board of Tax Appeals sustaining the deficiency for 1937, an adjustment is authorized for the year 1936. The amount of the adjustment is computed as follows:

Tax previously determined for 1936	\$3,565.00
	<u> </u>
Net income for 1936 upon which tax previously determined was based	\$30,000.00
Less: Rents erroneously included	<u>5,000.00</u>

Balance	\$25,000.00
Adjustment for contributions (Add 15 percent of \$5,000)	<u>750.00</u>
Net income as adjusted	<u>\$25,750.00</u>
Tax as recomputed	\$ 2,646.50
Tax previously determined	<u>3,565.00</u>
Difference	\$ 918.50
Amount of adjustment to be refunded or credited	<u>\$ 918.50</u>

In accordance with the provisions of section 820 (d), the recomputation to determine the amount of the adjustment does not take into consideration the item of \$6,000 representing interest received, which was omitted from gross income, or the item of \$4,500 representing interest paid, for which no deduction was allowed.

[Section 820 (e) of the Revenue Act of 1938.]

[SEC. 820. MITIGATION OF EFFECT OF LIMITATION AND OTHER PROVISIONS
IN INCOME TAX CASES.]

"(e) Adjustment Unaffected by Other Items, Etc.--The amount to be assessed and collected in the same manner as a deficiency, or to be refunded or credited in the same manner as an overpayment, under this section, shall not be diminished by any credit or set-off based upon any item, inclusion, deduction, credit, exemption, gain, or loss other than the one which was the subject of the error. Such amount, if paid, shall not be recovered by a claim or suit for refund or suit for erroneous refund based upon any item, inclusion, deduction, credit, exemption, gain, or loss other than the one which was the subject of the error."

Art. 820 (e) - 1. Effect of other items on amount of adjustment.--The amount of the adjustment ascertained under section 820 (d) shall not be diminished by any credit or set-off based upon any item, inclusion, deduction, credit, exemption, or gain or loss with respect to the year as to which the error was made.

Example (1): In the example set forth in article 820 (d), if, after the amount of the adjustment has been ascertained, the taxpayer filed a refund claim for the amount thereof, the Commissioner could not diminish the amount of that claim by offsetting against it the amount of tax which should have been paid with respect to the \$6,000 interest item omitted from gross income for the year 1936; nor could the court, if suit were brought on such claim for refund, offset against the amount of the adjustment the amount of tax which should have been paid with respect to such interest.

(over)

Example (2): Assume that a taxpayer included in his gross income for the year 1936 an item which should have been included in gross income for the year 1935. After expiration of the period of limitations upon the assessment of a deficiency or the allowance of a refund for 1935, the taxpayer filed a claim for refund for the year 1936 on the ground that such item was not properly includible in gross income for that year. The claim for refund was allowed by the Commissioner, and as a result of such determination an adjustment was authorized under section 820 with respect to the tax for 1935. If, in such case, the Commissioner issued a notice of deficiency for the amount of the adjustment and the taxpayer contested the deficiency before the Board of Tax Appeals, the taxpayer could not in such proceeding claim an offset based upon his failure to take an allowable deduction for the year 1935; nor could the Board of Tax Appeals in its decision offset against the amount of the adjustment any overpayment for the year 1935 resulting from the failure to take such deduction.

If the Commissioner has refunded the amount of an adjustment under section 820, the amount so refunded may not subsequently be recovered by the Commissioner in a suit for erroneous refund based upon any item, inclusion, deduction, credit, exemption, gain, or loss (other than the one which was the subject of the error) with respect to the year as to which the error was made.

Example (3): In the example set forth in article 820 (d), if the Commissioner had refunded the amount of the adjustment, no part of the amount so refunded could subsequently be recovered by the Commissioner by a suit for erroneous refund based on the ground that there was no overpayment for 1936, as the taxpayer had failed to include in gross income the \$6,000 item of interest received in that year.

If the Commissioner has assessed and collected the amount of an adjustment, no part thereof may be recovered by the taxpayer in any suit for refund based upon any item, inclusion, deduction, credit, exemption, gain or loss (other than the one which was the subject of the error) with respect to the year as to which the error was made.

Example (4): In example (2) in this article, if the taxpayer had paid the amount of the adjustment, he could not subsequently recover any part of such payment in a suit for refund based upon his failure to take an allowable deduction for the year 1935.

If the amount of the adjustment is considered as an overpayment, it may be credited, under the applicable law and regulations thereunder, against any income or excess-profits tax, or installment thereof, due from the taxpayer. Likewise, if the amount of the adjustment is considered as a deficiency, any overpayment by the taxpayer of income or excess-profits tax may be credited against the amount of such adjustment in accordance with the applicable law and regulations thereunder. (See section 322 of the Revenue Act of 1938 and corresponding provisions of prior Revenue Acts.) Accordingly, it may be possible in one transaction between the Commissioner and the taxpayer to settle the taxpayer's tax liability for the year with respect to which the determination is made and to make the adjustment under section 820 for the year with respect to which the error was made.

[Section 820 (f) of the Revenue Act of 1938.]

["SEC. 820. MITIGATION OF EFFECT OF LIMITATION AND OTHER PROVISIONS
IN INCOME TAX CASES.]

"(f) No Adjustment for Years Prior to 1932.--No adjustment shall be made under this section in respect of any taxable year beginning prior to January 1, 1932."

Art. 820 (f)-1. No adjustment for years prior to 1932.--Where the year with respect to which the error was made is a taxable year beginning prior to January 1, 1932, no adjustment is authorized under section 820.

MILTON E. CARTER,
Acting Commissioner of Internal Revenue.

Approved: August 23, 1938.

ROSWELL MAGILL,
Acting Secretary of the Treasury.

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 29, 1938, all tenders received at the Federal Reserve Banks ~~(18)~~ 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 31, 1938.

~~(19)~~
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. (Attention is invited to Treasury Decision 4550, ruling that Treasury bills are not exempt from the gift tax.) 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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~~Single issue date~~
~~Single maturity date~~

~~BUSINESS STATEMENT "A" PART~~

~~Exhibit No.~~

TREASURY DEPARTMENT

FOR RELEASE, MORNING PAPERS,
Friday, August 26, 1938.

~~(1)~~

~~STATEMENT BY~~

~~(2)~~

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, August 29, 1938. Tenders will not be received at the Treasury Department, Washington.

The Treasury bills will be dated August 31, 1938, and will mature on November 30, 1938, 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

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Immediately after the closing hour for receipt of tenders on August 29, 1938, 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 31, 1938.

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. (Attention is invited to Treasury Decision 4550, ruling that Treasury bills are not exempt from the gift tax.) 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.

The establishment of the Chicago Division of the Technical Staff is in furtherance of a plan developed by Commissioner of Internal Revenue Guy T. Helvering, at the instance of Secretary of the Treasury Morgenthau, for a general decentralization of Federal tax administration, in order to provide greater convenience to taxpayers and to expedite the closing of tax cases.

A field division of the Technical Staff was established on the Pacific Coast on July 1, with exclusive and final authority over Federal tax cases originating in the States of Washington, Oregon, California, Idaho, Montana, Nevada, Utah, and Arizona, and the Territories of Alaska and Hawaii. A division was also opened at New York City on August 1, with jurisdiction over cases arising in the State of New York. It is expected that similar divisions, covering the remaining sections of the country, will be established after January 1, 1939.

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be given a hearing at either Chicago, Springfield, Milwaukee, or Indianapolis, according to his residence, and the local office will consider his contentions and make final determination of his tax liability. It will have full authority to review or reverse the findings of the internal revenue agent in charge, and there will be no appeal to any other agency or officer of the Treasury Department, either locally or in Washington. If a taxpayer is not satisfied with the final determination of his case by the local office of the Technical Staff, his only recourse will be an appeal to the Board of Tax Appeals and the Courts.

The arrangement promises many advantages. It will eliminate the repetitious steps and protracted delays which it seems impossible to avoid under the old plan of centralizing the settlement of tax disputes in the Bureau of Internal Revenue at Washington. It will permit prompt action on all contested cases at a point near to the taxpayer and to the sources of evidence regarding his transactions. It will provide an able and impartial administrative body to which the taxpayer can have recourse in his own community should he wish to contest the findings of the agency which examined his tax return in the first instance. The plan is expected to result not only in greater convenience to taxpayers but also in quicker administrative decisions and in fewer appeals from the Bureau of Internal Revenue to the Board of Tax Appeals and the Courts. It will be of special benefit to taxpayers who are financially unable to employ counsel.

Appeals, there being at the present time some 900 Illinois, Wisconsin, and Indiana cases accumulated on the Board's docket, involving many millions of dollars of disputed tax. The plan will be to set the bulk of these accumulated cases for hearing before the Board at Chicago, Springfield, Milwaukee, and Indianapolis, during the fall and early winter, with a view to bringing the Board's docket in this area current by January 1, 1939. The immediate function of the new Staff Division will be to defend the Government's interests in the trial of these cases before the Board of Tax Appeals, and, when the facts warrant, to negotiate settlements with the taxpayers without trial before the Board.

On January 1, 1939, in addition to its function of representing the Government in cases docketed before the Board of Tax Appeals, the Chicago Division of the Technical Staff will have authority, upon appeal by the taxpayer, to review the determination of tax liability made in any case by the local internal revenue agents.

Under this arrangement, the examination of tax returns will be made by the internal revenue agents, as at the present time. Their reports will be reviewed and discussed with taxpayers in the office of the internal revenue agent in charge in accordance with the present procedure. But if the agent's findings are finally protested by the taxpayer, the case will no longer be sent to Washington for review and conference in the Bureau of Internal Revenue, but will be referred to the Chicago Division of the Technical Staff. The taxpayer will

For Monday's

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A division of the Technical Staff of the Office of the Commissioner of Internal Revenue will be established at Chicago on September 1. Its principal offices will be located in the Board of Trade Building, at 141 West Jackson Boulevard. Branch offices will be established at Springfield, Ill.; Milwaukee, Wis., and Indianapolis, Ind. This agency will have final authority to settle, for the Commissioner of Internal Revenue, all contested Federal income- and estate-tax cases arising in the States of Illinois, Wisconsin, and Indiana.

The personnel of the Chicago Division of the Technical Staff is being provided by transferring from the Bureau of Internal Revenue at Washington a group of the most experienced and competent technicians now on the Bureau's rolls--attorneys, accountants, auditors, engineers, valuation experts, and specialists in various lines of Federal tax administration. Including clerical employees, the total force will number more than 50 persons. The Division will be in charge of Jesse F. Gregory, who, prior to this assignment, was a senior technical adviser on the staff of the Commissioner of Internal Revenue, and who has a record of more than 16 years in the Federal internal revenue service. Frederick R. Shearer, who for a number of years has served as special assistant to the Chief Counsel of the Bureau of Internal Revenue, will be in charge of the legal staff attached to the new agency.

Until January 1, next, the Division will concern itself primarily with cases which have been appealed to the United States Board of Tax

TREASURY DEPARTMENT

Washington

FOR RELEASE, MORNING NEWSPAPERS,
Monday, August 29, 1938.
8/22/38.

Press Service
No. 14-39

A division of the Technical Staff of the Office of the Commissioner of Internal Revenue will be established at Chicago on September 1. Its principal offices will be located in the Board of Trade Building, at 141 West Jackson Boulevard. Branch offices will be established at Springfield, Ill., Milwaukee, Wis., and Indianapolis, Ind. This agency will have final authority to settle, for the Commissioner of Internal Revenue, all contested Federal income- and estate-tax cases arising in the States of Illinois, Wisconsin, and Indiana.

The personnel of the Chicago Division of the Technical Staff is being provided by transferring from the Bureau of Internal Revenue at Washington a group of the most experienced and competent technicians now on the Bureau's rolls--attorneys, accountants, auditors, engineers, valuation experts, and specialists in various lines of Federal tax administration.

Including clerical employees, the total force will number more than 50 persons. The Division will be in charge of Jesse F. Gregory, who, prior to this assignment, was a senior technical adviser on the staff of the Commissioner of Internal Revenue, and who has a record of more than 16 years in the Federal internal revenue service. Frederick R. Shearer, who for a number of years has served as special assistant to the Chief Counsel of the Bureau of Internal Revenue, will be in charge of the legal staff attached to the new agency.

Until January 1, next, the Division will concern itself primarily with cases which have been appealed to the United States Board of Tax Appeals,

there being at the present time some 900 Illinois, Wisconsin, and Indiana cases accumulated on the Board's docket, involving many millions of dollars of disputed tax. The plan will be to set the bulk of these accumulated cases for hearing before the Board at Chicago, Springfield, Milwaukee, and Indianapolis, during the fall and early winter, with a view to bringing the Board's docket in this area current by January 1, 1939. The immediate function of the new Staff Division will be to defend the Government's interests in the trial of these cases before the Board of Tax Appeals, and, when the facts warrant, to negotiate settlements with the taxpayers without trial before the Board.

On January 1, 1939, in addition to its function of representing the Government in cases docketed before the Board of Tax Appeals, the Chicago Division of the Technical Staff will have authority, upon appeal by the taxpayer, to review the determination of tax liability made in any case by the local internal revenue agents.

Under this arrangement, the examination of tax returns will be made by the internal revenue agents, as at the present time. Their reports will be reviewed and discussed with taxpayers in the office of the internal revenue agent in charge in accordance with the present procedure. But if the agent's findings are finally protested by the taxpayer, the case will no longer be sent to Washington for review and conference in the Bureau of Internal Revenue, but will be referred to the Chicago Division of the Technical Staff. The taxpayer will be given a hearing at either Chicago, Springfield, Milwaukee, or Indianapolis, according to his residence, and the local office will consider his contentions and make final determination of his tax liability. It will have full authority to review or reverse the findings of the internal revenue agent in charge, and there will be no appeal to any other agency or officer of the Treasury Department, either locally or in Washington. If a taxpayer is not satisfied with the final

determination of his case by the local office of the Technical Staff, his only recourse will be an appeal to the Board of Tax Appeals and the Courts.

The arrangement promises many advantages. It will eliminate the repetitious steps and protracted delays which it seems impossible to avoid under the old plan of centralizing the settlement of tax disputes in the Bureau of Internal Revenue at Washington. It will permit prompt action on all contested cases at a point near to the taxpayer and to the sources of evidence regarding his transactions. It will provide an able and impartial administrative body to which the taxpayer can have recourse in his own community should he wish to contest the findings of the agency which examined his tax return in the first instance. The plan is expected to result not only in greater convenience to taxpayers but also in quicker administrative decisions and in fewer appeals from the Bureau of Internal Revenue to the Board of Tax Appeals and the Courts. It will be of special benefit to taxpayers who are financially unable to employ counsel.

The establishment of the Chicago Division of the Technical Staff is in furtherance of a plan developed by Commissioner of Internal Revenue Guy T. Helvering, at the instance of Secretary of the Treasury Morgenthau, for a general decentralization of Federal tax administration, in order to provide greater convenience to taxpayers and to expedite the closing of tax cases.

A field division of the Technical Staff was established on the Pacific Coast on July 1, with exclusive and final authority over Federal tax cases originating in the States of Washington, Oregon, California, Idaho, Montana, Nevada, Utah, and Arizona, and the Territories of Alaska and Hawaii. A division was also opened at New York City on August 1, with jurisdiction over cases arising in the State of New York. It is expected that similar divisions, covering the remaining sections of the country, will be established after January 1, 1939.

It was revealed, however, that the difference between illness rates among unemployed and employed women workers is smaller than the difference in rates between unemployed and employed men workers. On the day of the visit 17 jobless women were disabled for every 10 employed women who were suffering from disability. The ratio among men was found to be 21 to 10.

The excess in prevalence of illness among the unemployed as compared with the employed, while generally increasing from a lower age group to a higher one, was found to be relatively greatest among men and women workers who were 25 to 44 years of age. In this particular age group the illness rate for men without jobs is almost $2\frac{1}{2}$ times as great as that for men with jobs. The corresponding rate for women workers is almost as large.

The Survey found that illness ~~was~~^{is} more prevalent among the unemployed workers who are seeking work than ~~there is~~^{it is} among those unemployed workers who are on work relief. The preliminary findings show that the rate of illness among those seeking work is 43 per 1,000 as compared with 30 per 1,000 among the workers on work relief.

Among workers in nonrelief families the highest prevalence of disabling illness on the day of the canvass was found to be in those families with incomes of under \$1,000 a year.

On the day of the canvass proportionately fewer employed men in the professional classes were found to be disabled than was in the case of any other occupational class. Only 10 employed professional men are disabled for every 23 of the employed unskilled workers. Among the unemployed, however, only one-third more unskilled workers than professional workers are disabled. Of all unemployed workers the unskilled ~~workers~~^{workers} seeking work, experience the highest illness rate.

4

price for disability resulting from industrial, automobile and home accidents and for those diseases which can be prevented or cured by the prompt application of the best that modern science has to offer."

The higher rate of illness among unemployed workers is all the more distressing because that group of our population is least able to stand the burden. In speaking of the disease and disability rates the report~~s~~ stated, "whether these diseases are cause or effect of being without a job, they tend to be concentrated among the unemployed and among those in the laboring classes who are largely unable to obtain the adequate care necessary to promote recovery or to arrest the inroads of disease".

These findings, contained in a bulletin issued by the U. S. Public Health Service today entitled, Illness Among Employed and Unemployed Workers, reveal that excess illness is the lot of jobless workers whether young or old, men or women, professional or unskilled workers. The findings are substantially the same for all of the cities included in this preliminary report.

In general, the highest illness rates are found among people in the high age groups, in the low income classes, and among the unskilled. Common colds, bronchitis and influenza (the so-called minor respiratory diseases) were responsible for one-third of all illnesses experienced on the day of the canvass which was undertaken in the winter of 1935-36. Two jobless workers were disabled on the day of the call from these diseases for every employed worker so disabled. Nervous and mental diseases disabled 17 jobless workers for every 2 employed workers thus disabled.

The Survey found that women workers of all ages experience an illness rate which is higher than that for men workers of all ages.

G. St. J. Perrott, Director of the Survey,
~~Dr. Thomas Parran, Surgeon General of the United States~~

~~Public Health Service~~, in commenting upon the findings, stated today:

"Two serious questions arise from this study: (1) Are we adding to our dependent population, as a result of the serious amount of illness among unemployed workers, a group of permanent unemployables that will have to be supported by public funds no matter how good business may be in the future? and (2) can the United States afford this appalling amount of illness among both employed and unemployed workers? ~~The illness in this group~~ *has more than its proportionate* ~~accounts for a large part of the~~ *of the* total amount of sickness in the country which, according to the survey, disables more than 4 million people on an average day. Illness and death in America represent an annual cost of 10 billion dollars when all factors are considered. This cost in lives and money can be reduced. "Medical authorities agree that much of America's illness is preventable."

"This study of illness among employed and unemployed workers indicates not only that there is at least twice as much illness among the unemployed as there is among the workers who have jobs but that the rates among both groups are so high that they constitute a serious economic and social problem," ~~the chief of the federal Public Health Service~~ *Mr. Perrott* declared. "Some illnesses, of course, are inevitable, but when we find that rates among the unemployed are twice as high as they are among other groups it is apparent that controllable factors such as medical care, hospitalization and improved housing would appreciably cut the illness rate for a large part of our population. If no action is taken along this line we are faced with a mounting total of unemployables who will constitute permanent public charges." ~~Dr. Parran~~ *Mr. Perrott* concluded by pointing out: "It is also evident that we are paying a high

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~~HEADLINE~~

FOR RELEASE, ~~NEWS~~ ^{AFTERNOON} NEWSPAPERS
Monday, August 29, 1938

If all ~~of~~ unemployed workers in the United States were suddenly called back to work tomorrow morning, at least 350,000 of them would be unable to report for duty because of illness, according to estimates based upon findings of the National Health Survey of the United States Public Health Service which were made public today.

"The 350,000 workers who would be unable to respond to the long ~~awaited~~ and anxiously awaited call to come back to work include, of course, some workers who were laid off because of illness", officials of the Survey stated. "However, a study of the types of illness showing excessive rates among the unemployed, such as nervous and mental diseases and some sicknesses which can be traced to malnutrition and poor housing, leads inescapably to the conviction that many persons are ill because of unemployment."

~~The~~ ^{the} National Health Survey was instituted as an inventory of ~~the~~ nation's health. It was carried out with the aid of financial grants from the Works Progress Administration. Trained interviewers, during the winter of 1935-36, called at the homes of nearly 3 million people scattered throughout the country. Preliminary reports from eight out of the 83 cities included in the survey show that there is more than twice as much illness among unemployed as there is among the employed workers of our nation.

The preliminary tabulations indicate that among white unemployed workers 15 to 64 years of age the proportion disabled by illness on the day of the canvass was 39.5 per 1,000 while the rate among employed workers was 19.5 per 1,000.

TREASURY DEPARTMENT
U. S. PUBLIC HEALTH SERVICE

MEMORANDUM

DATE August 26, 1938

FROM: Philip S. Broughton

TO: Mr. Charles Schwarz

Attached is a press release for papers of Monday morning, August 29th. It has been approved by Mr. Perrott, Director of the National Health Survey, and by Doctor Olesen. It comes rather late and if in your opinion it would be preferable to postpone it for a day or two let Bloch know immediately and he will inform Perrott and the Detroit office.

PSB:AEM

Philip S. Broughton
Philip S. Broughton,
In Charge, Office of
Health Education

TREASURY DEPARTMENT
U. S. Public Health Service
Washington

FOR RELEASE, AFTERNOON NEWSPAPERS,
Monday, August 29, 1938
8-26-38.

Press Service
No. 14-40

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"The 350,000 workers who would be unable to respond to the long and anxiously awaited call to come back to work include, of course, some workers who were laid off because of illness," officials of the Survey stated. "However, a study of the types of illness showing excessive rates among the unemployed, such as nervous and mental diseases and some sicknesses which can be traced to malnutrition and poor housing, leads inescapably to the conviction that many persons are ill because of unemployment."

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The preliminary tabulations indicate that among white unemployed workers 15 to 64 years of age the proportion disabled by illness on the day of the canvass was 39.5 per 1,000 while the rate among employed workers was 19.5 per 1,000.

George St. John Perrott, Director of the Survey, in commenting upon the findings, stated today: "Two serious questions arise from this study: (1) Are we adding to our dependent population, as a result of the serious amount of ill-

ness among unemployed workers, a group of permanent unemployables that will have to be supported by public funds no matter how good business may be in the future? and (2) can the United States afford this appalling amount of illness among both employed and unemployed workers? This group has more than its proportionate share of the total amount of sickness in the country which, according to the survey, disables more than 4 million people on an average day. Illness and death in America represent an annual cost of 10 billion dollars when all factors are considered. This cost in lives and money can be reduced. Medical authorities agree that much of America's illness is preventable."

"This study of illness among employed and unemployed workers indicates not only that there is at least twice as much illness among the unemployed as there is among workers who have jobs but that the rates among both groups are so high that they constitute a serious economic and social problem," Mr. Perrott declared. "Some illnesses, of course, are inevitable, but when we find that rates among the unemployed are twice as high as they are among other groups it is apparent that controllable factors such as medical care, hospitalization and improved housing would appreciably cut the illness rate for a large part of our population. If no action is taken along this line we are faced with a mounting total of unemployables who will constitute permanent public charges." Mr. Perrott concluded by pointing out: "It is also evident that we are paying a high price for disability resulting from industrial, automobile and home accidents and for those diseases which can be prevented or cured by the prompt application of the best that modern science has to offer."

The higher rate of illness among unemployed workers is all the more distressing because that group of our population is least able to stand the burden. In speaking of the disease and disability rates the report stated, "whether these diseases are cause or effect of being without a job they tend to be concentrated among the unemployed and among those in the laboring classes who are largely unable to obtain the adequate care necessary to promote recovery or to arrest the inroads

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In general, the highest illness rates are found among people in the high age groups, in the low income classes, and among the unskilled. Common colds, bronchitis and influenza (the so-called minor respiratory diseases) were responsible for one-third of all illnesses experienced on the day of the canvass which was undertaken in the winter of 1935-36. Two jobless workers were disabled on the day of the call from these diseases for every employed worker so disabled. Nervous and mental diseases disabled 17 jobless workers for every 2 employed workers thus disabled.

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TREASURY DEPARTMENT

WASHINGTON

FOR RELEASE, MORNING NEWSPAPERS,
Tuesday, August 30, 1938.
8/29/38

Press Service

14-41

The Secretary of the Treasury announced last evening that the tenders for \$100,000,000, or thereabouts, of 91-day Treasury bills, to be dated August 31 and to mature November 30, 1938, which were offered on August 26, were opened at the Federal Reserve banks on August 29.

The details of this issue are as follows:

Total applied for - \$251,175,000
Total accepted - 100,506,000

Range of accepted bids: (Excepting one bid of \$50,000)

High	- 99.990	Equivalent rate approximately	0.040	percent
Low	- 99.987	" " " "	0.051	"
Average price	- 99.988	" " " "	0.047	"

(15 percent of the amount bid for at the low price was accepted)

S-matt.
R-Flk
Lwood
[Signature]
[Signature]

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--oOo--

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 2, 1938, ~~(8)~~ 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 7, 1938.

~~(9)~~
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. (Attention is invited to Treasury Decision 4550, ruling that Treasury bills are not exempt from the gift tax.) 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.

S- mast
R- alk
 gwd

~~Single issue date~~
~~Single maturity date~~

~~PRESS STATEMENT PAGE 1~~

~~Exhibit No. 1~~

TREASURY DEPARTMENT

FOR RELEASE, MORNING PAPERS,
Wednesday, August 31, 1938.
~~(S)~~

~~STATEMENT OF~~ ~~XXXXXXXXXXXXXXXXXXXX~~
~~(S)~~

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 Friday, September 2, 1938. Tenders will not be received at the Treasury Department, Washington.

The Treasury bills will be dated September 7, 1938, and will mature on December 7, 1938, 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

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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. (Attention is invited to Treasury Decision 4550, ruling that Treasury bills are not exempt from the gift tax.) 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.

~~Arthur Hamlet~~

In October, 1926, he was promoted to the rank of Captain, and in May 1928, he was appointed Superintendent of the Coast Guard Academy at New London, Conn., at which institution the future commissioned officers of the Service receive their training and professional education.

~~As a fitting reward for his highly meritorious and honorable service for a period extending over 38 years on practically all stations of the Coast~~

~~Guard, Captain Hamlet was appointed by the President as Commandant of the Coast Guard June 14, 1932, for a term of four years, during which time he held the rank of Rear Admiral, upper half. Upon completion of his term of office, when under the law he reverted to the rank of Captain, he was detailed to special duty in the Office of the Secretary of the Treasury, during which time he performed additional duty as Chairman, Personnel Advisory Committee, Committee on Commerce, United States Senate, having to do with the study of maritime problems and recommending legislation to improve the American Merchant Marine.~~

Having ~~him~~ reached the statutory age of 64, Captain Hamlet was retired as of September 1, 1938, with the rank of Rear Admiral, upper half, by reason of his having served as Commandant of the United States Coast Guard.

(2)

in October, 1918, the United States Naval Forces at Brest, France, assuming command of the U.S.S. MARIETTA. While in command of this vessel, he rescued on the morning of April 28, 1919, off the coast of France, the crew of two officers and 45 men from the U.S.S. JAMES, which was sinking in a heavy gale. ~~With high seas threatening to crash the two vessels together, he skillfully and courageously maneuvered his ship along the JAMES and was instrumental in saving all on board.~~ In recognition of his gallant conduct upon this occasion, the Secretary of the Treasury awarded him the Congressional Gold Life-Saving Medal of Honor, and he was the recipient of a Special Commendation from the Secretary of the Navy entitling him to wear the Silver Star upon his service ribbon.

Admiral Hawlet

In September, 1919, ~~he reported to Coast Guard Headquarters, Washington, D. C.,~~ and was assigned as Personnel Officer and in charge of Ship Operations, serving in such capacity until his detachment in May, 1922. He then assumed command of the Coast Guard Cutter MOJAVE at Honolulu, ~~and took that vessel on her cruise to the Orient and Philippines.~~

When Congress in 1924 made provision for the acquisition of additional vessels for the Coast Guard, he was ordered to the Philadelphia Navy Yard and superintended the reconditioning, outfitting and commissioning of the 20 destroyers turned over to the Coast Guard from the Navy, and trained the crews to go aboard these craft. The Commandant commended him for his exceptional meritorious and efficient service in ~~discharging this task,~~ ^{which} involving an expenditure of over \$2,400,000 in repair funds. When these reconditioned destroyers were placed in commission and organized into the Coast Guard Destroyer Force, he was placed in command of them in July, 1925.

2

~~Coast Guard Headquarters,
Washington, D. C.,
September 1, 1938.~~

~~Rear Admiral Harry G. Hamlet, U. S. Coast Guard, who was appointed
by the president to the office of Commandant of the United States Coast Guard
on June 14, 1932, for a term of four years was, born at Eastport, Maine, on
August 27, 1874, being the son of Captain Oscar C. Hamlet of the former ^{old}
Revenue Cutter Service (now Coast Guard).~~

He graduated from the Dorchester, Massachusetts High School, and attended
Massachusetts Institute of Technology, ^{having been} was appointed a cadet from the State of
Massachusetts on April 12, 1894, ^{He was} receiving his early Service training and in-
struction on the practice ship CHASE. ^{Admiral Hamlet} He graduated high in his class and was
commissioned an ensign on April 27, 1896, his first assignment being aboard the
historic cutter BEAR. ~~He was attached to that vessel on her Relief Expedition
to the Arctic in 1897-98. This Expedition was successful in rescuing the crews
of four whaling vessels, and the event has gone down in history as one of the
most arduous and perilous rescue expeditions to the Far North.~~

^{Admiral Hamlet}
In 1900, he was assigned to the Naval War College at Newport, Rhode
Island, for the War College Course, being one of the first officers of the
Coast Guard to be assigned to this institution. In 1901, he returned to
the Coast Guard to be assigned to the ~~Coast Guard~~ Cutter BEAR, and from then
until the entrance of the United States into the World War, he served with
credit aboard units of the Service on both the East and West Coasts, Alaskan
and Arctic waters.

When the United States entered the World War, he was assigned to the
Third Naval District, and organized the various activities and the
training of personnel at Naval Section Bases Six and Nine, subsequently joining

Immediate Release

Rear Admiral Harry G. Hamlet, of the United States Coast Guard, who was appointed Commandant By the President June 14, 1932, for a ^{term} period of four years, was retired today at his present rank, upper half, at the age of sixty four.

After appointment as a cadet in the United States Coast Guard April 12, 1894, Admiral Hamlet enjoyed a career of distinction. ^{Promoted} Appointed to the rank of captain in October, 1926, he was named superintendent of the United States Coast Guard Academy at New London, Conn., in May, 1928. This institution is the training school for future commissioned officers of the service.

Upon completion of his service as commandant Admiral Hamlet was detailed to special duty in the office of the Secretary of the Treasury, during which time he performed additional duty as ^{chairman} ~~chairman~~ of the Personal ^{and} Advisory Committee of the United ^{States} Senate, having to do with the study of maritime problems and ~~recommending~~ ^{recommending} legislation to improve the American Merchant Marine.

One of the thrill points of Admiral Hamlet's career ~~was~~ as an officer on the famous old Coast Guard Cutter Bear, a ship that plied ~~from northern waters~~, was a relief expedition to the Arctic in 1897-98. This expedition was successful in ~~rescuing~~ rescuing the crews of four frozen-in whaling vessels. The event, in maritime circles, has gone down in history as one of the most arduous and ~~perilous~~ perilous rescues in the Far North.

R - Rt-Ed (more) -o-

TREASURY DEPARTMENT

Washington

FOR IMMEDIATE RELEASE,
Thursday, September 1, 1938.

Press Service
No. 14-42

Rear Admiral Harry G. Hamlet, of the United States Coast Guard, who was appointed Commandant by the President June 14, 1932, for a term of four years, was retired today at his present rank, upper half, at the age of sixty-four.

After appointment as a cadet in the United States Coast Guard April 12, 1894, Admiral Hamlet enjoyed a career of distinction. Promoted to the rank of captain in October, 1926, he was named superintendent of the United States Coast Guard Academy at New London, Conn., in May, 1928. This institution is the training school for future commissioned officers of the Service.

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Admiral Hamlet was born at Eastport, Maine, on August 27, 1874, the son of Captain Oscar C. Hamlet of the old Revenue Cutter Service.

He graduated from the Dorchester, Massachusetts High School, and attended Massachusetts Institute of Technology, having been appointed a cadet from

the State of Massachusetts on April 12, 1894. He received his early service training and instruction on the practice ship CHASE. Admiral Hamlet graduated high in his class and was commissioned an ensign on April 27, 1896, his first assignment aboard the historic Cutter BEAR.

In 1900, Admiral Hamlet was assigned to the Naval War College at Newport, Rhode Island, for the War College Course, one of the first officers of the Coast Guard assigned to this institution. In 1901, he returned to the Coast Guard to be assigned to the Cutter BEAR. From then until the entrance of the United States into the World War, he served aboard units of the service on both the East and West Coasts, Alaskan and Arctic waters.

When the United States entered the World War, he was assigned to the Third Naval District, and organized the various activities and the training of personnel at Naval Section Bases Six and Nine, subsequently joining in October, 1918, the United States Naval Forces at Brest, France, assuming command of the U.S.S. MARIETTA. While in command of this vessel, he rescued on the morning of April 28, 1919, off the coast of France, the crew of two officers and 45 men from the U.S.S. JAMES, which was sinking in a heavy gale. In recognition of his gallant conduct upon this occasion, the Secretary of the Treasury awarded him the Congressional Gold Life-Saving Medal of Honor, and he was the recipient of a Special Commendation from the Secretary of the Navy entitling him to wear the Silver Star upon his service ribbon.

In September, 1919, Admiral Hamlet was assigned as Personnel Officer and in charge of Ship Operations, serving in such capacity until his detachment in May, 1922. He then assumed command of the Coast Guard Cutter MOJAVE at Honolulu.

When Congress in 1924 made provision for the acquisition of additional vessels for the Coast Guard, he was ordered to the Philadelphia Navy Yard

and superintended the reconditioning, outfitting and commissioning of the 20 destroyers turned over to the Coast Guard from the Navy, and trained the crews to go aboard these craft. The Commandant commended him for his exceptional meritorious and efficient service which involved an expenditure of over \$2,400,000 in repair funds. When these reconditioned destroyers were placed in commission and organized into the Coast Guard Destroyer Force, he was placed in command of them in July, 1925.

IMPORTS OF DISTILLED LIQUORS AND WINES AND DUTIES COLLECTED THEREON - JULY 1938

	July 1938	June 1938	July 1937	7 Mos. (Jan.-July) 1938	7 Mos. (Jan.-July) 1937
DISTILLED LIQUORS (Proof Gallons):					
Stock in Customs Bonded Ware- houses at beginning	3,493,666	3,517,231	3,863,839	3,709,510	3,427,822
Total Imports (Free and Dutiable)	724,066	903,599	1,099,673	5,727,069	8,673,469
Available for Consumption	4,217,732	4,420,830	4,963,512	9,436,579	12,101,291
Entered into Consumption (a)	742,291	924,466	1,074,451	5,924,165	8,154,732
Exported from Customs Custody	8,926	2,698	19,815	45,899	77,313
Stock in Customs Bonded Ware- houses at end	3,466,515	3,493,666	3,869,246	3,466,515	3,869,246
STILL WINES (Liquid Gallons):					
Stock in Customs Bonded Ware- houses at beginning	1,320,709	1,363,376	1,298,304	1,430,547	1,082,959
Total Imports (Free and Dutiable)	133,443	154,536	254,277	1,297,613	1,924,651
Available for Consumption	1,454,152	1,517,912	1,552,581	2,728,160	3,007,610
Entered into Consumption (a)	148,283	193,251	215,899	1,412,169	1,667,269
Exported from Customs Custody	3	3,952	717	10,125	4,376
Stock in Customs Bonded Ware- houses at end	1,305,866	1,320,709	1,335,965	1,305,866	1,335,965
SPARKLING WINES (Liquid Gallons):					
Stock in Customs Bonded Ware- houses at beginning	294,136	297,413	206,178	271,133	141,325
Total Imports (Free and Dutiable)	17,443	24,192	43,872	172,125	273,120
Available for Consumption	311,579	321,605	250,050	443,258	414,445
Entered into Consumption (a)	18,153	27,241	32,457	148,401	196,578
Exported from Customs Custody	-	228	103	1,431	377
Stock in Customs Bonded Ware- houses at end	293,426	294,136	217,490	293,426	217,490
DUTIES COLLECTED ON:					
Distilled Liquors	\$ 1,822,574	\$ 2,287,387	\$ 2,608,325	\$ 14,607,770	\$ 19,999,792
Still Wines	125,800	162,640	192,694	1,227,375	1,479,999
Sparkling Wines	53,814	81,039	96,237	437,892	584,955
Total Duties Collected on Liquor	\$ 2,002,188	\$ 2,531,066	\$ 2,897,256	\$ 16,273,037	\$ 22,064,746
Total Duties Collected on Other Commodities	21,098,808	19,419,402	37,751,545	152,246,770	287,550,511
TOTAL DUTIES COLLECTED	\$23,100,996	\$21,950,468	\$40,648,801	\$168,519,807	\$309,615,257
Percent collected on Liquors	8.7%	11.5%	7.1%	9.7%	7.1%

OFFICE OF THE COMMISSIONER OF CUSTOMS

AUG 31 1938

TO MR. GASTON

FROM THE ACTING COMMISSIONER OF CUSTOMS:

There is transmitted herewith a statement showing imports of distilled liquors and wines, and duties collected thereon, covering the month of July 1938, with comparative figures for the months of July 1937 and June 1938, and the first seven months of the calendar years 1937 and 1938, which may be suitable for press release.

H. B. Bennett

Inclosure.

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TREASURY DEPARTMENT
Washington

FOR RELEASE, MORNING NEWSPAPERS,
Friday, September 2, 1938.
9-1-38

Press Service
No. 14-43

Commissioner of Customs James H. Moyle today issued the following statement showing imports of distilled liquors and wines, and duties collected thereon, covering the month of July, 1938, with comparative figures for the months of July, 1937, and June, 1938, and the first seven months of the calendar years 1937 and 1938:

	July 1938	June 1938	July 1937	7 Mos. (Jan.--July) 1938	1937
DISTILLED LIQUORS					
(Proof Gallons)					
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Total Imports (Free and Dutiable)	724,066	903,599	1,099,673	5,727,069	8,673,469
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(Liquid Gallons)					
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Entered into Consumption (a)	148,283	193,251	215,899	1,412,169	1,667,269
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(Liquid Gallons)					
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Total Duties Collected on Liquors	\$ 2,002,188	\$ 2,531,066	\$ 2,897,256	\$16,273,037	\$22,064,746

(a) Including withdrawals for ship supplies and diplomatic use.

lake vessels of the United States of 500 gross tons or over, and present^s himself for one month's additional training each year, or two month^s each two years, his standing in the United States Maritime Service is maintained, and he will receive an annual bonus of one month's pay for his rating, in addition to his pay while undergoing training.

Training stations will be established at Hoffman Island in New York harbor and at Government Island on San Francisco Bay. A training station for licensed (officer) personnel will be established later at Fort Trumbull, New London, Connecticut.

Admiral Waesche announced the appointment of Commander W. N. Derby, U.S.C.G., as Chief of the United States Maritime Service.

Wm

completed forms are to be mailed to the United States Maritime Service at Coast Guard Headquarters, 1512 H Street N.W., Washington, D.C. Applicants for enrollment should not come to Washington, but will be advised by letter or telegram where to report, which in most cases will be the Division headquarters of the Coast Guard nearest to their homes, whence after examination and acceptance they will be furnished transportation to the place of training.

While others who have the necessary qualifications may make application, initial enrollments will be made only of those who are now unemployed.

All initial enrollments are to be probationary in character. Enrollees will be given three months' training in seamanship and other specialized work of the Merchant Marine according to the classification which they may elect or to which they may be assigned. Compensation will be paid and subsistence and necessary working clothing will be provided at Government expense. The rate of pay will accord with the rate of pay in the Coast Guard for the rating given the enrollee, except that initially all unlicensed personnel will be enrolled at the base rate of \$36 a month. In the course of training, advancement may later be made to higher ratings.

Permanent enrollment in the United States Maritime Service is to be made after satisfactory completion of the three months' course of initial training. If thereafter the enrollee is employed on the average not less than eight months of each year on any seagoing or

Secretary Morgenthau announced today that an agreement had been reached with the United States Maritime Commission providing that the Coast Guard will undertake the administration of the United States Maritime Service, authorized by the Merchant Marine Act of 1936 as amended by the Act of June 1938.

The United States Maritime Service is to be a training service for licensed and unlicensed personnel of the Merchant Marine of the United States.

Rear Admiral Russell R. Waesche, Commandant of the United States Coast Guard, announced that enrollment of applicants for membership in the Maritime Service will begin on Tuesday, September 6.

Enrollment in the Maritime Service is wholly voluntary. Those eligible for enrollment under the regulations agreed to by the United States Maritime Commission and the Secretary of the Treasury are persons over 21 years of age who have had not less than two years experience on seagoing or lake vessels of the United States of 500 gross tons or over, and are physically and mentally qualified for further service at sea. The regulations prohibit discrimination on account of race or creed, or membership or non-membership in any organization.

R-17-2d

Application for enrollment is made upon application forms which are available in the offices of all Collectors of Customs and Shipping Commissioners and at Coast Guard recruiting stations. The

TREASURY DEPARTMENT

Washington

FOR IMMEDIATE RELEASE,
Friday, September 2, 1938.

Press Service
No. 14-44

Secretary Morgenthau announced today that an agreement had been reached with the United States Maritime Commission providing that the Coast Guard will undertake the administration of the United States Maritime Service, authorized by the Merchant Marine Act of 1936 as amended by the Act of June, 1938.

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to the place of training.

While others who have the necessary qualifications may make application, initial enrollments will be made only of those who are now unemployed.

All initial enrollments are to be probationary in character. Enrollees will be given three months' training in seamanship and other specialized work of the Merchant Marine according to the classification which they may elect or to which they may be assigned. Compensation will be paid and subsistence and necessary working clothing will be provided at Government expense. The rate of pay will accord with the rate of pay in the Coast Guard for the rating given the enrollee, except that initially all unlicensed personnel will be enrolled at the base rate of \$36 a month. In the course of training, advancement may later be made to higher ratings.

Permanent enrollment in the United States Maritime Service is to be made after satisfactory completion of the three months' course of initial training. If thereafter the enrollee is employed on the average not less than eight months of each year on any seagoing or lake vessels of the United States of 500 gross tons or over, and presents himself for one month's additional training each year, or two months each two years, his standing in the United States Maritime Service is maintained, and he will receive an annual bonus of one month's pay for his rating, in addition to his pay while undergoing training.

Training stations will be established at Hoffman Island in New York harbor and at Government Island on San Francisco Bay. A training station for licensed (officer) personnel will be established later at Fort Trumbull, New London, Connecticut.

Admiral Waesche announced the appointment of Commander W. N. Derby, U.S.C.G., as Chief of the United States Maritime Service.

TREASURY DEPARTMENT

Washington

FOR RELEASE, MORNING NEWSPAPERS,
Saturday, September 3, 1938.

9/2/38

Press Service

14-45

The Secretary of the Treasury announced last evening that the tenders for \$100,000,000, or thereabouts, of 91-day Treasury bills, to be dated September 7 and to mature December 7, 1938, which were offered on August 31, were opened at the Federal Reserve banks on September 2.

The details of this issue are as follows:

Total applied for - \$228,970,000
Total accepted - 100,148,000

Range of accepted bids:

High	-	99.992	Equivalent rate approximately	0.032 per
Low	-	99.986	"	0.055
Average price	-	99.988	"	0.049

(26 percent of the amount bid for at the low price was accepted)

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TREASURY DEPARTMENT

Washington

FOR RELEASE, MORNING NEWSPAPERS,
Saturday, September 3, 1938.
9-2-38

Press Service
No. 14-45

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(26 percent of the amount bid for at the low price was accepted)

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TREASURY DEPARTMENT

Washington

FOR RELEASE MORNING NEWSPAPERS
Tuesday September 6 1938PRESS SERVICE
No. 14-46

Acting Comptroller of the Currency Marshall R. Diggs announced today that the 5243 active national banks in the country on June 30, 1938, reported gross earnings for the first six months of 1938 amounting to \$414 761 000 00, and expenses of \$290 351 000 00, resulting in net earnings from current operations of \$124 410 000 00, compared to \$140 259 000 00 in the previous six months. Adding to the net earnings profits on securities sold of \$53 546 000 00 and recoveries on loans and investments, etc., previously charged off of \$40 332 000 00, less losses and depreciation of \$105 723 000 00, the net profits before dividends in the period amounted to \$112-565 000 00, which was 7.14 per cent of the par value of common and preferred capital stock, and 3.44 per cent of capital funds. Dividends declared on common and preferred capital were \$69 816 000 00 and \$5 098 000 00, respectively, a total of \$74 914 000 00, representing 4.75 per cent of the total par value of capital stock.

In the year ended June 30, 1938, the net profits of national banks before dividends were \$208 423 000 00, a decrease of \$78,-138 000 00 in the amount reported for the previous year.

The gross earnings from current operations aggregated \$350,-551 000 00, and the expenses \$585 382 000 00, resulting in net earnings from current operations of \$264 669 000 00, a decrease of \$4 677 000 00 in the year. Recoveries from assets previously charged off of \$161 742 000 00, including profits on securities sold of \$76 620 000 00, decreased \$117 841 000 00, and losses and depreciation charged off of \$217 988 000 00 decreased \$44 380 000 00

Dividends declared on common and preferred stock totaled \$143 740 000 00, in comparison with \$153 475 000 00 in 1937. The dividends were 9.11 per cent of common and preferred capital and 4.39 per cent of capital funds.

A comparison of the earnings, expenses and dividends in the year ended June 30, 1938, with those for the year ended June 30, 1928, shows that although there were nearly 2500 fewer banks in 1938 and a decrease of \$16 435 000 00 in the par value of capital stock outstanding, the net earnings from current operations of \$264 669 000 00 and net profits before dividends of \$208 423 000 00 were but \$62 748 000 00 and \$61 735 000 00, respectively, less than ten years previous.

Gross earnings from current operations in 1938 include service charges on deposit accounts of \$33 519 000 00, a charge not generally required of depositors until recent years, and trust department income of \$33 447 000 00, which increased \$17 282 000 00 in the ten-year period.

Expenses in 1938 include interest on deposits of \$127 052 000 00 a decrease of \$325 233 000 00 since 1928, due principally to the Banking Act of 1935 which prohibited the payment of interest on demand deposits subsequent to August, 1937.

Dividends of 9.11 per cent on capital stock in 1938 are compared to 12.88 per cent in 1928.

COMPARISON OF EARNINGS, EXPENSES AND DIVIDENDS OF NATIONAL BANKS FOR YEARS
ENDED JUNE 30, 1937 AND 1938

(Amounts in thousands of dollars)

	Six months ended		Year ended	
	June 30, 1938	Dec. 31, 1937	June 30, 1938	June 30, 1937
<u>Capital stock, par value:</u>				
Preferred	\$ 266 095	\$ 284 831	\$ 266 095	\$ 298 977
Common	1 311 326	1 297 882	1 311 326	1 288 749
TOTAL CAPITAL STOCK	1 577 421	1 582 713	1 577 421	1 587 726
Capital funds	3 273 819	3 244 198	3 273 819	3 212 165
<u>Gross operating earnings:</u>				
Interest and discount on loans	184 475	192 601	377 076	356 732
Interest and dividends on bonds and securities	152 504	160 899	313 403	331 666
Trust department	15 253	18 194	33 447	33 779
Service charges on deposit accts	17 209	16 310	33 519	29 353
Rent received	26 431	26 661	53 092	50 125
Other earnings	18 889	21 125	40 014	45 542
TOTAL GROSS OPERATING EARNINGS	414 761	435 790	850 551	847 197
<u>Gross operating expenses:</u>				
Salaries and wages--				
Officers	48 429	48 769	97 198	93 247
Employees other than officers	70 011	72 434	142 445	135 363
Interest on deposits	62 964	64 088	127 052	131 083
Real estate taxes	10 797	11 469	22 266	21 304
Other taxes	15 694	15 839	31 533	33 159
Other expenses	82 456	82 932	165 388	163 695
TOTAL GROSS OPERATING EXPENSES	290 351	295 531	585 882	577 851
NET OPERATING EARNINGS	124 410	140 259	264 669	269 346
<u>Recoveries:</u>				
On loans	15 770	22 998	38 768	64 243
On bonds and securities	16 089	13 293	29 382	73 208
All other	8 473	8 499	16 972	17 274
TOTAL RECOVERIES	40 332	44 790	85 122	154 725
Profits on securities sold	53 546	23 074	76 620	124 858
TOTAL RECOVERIES AND PROFITS ON SECURITIES SOLD	93 878	67 864	161 742	279 583
<u>Losses and depreciation:</u>				
On loans	26 933	39 270	66 203	111 000
On bonds and securities	57 765	45 244	103 009	94 069
On banking house, furn. and fix.	10 573	14 019	24 592	26 434
All other	10 452	13 732	24 184	30 865
TOTAL LOSSES AND DEPRECIATION	105 723	112 265	217 988	262 368
NET PROFITS BEFORE DIVIDENDS	112 565	95 858	208 423	286 561
<u>Dividends declared:</u>				
On preferred stock	5 098	4 665	9 763	14 496
On common stock	69 816	64 161	133 977	138 979
TOTAL DIVIDENDS DECLARED	74 914	68 826	143 740	153 475
Number of banks	5 248	5 266	5 248	5 299

COMPARISON OF EARNINGS, EXPENSES AND DIVIDENDS OF NATIONAL BANKS, YEARS
ENDED JUNE 30, 1928 AND 1938

(Amounts in thousands of dollars)

	1938	1928	: Increase or decrease since 1928
Number of active banks	5 248	7 691	
Capital stock, par value:			
Class A Preferred	\$ 248 885	---	\$ 248 885
Class B Preferred	17 210	---	17 210
Common	1 311 326	\$ 1 593 856	-282 530
Total	1 577 421	1 593 856	-16 435
Surplus	1 118 413	1 419 695	-301 282
Total capital and surplus	2 695 834	3 013 551	-317 717
Capital funds	3 273 819	3 570 988	-297 169
Gross earnings:			
Interest and discount on loans	377 076	817 231	-440 155
Interest and dividends on bonds and securities	313 403	311 338	2 065
Trust department	33 447	16 165	17 282
Service charges on deposit accts	33 519	(140 344)	(-13 719)
Other earnings	93 106	((
Total earnings	850 551	1 285 078	-434 527
Expenses:			
Salaries and wages	239 643	262 609	-22 966
Interest on deposits	127 052	452 285	-325 233
Taxes	53 799	68 750	-14 951
Other expenses	165 388	174 017	-8 629
Total expenses	585 882	957 661	-371 779
Net earnings	264 669	327 417	-62 748
Recoveries			
On loans	38 768	19 519	19 249
On bonds and securities	29 382	7 320	22 053
All other	16 972	9 621	7 351
Total recoveries	85 122	36 469	48 653
Profits on securities sold	76 620	59 328	17 292
Total recoveries and profits on securities sold	161 742	95 797	65 945
Losses and depreciation:			
On loans	66 203	92 106	-25 903
On bonds and securities	103 009	29 191	73 818
On Banking house, furniture and fixtures	24 592	18 150	6 442
All other	24 184	13 609	10 575
Total losses and depreciation	217 988	153 056	64 932
Net profits before dividends	208 423	270 158	-61 735
Dividends declared:			
On preferred stock	9 763	---	9 763
On common stock	133 977	205 358	-71 381
Total dividends declared	143 740	205 358	-61 618

NOTE: Minus sign denotes decrease.

PRESS RELEASE

14-47

The Commissioner of Customs today announced that preliminary reports show imports of 694,614 squares of red cedar shingles from Canada, under the quota provisions of the Canadian Trade Agreement, during the period July 1 to September 3, 1938.

These importations represent 80.3 percent of the quota established in Executive Order No. 7946, of August 9, 1938, which limits importations of red cedar shingles from Canada to 864,881 squares during the last six months of the calendar year 1938.

For the control of the current quota on importations of this commodity, customs officers in charge at ports of entry ^{have been} ~~are~~ required to secure telegraphic authorization from the Bureau of Customs for acceptance of entry thereof for consumption, beginning September 4, 1938. When the current quota is filled, further importations of this commodity may not be admitted to entry for consumption until the beginning of the next quota period on January 1, 1939.

JM 9/6/38

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SWD/rmm

MR. GASTON

(Attention of Mr. Schwarz, Room 289, Treasury Building)

FROM THE ACTING COMMISSIONER OF CUSTOMS:

There is attached for immediate release a tabulation showing imports of red cedar shingles from Canada, under the quota provisions of the Canadian Trade Agreement, during the period July 1 to September 3, 1938.

When the release has been mimeographed, please have 130 copies forwarded to Miss Henry, Room 215, Washington Building.

JM 9/6/38

A handwritten signature in cursive script, appearing to read "Miss Henry", is written in the lower right quadrant of the page.

TREASURY DEPARTMENT

Washington

FOR IMMEDIATE RELEASE,
Tuesday, September 6, 1938.

Press Service
No. 14-47

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<u>Fund or Agency</u>	Government Securities	Government- guaranteed Securities	Other Securities*
	(000 omitted)		
Totals brought forward	\$3,587,171	\$269,702	\$ 44,833
Old-Age Reserve Account	700,300	-	-
Foreign Service Retirement and Disability Fund	3,702	-	-
Canal Zone Retirement and Disability Fund (1).....	4,121	-	-
Adjusted Service Certificate Fund	24,800	-	-
Alaska Railroad Retirement and Disability Fund	502	-	-
Totals	<u>\$4,320,596</u>	<u>\$269,702</u>	<u>\$ 44,833</u>

As of July 31, 1938:

Federal Farm Mortgage Corporation	\$ -	\$ -	\$762,705
Federal Land Banks	58,311	-	500
Federal Intermediate Credit Banks	64,935	9,000	-
Banks for Cooperatives	62,436	23,995	8,500
Production Credit Corporations	5,109	13,948	25,907
Production Credit Associations	1,702	11,011	75,293
Joint Stock Land Banks **	1,638	7,351	242
Federal Home Loan Banks	25,426	10,182	-
Home Owners' Loan Corporation	1,100	-	-
Reconstruction Finance Corporation	48,020	-	-
Inland Waterways Corporation**	3,887	-	-
U.S. Spruce Production Corporation	125	-	-
Totals	<u>\$ 272,689</u>	<u>\$ 75,487</u>	<u>\$873,147</u>

Note: All trust funds may be invested in Government and Government-guaranteed securities, and certain funds may also be invested in additional securities as indicated:

- (1) In Federal Farm Loan Bonds;
- (2) No Limitations.

* Consist principally of Federal Farm Loan Bonds and Federal Intermediate Credit Bank Debentures.

** Latest figures available.

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TREASURY DEPARTMENT

Washington

FOR RELEASE, *Morning Newspapers*
Wed. Sept. 7-1938

Press Service
 No. 1448

Secretary Morgenthau released today the following statement relative to the amount of Government and other securities held in governmental trust accounts and by governmental corporations and agencies:

SECURITIES HELD AS INVESTMENTS IN TRUST FUNDS AND IN ACCOUNTS
OF CERTAIN GOVERNMENTAL CORPORATIONS AND AGENCIES
ON DATES INDICATED

<u>Fund or Agency</u>	Government Securities	Government- guaranteed Securities	Other Securities
		(000 omitted)	
<u>As of July 27, 1938:</u>			
Postal Savings System	\$ 928,196	\$ 166,834	\$ -
Federal Deposit Insurance Corporation	369,094	-	-
Individual Indian Trust Funds	42,463	71	21
Mutual Mortgage Insurance Fund and Housing Insurance Fund	19,686	-	-
Federal Savings and Loan Insurance Corp....	10,015	102,687	-
Civil Service Retirement and Disability Fund	469,106	-	-
U.S. Government Life Insurance Fund (1)	762,867	-	42,067
D.C. Teachers' Retirement Fund (2)	5,536	95	1,965
Alien Property Custodian Fund	30,710	-	-
Panama Canal Zone Funds (1)	1,850	5	290
General Post Fund, Veterans' Administration	1,082	-	1
Library of Congress Trust Fund (2)	1	-	435
D.C. Workmen's Compensation Fund (1)	10	-	11
Longshoremen's and Harbor Workers' Compensation Fund (1)	117	10	43
German Special Deposit Account	3,957	-	-
National Institute of Health Gift Fund	83	-	-
Comptroller of the Currency Employees' Retirement Fund	1,242	-	-
Pershing Hall Memorial Fund	198	-	-
National Park Trust Fund (2)	12	-	-
Ainsworth Library Fund, Walter Reed General Hospital	10	-	-
District of Columbia Water Fund	736	-	-
Unemployment Trust Fund	872,000	-	-
Railroad Retirement Account	68,200	-	-
	<u>\$3,587,171</u>	<u>\$269,702</u>	<u>\$44,833</u>

M. Walker

TREASURY DEPARTMENT

Washington

FOR RELEASE, MORNING NEWSPAPERS,
Wednesday, September 7, 1938.
 9/6/38.

Press Service
 No. 14-48

Secretary Morgenthau released today the following statement relative to the amount of Government and other securities held in governmental trust accounts and by governmental corporations and agencies:

SECURITIES HELD AS INVESTMENTS IN TRUST FUNDS AND IN ACCOUNTS
OF CERTAIN GOVERNMENTAL CORPORATIONS AND AGENCIES
ON DATES INDICATED

<u>Fund or Agency</u>	<u>Government</u> <u>Securities</u>	<u>Government-</u> <u>guaranteed</u> <u>Securities</u>	<u>Other</u> <u>Securities*</u>
	(000 omitted)		
<u>As of July 27, 1938:</u>			
Postal Savings System	\$ 928,196	\$166,834	\$ -
Federal Deposit Insurance Corporation ..	369,094	-	-
Individual Indian Trust Funds	42,463	71	21
Mutual Mortgage Insurance Fund and Housing Insurance Fund	19,686	-	-
Federal Savings and Loan Insurance Corp. Civil Service Retirement and Disability Fund	10,015	102,687	-
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Panama Canal Zone Funds (1)	30,710	-	-
General Post Fund, Veterans' Administra- tion	1,850	5	290
Library of Congress Trust Fund (2)	1,082	-	1
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Longshoremen's and Harbor Workers' Compensation Fund (1)	10	-	11
German Special Deposit Account	117	10	43
National Institute of Health Gift Fund .	3,957	-	-
Comptroller of the Currency Employees' Retirement Fund	83	-	-
Porshing Hall Memorial Fund	1,242	-	-
National Park Trust Fund (2)	198	-	-
Ainsworth Library Fund, Walter Reed General Hospital	12	-	-
District of Columbia Water Fund	10	-	-
Unemployment Trust Fund	736	-	-
Railroad Retirement Account	872,000	-	-
	68,200	-	-
	<u>\$3,587,171</u>	<u>\$269,702</u>	<u>\$44,833</u>

<u>Fund or Agency</u>	Government Securities	Government guaranteed Securities	Other Securities*
	(000 omitted)		
Total			
Totals brought forward	\$3,587,171	\$269,702	\$44,833
Old-Age Reserve Account	700,300	-	-
Foreign Service Retirement and Disability Fund	3,702	-	-
Canal Zone Retirement and Disability Fund (1)	4,121	-	-
Adjusted Service Certificate Fund	24,800	-	-
Alaska Railroad Retirement and Disability Fund	502	-	-
Totals	\$4,320,596	\$269,702	\$44,833

As of July 31, 1938:

Federal Farm Mortgage Corporation	\$ -	\$ -	\$762,705
Federal Land Banks	58,311	-	500
Federal Intermediate Credit Banks	64,935	9,000	-
Banks for Cooperatives	62,436	23,995	8,500
Production Credit Corporations	5,109	13,948	25,907
Production Credit Associations	1,702	11,011	75,293
Joint Stock Land Banks **	1,638	7,351	242
Federal Home Loan Banks	25,426	10,182	-
Home Owners' Loan Corporation	1,100	-	-
Reconstruction Finance Corporation	48,020	-	-
Inland Waterways Corporation **	3,887	-	-
U.S. Spruce Production Corporation	125	-	-
Totals	\$ 272,689	\$ 75,487	\$873,147

Note: All trust funds may be invested in Government and Government-guaranteed securities, and certain funds may also be invested in additional securities as indicated:

- (1) In Federal Farm Loan Bonds;
- (2) No Limitations.

* Consist principally of Federal Farm Loan Bonds and Federal Intermediate Credit Bank Debentures.

** Latest figures available.

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

2. The Secretary of the Treasury may at any time, or from time to time, prescribe supplemental or amendatory rules and regulations governing the offering, which will be communicated promptly to the Federal Reserve banks.

HENRY MORGENTHAU, JR.,
Secretary of the Treasury.

shall be deemed by him to be in the public interest; and his action in any or all of these respects shall be final. Subject to these reservations, subscriptions in payment of which Treasury Notes of Series E-1938 are tendered will be allotted in full. Allotment notices will be sent out promptly upon allotment, and the basis of the allotment will be publicly announced.

IV. PAYMENT

1. Payment at par and accrued interest from June 15, 1938, for notes allotted on cash subscriptions must be made or completed on or before September 15, 1938, or on later allotment. In every case where payment is not so completed, the payment with application up to 10 percent of the amount of notes applied for shall, upon declaration made by the Secretary of the Treasury in his discretion, be forfeited to the United States. 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. Treasury Notes of Series E-1938, maturing December 15, 1938, with coupon dated December 15, 1938, attached, will be accepted at par in payment for any notes subscribed for and allotted, and should accompany the subscription. / ^{Accrued} interest from June 15, 1938, to September 15, 1938, on the maturing notes will be credited to subscribers, and interest for the same period on the new notes, which will be delivered with coupon dated December 15, 1938, attached, will be charged to subscribers. The difference (\$0.314208 per \$1,000) will be paid following acceptance of the notes.

V. GENERAL PROVISIONS

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

"2. The notes shall be exempt, both as to principal and interest, from all taxation (except estate or inheritance taxes, or gift 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.

"3. 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.

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

"5. 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."

III. SUBSCRIPTION AND ALLOTMENT

1. Subscriptions will be received at the Federal Reserve banks and branches and at the Treasury Department, Washington. Banking institutions generally may submit subscriptions for account of customers, but only the Federal Reserve banks and the Treasury Department are authorized to act as official agencies. Others than banking institutions will not be permitted to enter subscriptions except for their own account. Cash subscriptions from banks and trust companies for their own account will be received without deposit but will be restricted in each case to an amount not exceeding one-half of the combined capital and surplus of the subscribing bank or trust company. Cash subscriptions from all others must be accompanied by payment of 10 percent of the amount of notes applied for. The Secretary of the Treasury reserves the right to close the books as to any or all subscriptions or classes of subscriptions at any time without notice.

2. The Secretary of the Treasury reserves the right to reject any subscription in whole or in part, to allot less than the amount of notes applied for, to make allotments in full upon applications for smaller amounts and to make reduced allotments upon, or to reject, applications for larger amounts, or to adopt any or all of said methods or such other methods of allotment and classification of allotments as

UNITED STATES OF AMERICA

1-1/8 PERCENT TREASURY NOTES OF SERIES A-1943

Dated and bearing interest from June 15, 1938

Due June 15, 1943

Interest payable June 15 and December 15

ADDITIONAL ISSUE

1938
Department Circular No. 594

Public Debt Service

TREASURY DEPARTMENT,
Office of the Secretary,
Washington, September 8, 1938

I. OFFERING OF NOTES

1. The Secretary of the Treasury, pursuant to the authority of the Second Liberty Bond Act, approved September 24, 1917, as amended, invites subscriptions, at par and accrued interest, from the people of the United States for 1-1/8 percent notes of the United States, designated Treasury Notes of Series A-1943. The amount of the offering is \$300,000,000, or thereabouts, with the right reserved to the Secretary of the Treasury to increase the offering by an amount sufficient to accept all subscriptions for which Treasury Notes of Series E-1938, maturing December 15, 1938, are tendered in payment and accepted.

II. DESCRIPTION OF NOTES

1. The notes now offered will be an addition to and will form a part of the series of 1-1/8 percent Treasury Notes of Series A-1943 issued pursuant to Department Circular No. 585, dated June 6, 1938, will be freely interchangeable therewith and are identical in all respects therewith, and are described in the following quotation from Department Circular No. 585:

"1. The notes will be dated June 15, 1938, and will bear interest from that date at the rate of 1-1/8 percent per annum, payable semi-annually on December 15, 1938, and thereafter on June 15 and December 15 in each year until the principal amount becomes payable. They will mature June 15, 1943, and will not be subject to call for redemption prior to maturity.

bonds 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. Treasury Notes of Series E-1938, maturing December 15, 1938, with coupon dated December 15, 1938, attached, will be accepted at par in payment for any bonds subscribed for and allotted, and should accompany the subscription. Accrued interest from June 15, 1938, to September 15, 1938, on the maturing notes (\$3.142076 per \$1,000) will be paid following acceptance of the notes.

V. GENERAL PROVISIONS

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

2. The Secretary of the Treasury may at any time, or from time to time, prescribe supplemental or amendatory rules and regulations governing the offering, which will be communicated promptly to the Federal Reserve banks.

HENRY MORGENTHAU, JR.,
Secretary of the Treasury.

and at the Treasury Department, Washington. Banking institutions generally may submit subscriptions for account of customers, but only the Federal Reserve banks and the Treasury Department are authorized to act as official agencies. Others than banking institutions will not be permitted to enter subscriptions except for their own account. Cash subscriptions from banks and trust companies for their own account will be received without deposit but will be restricted in each case to an amount not exceeding one-half of the combined capital and surplus of the subscribing bank or trust company. Cash subscriptions from all others must be accompanied by payment of 10 percent of the amount of bonds applied for. The Secretary of the Treasury reserves the right to close the books as to any or all subscriptions or classes of subscriptions at any time without notice.

2. The Secretary of the Treasury reserves the right to reject any subscription, in whole or in part, to allot less than the amount of bonds applied for, to make allotments in full upon applications for smaller amounts and to make reduced allotments upon, or to reject, applications for larger amounts, or to adopt any or all of said methods or such other methods of allotment and classification of allotments as shall be deemed by him to be in the public interest; and his action in any or all of these respects shall be final. Subject to these reservations, subscriptions in payment of which Treasury Notes of Series E-1938 are tendered will be allotted in full. Allotment notices will be sent out promptly upon allotment, and the basis of the allotment will be publicly announced.

IV. PAYMENT

1. Payment at par and accrued interest, if any, for bonds allotted on cash subscriptions must be made or completed on or before September 15, 1938, or on later allotment. In every case where payment is not so completed, the payment with application up to 10 percent of the amount of bonds applied for shall, upon declaration made by the Secretary of the Treasury in his discretion, be forfeited to the United States. Any qualified depository will be permitted to make payment by credit for

the bonds to be redeemed will be determined by such method as may be prescribed by the Secretary of the Treasury. From the date of redemption designated in any such notice, interest on the bonds called for redemption shall cease.

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

3. The bonds will be acceptable to secure deposits of public moneys, but will not bear the circulation privilege and will not be entitled to any privilege of conversion.

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

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

III. SUBSCRIPTION AND ALLOTMENT

1. Subscriptions will be received at the Federal Reserve banks and branches

UNITED STATES OF AMERICA

2-1/2 PERCENT TREASURY BONDS OF 1950-52

Dated and bearing interest from September 15, 1938

Due September 15, 1952

REDEEMABLE AT THE OPTION OF THE UNITED STATES AT PAR AND ACCRUED INTEREST ON AND AFTER
SEPTEMBER 15, 1950

Interest payable March 15 and September 15

1938
Department Circular No. 593

Public Debt Service

TREASURY DEPARTMENT,
Office of the Secretary,
Washington, September 8, 1938

I. OFFERING OF BONDS

1. The Secretary of the Treasury, pursuant to the authority of the Second Liberty Bond Act, approved September 24, 1917, as amended, invites subscriptions, at par and accrued interest, from the people of the United States for 2-1/2 percent bonds of the United States, designated Treasury Bonds of 1950-52. The amount of the offering is \$400,000,000, or thereabouts, with the right reserved to the Secretary of the Treasury to increase the offering by an amount sufficient to accept all subscriptions for which Treasury Notes of Series E-1938, maturing December 15, 1938, are tendered in payment and accepted.

II. DESCRIPTION OF BONDS

1. The bonds will be dated September 15, 1938, and will bear interest from the date at the rate of 2-1/2 percent per annum, payable semiannually on March 15 and September 15 in each year until the principal amount becomes payable. They will mature September 15, 1952, but may be redeemed at the option of the United States on and after September 15, 1950, in whole or in part, at par and accrued interest, on any interest day or days, on 4 months' notice of redemption given in such manner as the Secretary of the Treasury shall prescribe. In case of partial redemption

The right is reserved to close the books as to any or all subscriptions or classes of subscriptions at any time without notice, either for the Treasury bonds or the Treasury notes and with respect to the cash offering or with respect to the exchange offering of either. Subject to the reservations set forth in the official circulars, all cash subscriptions will be received subject to allotment and exchange subscriptions will be allotted in full.

Payment for any bonds or notes allotted on cash subscriptions must be made or completed on or before September 15, 1938, or on later allotment. Treasury notes of Series E-1938, maturing December 15, 1938, with final coupon due December 15, 1938, attached, will be accepted at par in payment for any bonds or notes subscribed for and allotted. If such maturing notes are tendered for Treasury bonds, accrued interest on the surrendered notes from June 15 to September 15, 1938, (about \$3.14 per \$1,000) will be paid following their acceptance. If such maturing notes are tendered for Treasury notes, interest on the surrendered notes will be credited from June 15 to September 15, 1938, interest will be charged for the same period on the notes issued, and the difference (about 31 cents per \$1,000) will be paid following acceptance of the notes.

Treasury notes of Series E-1938, maturing December 15, 1938, are now outstanding in the amount of \$433,460,900. The offering now made will be the only opportunity afforded the holders of these maturing notes to exchange them for other interest-bearing obligations of the United States.

The texts of the official circulars follow:

pursuant to Department Circular No. 585, dated June 6, 1938. They are identical in all respects with such notes, with which they will be freely interchangeable. The notes are dated June 15, 1938, and bear interest from that date at the rate of 1-1/8 percent per annum payable semiannually. They will mature June 15, 1943, and will not be subject to call for redemption before maturity. They are issued in bearer form only, with interest coupons attached, in the denominations of \$100, \$500, \$1,000, \$5,000, \$10,000 and \$100,000.

The Treasury bonds and the Treasury notes will be accorded the same exemptions from taxation as are accorded other issues of Treasury bonds and Treasury notes, respectively, now outstanding. These provisions are specifically set forth in the official circulars issued today.

Subscriptions will be received at the Federal Reserve banks and branches, and at the Treasury Department, Washington. Banking institutions generally may submit subscriptions for account of customers, but only the Federal Reserve banks and the Treasury Department are authorized to act as official agencies. Cash subscriptions from banks and trust companies for either issue for their own account will be received without deposit but will be restricted in each case and for each offering to an amount not exceeding one-half of the combined capital and surplus of the subscribing bank or trust company. Cash subscriptions from all others must be accompanied by 10 percent of the amount of bonds or notes applied for. Exchange subscriptions for either bonds or notes should be accompanied by a like face amount of 1-1/4 percent Treasury notes of Series E-1938 tendered in payment, to which final coupon dated December 15, 1938 should be attached.

TREASURY DEPARTMENT

Washington

FOR RELEASE, MORNING NEWSPAPERS,
Thursday, September 8, 1938
9/7/38

Press Service
No.

Secretary of the Treasury Morgenthau is today offering for subscription, through the Federal Reserve banks, \$400,000,000, or thereabouts, of 2-1/2 percent Treasury bonds of 1950-52, at par and accrued interest, and an additional \$300,000,000, or thereabouts, of 1-1/8 percent Treasury notes of Series A-1943, due June 15, 1943, at par and accrued interest from June 15, 1938. At the same time, the holders of 1-1/4 percent Treasury notes of Series E-1938, maturing December 15, 1938, are offered the privilege of exchanging such maturing notes either for the Treasury bonds or the Treasury notes, the exchange to be made par for par with an adjustment of accrued interest as of September 15, 1938, and to the extent the exchange privilege is availed of, the offering of bonds or of notes may be increased.

The 2-1/2 percent Treasury bonds of 1950-52 now offered for cash, and in exchange for Treasury notes maturing December 15, 1938, will be dated September 15, 1938, and will bear interest from that date at the rate of 2-1/2 percent per annum payable semiannually. They will mature September 15, 1952, but may be redeemed at the option of the United States on and after September 15, 1950. The bonds will be issued in two forms: bearer bonds, with interest coupons attached, and bonds registered both as to principal and interest; both forms will be issued in denominations of \$50, \$100, \$500, \$1,000, \$5,000, \$10,000 and \$100,000.

The Treasury notes, also offered for cash and in exchange for Treasury notes maturing December 15, 1938, will be an addition to and will form a part of the series of 1-1/8 percent Treasury notes of Series A-1943, issued

TREASURY DEPARTMENT

WASHINGTON

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FOR RELEASE, MORNING NEWSPAPERS,
Friday, September 9, 1938.

Press Service

9/8/38

Secretary of the Treasury Morgenthau announced last night that the subscription books for the current offering of 2-1/2 percent Treasury Bonds of 1950-52 and of 1-1/8 percent Treasury Notes of Series A-1943 closed at the close of business Thursday, September 8, for the receipt of cash subscriptions.

Cash subscriptions for either issue addressed to a Federal Reserve bank or branch, or to the Treasury Department, and placed in the mail before 12 o'clock midnight, Thursday, September 8, will be considered as having been entered before the close of the subscription books.

The subscription books for both issues will close at the close of business tonight, September 9, for the receipt of subscriptions in payment of which Treasury Notes of Series E-1938, maturing December 15, 1938, are tendered.

Exchange subscriptions for either issue addressed to a Federal Reserve bank or branch, or to the Treasury Department, and placed in the mail before 12 o'clock midnight, tonight, September 9, will be considered as having been entered before the close of the subscription books.

Announcement of the amount of cash subscriptions and the bases of allotment will probably be made late on Saturday, September 10.

Form

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TREASURY DEPARTMENT

Washington

FOR RELEASE, MORNING NEWSPAPERS,
Thursday, September 8, 1938.
9-7-38

Press Service
No. 14-49

Secretary of the Treasury Morgenthau is today offering for subscription, through the Federal Reserve banks, \$400,000,000, or thereabouts, of 12-14 year 2-1/2 percent Treasury bonds of 1950-52, at par and accrued interest, and an additional \$300,000,000, or thereabouts, of 1-1/8 percent Treasury notes of Series A-1943, due June 15, 1943, at par and accrued interest from June 15, 1938. At the same time, the holders of 1-1/4 percent Treasury notes of Series E-1938, maturing December 15, 1938, are offered the privilege of exchanging such maturing notes either for the Treasury bonds or the Treasury notes, the exchange to be made par for par with an adjustment of accrued interest as of September 15, 1938, and to the extent the exchange privilege is availed of, the offering of bonds or of notes may be increased.

The 2-1/2 percent Treasury bonds of 1950-52 now offered for cash, and in exchange for Treasury notes maturing December 15, 1938, will be dated September 15, 1938, and will bear interest from that date at the rate of 2-1/2 percent per annum payable semiannually. They will mature September 15, 1952, but may be redeemed at the option of the United States on and after September 15, 1950. The bonds will be issued in two forms: bearer bonds, with interest coupons attached, and bonds registered both as to principal and interest; both forms will be issued in denominations of \$50, \$100, \$500, \$1,000, \$5,000, \$10,000 and \$100,000.

The Treasury notes, also offered for cash and in exchange for Treasury notes maturing December 15, 1938, will be an addition to and will form a part of the series of 1-1/8 percent Treasury notes of Series A-1943, issued pursuant to Department Circular No. 585, dated June 6, 1938. They are identical in all

respects with such notes, with which they will be freely interchangeable. The notes are dated June 15, 1938, and bear interest from that date at the rate of 1-1/8 percent per annum payable semiannually. They will mature June 15, 1943, and will not be subject to call for redemption before maturity. They are issued in bearer form only, with interest coupons attached, in the denominations of \$100, \$500, \$1,000, \$5,000, \$10,000 and \$100,000.

The Treasury bonds and the Treasury notes will be accorded the same exemptions from taxation as are accorded other issues of Treasury bonds and Treasury notes, respectively, now outstanding. These provisions are specifically set forth in the official circulars issued today.

Subscriptions will be received at the Federal Reserve banks and branches, and at the Treasury Department, Washington. Banking institutions generally may submit subscriptions for account of customers, but only the Federal Reserve banks and the Treasury Department are authorized to act as official agencies. Cash subscriptions from banks and trust companies for either issue for their own account will be received without deposit but will be restricted in each case and for each offering to an amount not exceeding one-half of the combined capital and surplus of the subscribing bank or trust company. Cash subscriptions from all others must be accompanied by 10 percent of the amount of bonds or notes applied for. Exchange subscriptions for either bonds or notes should be accompanied by a like face amount of 1-1/4 percent Treasury notes of Series E-1938 tendered in payment, to which final coupon dated December 15, 1938 should be attached.

The right is reserved to close the books as to any or all subscriptions or classes of subscriptions at any time without notice, either for the Treasury bonds or the Treasury notes and with respect to the cash offering or with respect to the exchange offering of either. Subject to the reservations set forth in the official circulars, all cash subscriptions will be received subject to

allotment and exchange subscriptions will be allotted in full.

Payment for any bonds or notes allotted on cash subscriptions must be made or completed on or before September 15, 1938, or on later allotment. Treasury notes of Series E-1938, maturing December 15, 1938, with final coupon due December 15, 1938, attached, will be accepted at par in payment for any bonds or notes subscribed for and allotted. If such maturing notes are tendered for Treasury bonds, accrued interest on the surrendered notes from June 15 to September 15, 1938, (about \$3.14 per \$1,000) will be paid following their acceptance. If such maturing notes are tendered for Treasury notes, interest on the surrendered notes will be credited from June 15 to September 15, 1938, interest will be charged for the same period on the notes issued, and the difference (about 31 cents per \$1,000) will be paid following acceptance of the notes.

Treasury notes of Series E-1938, maturing December 15, 1938, are now outstanding in the amount of \$433,460,900. The offering now made will be the only opportunity afforded the holders of these maturing notes to exchange them for other interest-bearing obligations of the United States.

The texts of the official circulars follow:

UNITED STATES OF AMERICA

2-1/2 PERCENT TREASURY BONDS OF 1950-52

Dated and bearing interest from September 15, 1938 Due September 15, 1952

REDEEMABLE AT THE OPTION OF THE UNITED STATES AT PAR AND ACCRUED INTEREST ON AND
AFTER SEPTEMBER 15, 1950

Interest payable March 15 and September 15

1938
Department Circular No. 593

Public Debt Service

TREASURY DEPARTMENT,
Office of the Secretary,
Washington, September 8, 1938

I. OFFERING OF BONDS

1. The Secretary of the Treasury, pursuant to the authority of the Second Liberty Bond Act, approved September 24, 1917, as amended, invites subscriptions, at par and accrued interest, from the people of the United States for 2-1/2 per cent bonds of the United States, designated Treasury Bonds of 1950-52. The amount of the offering is \$400,000,000, or thereabouts, with the right reserved to the Secretary of the Treasury to increase the offering by an amount sufficient to accept all subscriptions for which Treasury notes of Series E-1938, maturing December 15, 1938, are tendered in payment and accepted.

II. DESCRIPTION OF BONDS

1. The bonds will be dated September 15, 1938, and will bear interest from that date at the rate of 2-1/2 percent per annum, payable semiannually on March 15 and September 15 in each year until the principal amount becomes payable. They will mature September 15, 1952, but may be redeemed at the option of the United States on and after September 15, 1950, in whole or in part, at par and accrued interest, on any interest day or days, on 4 months' notice of redemption given in such manner as the Secretary of the Treasury shall prescribe. In case of partial redemption the bonds to be redeemed will be determined by such method as may be prescribed by the Secretary of the Treasury. From the date of redemption designated in any such notice, interest on the bonds called for redemption shall cease.

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

3. The bonds will be acceptable to secure deposits of public moneys, but will not bear the circulation privilege and will not be entitled to any privilege of conversion.

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

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

III. SUBSCRIPTION AND ALLOTMENT.

1. Subscriptions will be received at the Federal Reserve banks and branches and at the Treasury Department, Washington. Banking institutions generally may submit subscriptions for account of customers, but only the Federal Reserve banks and the Treasury Department are authorized to act as official agencies. Others

than banking institutions will not be permitted to enter subscriptions except for their own account. Cash subscriptions from banks and trust companies for their own account will be received without deposit but will be restricted in each case to an amount not exceeding one-half of the combined capital and surplus of the subscribing bank or trust company. Cash subscriptions from all others must be accompanied by payment of 10 percent of the amount of bonds applied for. The Secretary of the Treasury reserves the right to close the books as to any or all subscriptions or classes of subscriptions at any time without notice.

2. The Secretary of the Treasury reserves the right to reject any subscription, in whole or in part, to allot less than the amount of bonds applied for, to make allotments in full upon applications for smaller amounts and to make reduced allotments upon, or to reject, applications for larger amounts, or to adopt any or all of said methods or such other methods of allotment and classification of allotments as shall be deemed by him to be in the public interest; and his action in any or all of these respects shall be final. Subject to these reservations, subscriptions in payment of which Treasury Notes of Series E-1938 are tendered will be allotted in full. Allotment notices will be sent out promptly upon allotment, and the basis of the allotment will be publicly announced.

IV. PAYMENT

1. Payment at par and accrued interest, if any, for bonds allotted on cash subscriptions must be made or completed on or before September 15, 1938, or on later allotment. In every case where payment is not so completed, the payment with application up to 10 percent of the amount of bonds applied for shall, upon declaration made by the Secretary of the Treasury in his discretion, be forfeited to the United States. Any qualified depository will be permitted to make payment by credit for bonds 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. Treasury Notes of Series E-1938, maturing December 15, 1938, with coupon dated December 15, 1938, attached, will be accepted at par in payment for any bonds subscribed for and allotted, and should accompany the subscription. Accrued interest from June 15, 1938, to September 15, 1938, on the maturing notes (\$3.142076 per \$1,000) will be paid following acceptance of the notes.

V. GENERAL PROVISIONS

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

2. The Secretary of the Treasury may at any time, or from time to time, prescribe supplemental or amendatory rules and regulations governing the offering, which will be communicated promptly to the Federal Reserve banks.

HENRY MORGENTHAU, JR.,
Secretary of the Treasury.

UNITED STATES OF AMERICA

1-1/8 PERCENT TREASURY NOTES OF SERIES A-1943

Dated and bearing interest from June 15, 1938

Due June 15, 1943

Interest payable June 15 and December 15

ADDITIONAL ISSUE

1938
Department Circular No. 594

TREASURY DEPARTMENT,
Office of the Secretary,
Washington, September 8, 1938.

Public Debt Service

I. OFFERING OF NOTES

1. The Secretary of the Treasury, pursuant to the authority of the Second Liberty Bond Act, approved September 24, 1917, as amended, invites subscriptions, at par and accrued interest, from the people of the United States for 1-1/8 percent notes of the United States, designated Treasury Notes of Series A-1943. The amount of the offering is \$300,000,000, or thereabouts, with the right reserved to the Secretary of the Treasury to increase the offering by an amount sufficient to accept all subscriptions for which Treasury Notes of Series E-1938, maturing December 15, 1938, are tendered in payment and accepted.

II. DESCRIPTION OF NOTES

1. The notes now offered will be an addition to and will form a part of the series of 1-1/8 percent Treasury Notes of Series A-1943 issued pursuant to Department Circular No. 585, dated June 6, 1938, will be freely interchangeable therewith, are identical in all respects therewith, and are described in the following quotation from Department Circular No. 585:

"1. The notes will be dated June 15, 1938, and will bear interest from that date at the rate of 1-1/8 percent per annum, payable semi-annually on December 15, 1938, and thereafter on June 15 and December 15 in each year until the principal amount becomes payable. They will mature June 15, 1943, and will not be subject to call for redemption prior to maturity.

"2. The notes shall be exempt, both as to principal and interest, from all taxation (except estate or inheritance taxes, or gift 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.

"3. 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.

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

"5. 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."

III. SUBSCRIPTION AND ALLOTMENT

1. Subscriptions will be received at the Federal Reserve banks and branches and at the Treasury Department, Washington. Banking institutions generally may submit subscriptions for account of customers, but only the Federal Reserve banks and the Treasury Department are authorized to act as official agencies. Others than banking institutions will not be permitted to enter subscriptions except for their own account. Cash subscriptions from banks and trust companies for their own account will be received without deposit but will be restricted in each case to an amount not exceeding one-half of the combined capital and surplus of the subscribing bank or trust company. Cash subscriptions from all others must be accompanied by payment of 10 percent of the amount of notes applied for. The Secretary of the Treasury reserves the right to close the books as to any or all subscriptions or classes of subscriptions at any time without notice.

2. The Secretary of the Treasury reserves the right to reject any subscription, in whole or in part, to allot less than the amount of notes applied for, to make allotments in full upon applications for smaller amounts and to make reduced allotments upon, or to reject, applications for larger amounts, or to adopt any or all of said methods or such other methods of allotment and classification of allotments as shall be deemed by him to be in the public interest;

and his action in any or all of these respects shall be final. Subject to these reservations, subscriptions in payment of which Treasury Notes of Series E-1938 are tendered will be allotted in full. Allotment notices will be sent out promptly upon allotment, and the basis of the allotment will be publicly announced.

IV. PAYMENT

1. Payment at par and accrued interest from June 15, 1938, for notes allotted on cash subscriptions must be made or completed on or before September 15, 1938, or on later allotment. In every case where payment is not so completed, the payment with application up to 10 percent of the amount of notes applied for shall, upon declaration made by the Secretary of the Treasury in his discretion, be forfeited to the United States. 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. Treasury Notes of Series E-1938, maturing December 15, 1938, with coupon dated December 15, 1938, attached, will be accepted at par in payment for any notes subscribed for and allotted, and should accompany the subscription. Accrued interest from June 15, 1938, to September 15, 1938, on the maturing notes will be credited to subscribers, and interest for the same period on the new notes, which will be delivered with coupon dated December 15, 1938, attached, will be charged to subscribers. The difference (\$0.314208 per \$1,000) will be paid following acceptance of the notes.

V. GENERAL PROVISIONS

1. As fiscal agents of the United States, Federal Reserve banks are authorized and requested to receive subscriptions, to make allotments on the

basis and up to the amounts indicated by the Secretary of the Treasury to the Federal Reserve banks of the respective districts, to issue allotment notices, to receive payment for notes allotted, to make delivery of notes on full-paid subscriptions allotted, and they may issue interim receipts pending delivery of the definitive notes.

2. The Secretary of the Treasury may at any time, or from time to time, prescribe supplemental or amendatory rules and regulations governing the offering, which will be communicated promptly to the Federal Reserve banks.

HENRY MORGENTHAU, JR.,
Secretary of the Treasury.

PRESS RELEASE

The Commissioner of Customs today announced that preliminary reports show imports of 755,936 squares of red cedar shingles from Canada, under the quota provisions of the Canadian Trade Agreement, during the period July 1 to September 7, 1938.

These importations represent 87.4 percent of the quota established in Executive Order No. 7946, of August 9, 1938, which limits importations of this commodity to 864,881 squares during the last six months of the calendar year 1938.

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MR. GASTON

(Attention of Mr. Schwarz, Room 289, Treasury Building)

FROM THE COMMISSIONER OF CUSTOMS:

There is attached for immediate release a tabulation showing imports of red cedar shingles from Canada, under the quota provisions of the Canadian Trade Agreement, during the period July 1 to September 7, 1938.

When the release has been mimeographed, please have 145 copies forwarded to Miss Henry, Room 415, Washington Building.

James H. Moyle

TREASURY DEPARTMENT

Washington

FOR IMMEDIATE RELEASE,
Thursday, September 8, 1938.

Press Service
No. 14-50

The Commissioner of Customs today announced that preliminary reports show imports of 755,936 squares of red cedar shingles from Canada, under the quota provisions of the Canadian Trade Agreement, during the period July 1 to September 7, 1938.

These importations represent 87.4 percent of the quota established in Executive Order No. 7946, of August 9, 1938, which limits importations of this commodity to 864,881 squares during the last six months of the calendar year 1938.

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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 12, 1938, ~~(12)~~ 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 14, 1938.

~~(13)~~
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. (Attention is invited to Treasury Decision 4550, ruling that Treasury bills are not exempt from the gift tax.) 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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~~Single issue date~~
~~Single maturity date~~

~~PRESS STATEMENT ALPHA~~

~~Exhibit No. 1~~

TREASURY DEPARTMENT

FOR RELEASE, MORNING PAPERS,
Friday, September 9, 1938.

~~(1)~~

~~STATEMENT BY~~ ~~XXXXXXXXXXXXXXXXXXXX~~

~~(2)~~

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, September 12, 1938. Tenders will not be received at the Treasury Department, Washington.

The Treasury bills will be dated September 14, 1938, and will mature on December 14, 1938, 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

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TREASURY DEPARTMENT

FOR RELEASE, MORNING PAPERS,
Friday, September 9, 1938.

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Immediately after the closing hour for receipt of tenders on September 12, 1938, 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 14, 1938.

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. (Attention is invited to Treasury Decision 4550, ruling that Treasury bills are not exempt from the gift tax.) 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.

you indicate any respects in which you think the limits of political activity permissible to Treasury employees have been transcended.

In addition, I would ask:

- (1) Is it your view that the Treasury regulations, copies of which have been sent to you, permit acts which are repugnant to the letter or spirit of the law?
- (2) Do you contend that it is a violation of the law for a Federal employee to make a voluntary contribution to the campaign fund or to the general funds of a political party?
- (3) Is it your position that it is a violation of the law for such an employee to make a voluntary contribution to a fund which is to be used for the purpose of advocating a particular candidate for Federal office in a primary campaign?

I shall greatly appreciate hearing further from you on this subject.

Very truly yours,

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

Honorable Morris Sheppard
Chairman
Special Committee to Investigate
Campaign Expenditures
United States Senate

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Typed 9/9/38

(22 Stat. 403, 408) which was construed by the Attorney General in 1896 (21 Op. Atty. Gen. 298). The Attorney General stated (at page 299):

"It is well settled that the intention of this act was not to forbid voluntary contributions for political purposes by persons in the employ of the Government, but to protect such persons from solicitation or coercion with respect to such contributions. Knowing the difficulty of detecting the actual operation of means and influences whose employment had become a public evil, Congress absolutely prohibited the solicitation or receipt of political contributions by all persons in the Government service in any place or in any way, and forbade such solicitation or receipt by any person in any room or building occupied in the discharge of official duties. All who are in the Government service are thus protected against the possibility of actual coercion and from that of the coercion implied in the relation of the person soliciting or receiving to the Government or implied in solicitation or receipt in a public office; but Congress did not attempt to prohibit solicitation by or payment to persons not in the Government service otherwise than in Government offices."

The position of the Attorney General in that opinion was reiterated with approval in (1902) 34 Op. Atty. Gen. 133, 135.

We have been unable to find in the regulations of the Civil Service Commission with respect to employees in the classified service any further guidance on this question of voluntary contributions.

I remain, as I have always been, determined that the conduct of Treasury employees shall be above reproach in any respect as to which I have the right to act under the law. I am anxious, therefore, to have all authoritative guidance possible, and I would be glad to have

Reports in the newspapers, however, lead me to believe that the position that you have taken on one matter--that of political contributions--differs from that taken by the Treasury Department. The supplement of September 10, 1934, to Department Circular No. 518 of August 2, 1934, contains the following:

"The instructions contained in said circular should not be construed:

* * *

"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."

I was led by reports in the newspapers to believe that your position is that the law forbids any political contributions whatever by Federal employees, whether made under these voluntary conditions or not, and that in arriving at that position you have been guided by the provisions of Sections 208 and 211 of Title 18 of the U. S. Code, which forbid, respectively, the receiving by a Federal officer or candidate for Federal office of political contributions from Federal employees, and the giving by Federal employees of political contributions to a Federal officer or candidate for office.

In taking the position that neither of these sections is intended to prevent the making of voluntary contributions to party campaign funds by Treasury employees, we have been guided by decisions of Attorneys General in prior Administrations. Both sections are derived from provisions of the same import in the Act of January 16, 1933

Sheppard
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SEP 9 1938

My dear Senator:

Noticing on my return last week from vacation that during my absence questions had been raised before your committee as to political activities by Treasury employees, I wrote to you sending you copies of the regulations on this subject that I have issued for the guidance of all employees of this Department.

The subject is, as you know, one in which I have taken a great deal of interest ever since I assumed my present duties. I have been anxious not only that all employees of this Department should abide both by the letter and the spirit of the law on this subject, but that they should refrain from taking any position or committing any acts whose propriety could be questioned in view of their responsibilities as revenue-collecting agents of the Government.

Investigations which I caused to be made in 1934 revealed outright violations of the law with respect to solicitation of political contributions, and as a result several officers were required to resign and disciplinary action was taken in other cases. The regulations which were issued following the first of these developments demanded strict obedience to the law as it was understood in the Treasury Department and also established regulations for Treasury employees more exacting in a number of particulars than the statutes, as you will no doubt have observed on reading them.

TREASURY DEPARTMENT

Washington

FOR RELEASE, MORNING NEWSPAPERS,
Monday, September 12, 1938.
9/10/38.

Press Service
No. 14-51-A

Secretary Morgenthau today made public the following letter to Senator Morris Sheppard as Chairman of the Special Committee to Investigate Campaign Expenditures of the Senate:

TREASURY DEPARTMENT
Washington, D. C.

Office of the Secretary

September 9, 1938.

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My dear Senator:

Noticing on my return last week from vacation that during my absence questions had been raised before your committee as to political activities by Treasury employees, I wrote to you sending you copies of the regulations on this subject that I have issued for the guidance of all employees of this Department.

The subject is, as you know, one in which I have taken a great deal of interest ever since I assumed my present duties. I have been anxious not only that all employees of this Department should abide both by the letter and the spirit of the law on this subject, but that they should refrain from taking any position or committing any acts whose propriety could be questioned in view of their responsibilities as revenue-collecting agents of the Government.

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"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."

I am led by reports in the newspapers to believe that your position is that the law forbids any political contributions whatever by Federal employees, whether made under these voluntary conditions or not, and that in arriving at that position you have been guided by the provisions of Sections 208 and 211 of Title 18 of the U. S. Code, which forbid, respectively, the receiving by a Federal officer or candidate for Federal office of political contributions from Federal employees, and the giving by Federal employees of political contributions to a Federal officer or candidate for office.

In taking the position that neither of these sections is intended to prevent the making of voluntary contributions to party campaign funds by Treasury employees, we have been guided by decisions of Attorneys General in prior Administrations. Both sections are derived from provisions of the same import in the Act of January 16, 1883,

(22 Stat. 403, 406) which was construed by the Attorney General in 1896 (21 Op. Atty.Gen. 298). The Attorney General stated (at page 299):

"It is well settled that the intention of this act was not to forbid voluntary contributions for political purposes by persons in the employ of the Government, but to protect such persons from solicitation or coercion with respect to such contributions. Knowing the difficulty of detecting the actual operation of means and influences whose employment had become a public evil, Congress absolutely prohibited the solicitation or receipt of political contributions by all persons in the Government service in any place or in any way, and forbade such solicitation or receipt by any person in any room or building occupied in the discharge of official duties. All who are in the Government service are thus protected against the possibility of actual coercion and from that of the coercion implied in the relation of the person soliciting or receiving to the Government or implied in solicitation or receipt in a public office; but Congress did not attempt to prohibit solicitation by or payment to persons not in the Government service otherwise than in Government offices."

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We have been unable to find in the regulations of the Civil Service Commission with respect to employees in the classified service any further guidance on this question of voluntary contributions.

I remain, as I have always been, determined that the conduct of Treasury employees shall be above reproach in any respect as to which I have the right to act under the law. I am anxious, therefore, to have all authoritative guidance possible, and I would be glad to have you indicate any respects in which you think the limits of political activity permissible to Treasury employees have been transcended.

In addition, I would ask:

- (1) Is it your view that the Treasury regulations, copies of which have been sent to you, permit acts which are repugnant to the letter or spirit of the law,
- (2) Do you contend that it is a violation of the law for a Federal employee to make a voluntary contribution to the campaign fund or to the general funds of a political party,
- (3) Is it your position that it is a violation of the law for such an employee to make a voluntary contribution to a fund which is to be used for the purpose of advocating a particular candidate for Federal office in a primary campaign?

I shall greatly appreciate hearing further from you on this subject.

Very truly yours,

(Sgd) HENRY MORGENTHAU, JR.

Secretary of the Treasury.

Honorable Morris Sheppard
Chairman
Special Committee to Investigate
Campaign Expenditures
United States Senate.

TREASURY DEPARTMENT

Washington

FOR RELEASE, MORNING NEWSPAPERS,
Friday, September 9, 1938.
9-8-38

Press Service
No. 14-51

Secretary of the Treasury Morgenthau announced last night that the subscription books for the current offering of 2-1/2 percent Treasury Bonds of 1950-52 and of 1-1/8 percent Treasury Notes of Series A-1943 closed at the close of business Thursday, September 8, for the receipt of cash subscriptions.

Cash subscriptions for either issue addressed to a Federal Reserve bank or branch, or to the Treasury Department, and placed in the mail before 12 o'clock midnight, Thursday, September 8, will be considered as having been entered before the close of the subscription books.

The subscription books for both issues will close at the close of business tonight, September 9, for the receipt of subscriptions in payment of which Treasury Notes of Series E-1938, maturing December 15, 1938, are tendered.

Exchange subscriptions for either issue addressed to a Federal Reserve bank or branch, or to the Treasury Department, and placed in the mail before 12 o'clock midnight, tonight, September 9, will be considered as having been entered before the close of the subscription books.

Announcement of the amount of cash subscriptions and the bases of allotment will probably be made late on Saturday, September 10.

TREASURY DEPARTMENT

WASHINGTON

FOR IMMEDIATE RELEASE,
Saturday, September 10, 1938.

Press Service

14-52

Secretary of the Treasury Morgenthau today announced the subscription figures and the bases of allotment for the cash offering of 2-1/2 percent Treasury Bonds of 1950-52 and of 1-1/8 percent Treasury Notes of Series A-1943.

Reports received from the Federal Reserve banks show that cash subscriptions for the offering of Treasury bonds aggregate \$4,488,000,000. Subscriptions in amounts up to and including \$1,000 were allotted in full and those in amounts over \$1,000 were allotted 10 percent, but not less than \$1,000 on any one subscription.

For the offering of Treasury notes cash subscriptions aggregate \$3,051,000,000. Subscriptions in amounts up to and including \$1,000 were allotted in full and those in amounts over \$1,000 were allotted 11 percent, but not less than \$1,000 on any one subscription.

Preliminary reports of exchange subscriptions, in payment of which Treasury Notes of Series E-1938, maturing December 15, 1938, were tendered, indicate that a substantial part of the maturing notes have been exchanged for the new issues, and that over 90 percent of the exchanges are for the bonds.

Further details as to subscriptions and allotments will be announced when final reports are received from the Federal Reserve banks.

TREASURY DEPARTMENT

Washington

FOR IMMEDIATE RELEASE,
Saturday, September 10, 1938.

Press Service
No. 14-52

Secretary of the Treasury Morgenthau today announced the subscription figures and the bases of allotment for the cash offering of 2-1/2 percent Treasury Bonds of 1950-52 and of 1-1/8 percent Treasury Notes of Series A-1943.

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Further details as to subscriptions and allotments will be announced when final reports are received from the Federal Reserve banks.

The actual direction of these researches is in the hands of the state or local health officers where the studies are being made. This is in line with the traditional policy of the United States Public Health Service in its cooperation with the states. The Service will lend technical assistance and act as a consultant on the studies. In cooperation with the states, it will tabulate and synthesize the results and give them publication in some future year when the work has been completed.

These studies are being conducted under the direction of Surgeon J. W. Mountin, and by Surgeon A. S. Rumreich and Past Assistant Surgeon Claude D. Head, Jr..

Detailed information on the conduct or plans for particular studies can be obtained from the state health officers of the states involved. These include:

- Walter M. Dickie, M.D., California Department of Public Health,
Sacramento, California.
- R. L. Cleere, M.D., Colorado State Division of Public Health,
Denver, Colorado.
- A. C. Baxter, M.D., Illinois Department of Public Health,
Springfield, Illinois.
- J. A. O'Hara, M.D., Louisiana Department of Health,
New Orleans, Louisiana.
- Harry F. Parker, M.D., Missouri State Board of Health,
Jefferson City, Missouri.
- J. Lynn Mahaffey, M.D., New Jersey Department of Health,
Trenton, New Jersey.
- Edith MacBride-Dexter, M.D., Pennsylvania Department of Health,
Harrisburg, Pennsylvania.

being released in Washington.

In a few general plans of these areas will not be ready for release so yet.

During the past several years, great hope has been expressed for the reduction of pneumonia deaths through the use of serum. Some authorities have estimated that the total toll of pneumonia, which now holds third place among our greatest killers, could be reduced by 50%. Under controlled conditions in several New York City hospitals, deaths from Type I pneumonia dropped from 30% down to 5% through the use of the very effective serum available for that type.

Pneumonia is not, however, caused by a single organism. There are 32 different types of the pneumococcus, just as there are innumerable breeds of dogs or cows. Effective sera are available for Types I, II and V and the general distribution of sera for those types is recommended by the United States Public Health Service. The Service recommendation is a conservative one. Other sera have been developed which give considerable evidence of value.

Sera for some other types, among them, VI, VII, VIII, IX and XIV, are usually administered under carefully controlled conditions and in hospital practice. Sera for some other types of pneumonia are regarded as being in the experimental stage.

There is evidence in the medical reports that the incidence of the different types varies considerably from area to area and that similarly the types vary in their deadliness. This problem of type incidence is fundamental to the planning of a control program and will be a major part of the investigations.

PSB

for immediate release

Seven widely scattered states will be the scene of intensive investigation in the treatment and spread of pneumonia, as that killer begins to take its toll during the coming months.

The United States Public Health Service today announced the establishment of field research projects in cooperation with state and local health departments in New Jersey; Pennsylvania; Illinois; St. Louis, Missouri; Denver, Colorado; New Orleans, Louisiana; and a selected north central area in California. The California area extends from San Francisco to the Lake Tahoe region and provides sampling of conditions in the coastal region, the inland valley and the Sierra Nevada.

These investigations will cover three aspects of the pneumonia problem, (1) the incidence of pneumonia by type, (2) the effectiveness of different serums in reducing pneumonia mortality, and (3) investigation of the effectiveness of certain chemical substances in the treatment of pneumonia.

Funds for these studies will come from three sources; from the regular scientific appropriation of the United States Public Health Service, from funds appropriated for public health purposes under Title VI of the Social Security Act, and from state and municipal public health budgets. More than \$300,000 will be so expended and the studies will constitute the most extensive investigation of the pneumonia problem yet undertaken. No announcement of the separate state expenditures or allotments for this purpose is

TREASURY DEPARTMENT
(U.S. Public Health Service)
Washington

FOR IMMEDIATE RELEASE,
Monday, September 12, 1938.

Press Service
No. 14-53

Seven widely scattered states will be the scene of intensive investigation in the treatment and spread of pneumonia, as that killer begins to take its toll during the coming months.

The United States Public Health Service today announced the establishment of field research projects in cooperation with state and local health departments in New Jersey; Pennsylvania; Illinois; St. Louis, Missouri; Denver, Colorado; New Orleans, Louisiana; and a selected north central area in California. The California area extends from San Francisco to the Lake Tahoe region and provides sampling of conditions in the coastal region, the inland valley and the Sierra Nevada.

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During the past several years, great hope has been expressed for the reduction of pneumonia deaths through the use of serum. Some authorities have estimated that the total toll of pneumonia, which now holds third place among our greatest killers, could be reduced by 50%. Under controlled conditions in several New York City hospitals, deaths from Type I pneumonia dropped from 30% down to 5% through the use of the very effective serum available for that type.

Pneumonia is not, however, caused by a single organism. There are 32 different types of the pneumococcus, just as there are innumerable breeds of dogs or cows. Effective sera are available for Types I, II and V and the general distribution of sera for those types is recommended by the United States Public Health Service. The Service recommendation is a conservative one. Other sera have been developed which give considerable evidence of value.

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There is evidence in the medical reports that the incidence of the different types varies considerably from area to area and that similarly the types vary in their deadliness. This problem of type incidence is fundamental to the planning of a control program and will be a major part of the investigations.

The actual direction of these researches is in the hands of the state or local health officers where the studies are being made. This

is in line with the traditional policy of the United States Public Health Service in its cooperation with the states. The Service will lend technical assistance and act as a consultant on the studies. In cooperation with the states, it will tabulate and synthesize the results and give them publication in some future year when the work has been completed.

These studies are being conducted under the direction of Surgeon J.W. Mountin, and by Surgeon A. S. Runreich and Past Assistant Surgeon Claude D. Head, Jr.

Detailed information on the conduct or plans for particular studies can be obtained from the state health officers of the states involved.

These include:

Walter M. Dickie, M.D., California Department of Public Health,
Sacramento, California.

R. L. Cleere, M.D., Colorado State Division of Public Health,
Denver, Colorado.

A. C. Baxter, M.D., Illinois Department of Public Health,
Springfield, Illinois.

J. A. O'Hara, M.D., Louisiana Department of Health,
New Orleans, Louisiana.

Harry F. Parker, M.D., Missouri State Board of Health,
Jefferson City, Missouri.

J. Lynn Mahaffey, M.D., New Jersey Department of Health,
Trenton, New Jersey.

Edith MacBride-Dexter, M.D., Pennsylvania Department of Health,
Harrisburg, Pennsylvania.

TREASURY DEPARTMENT

Washington

FOR RELEASE MORNING NEWSPAPERS
Thursday September 15 1938

PRESS SERVICE
No. 14-54

Marshall R. Diggs, Acting Comptroller of the Currency, today announced the completion of the liquidation of 24 receiverships during the month of August, 1938. This makes a total of 1191 receiverships finally closed or restored to solvency since the Banking Holiday of March, 1933. Total disbursements, including offsets allowed, to depositors and other creditors of these 1191 receiverships, exclusive of the 42 restored to solvency, aggregated \$480 270 506 00, or an average return of 30.52 per cent of total liabilities, while unsecured creditors received dividends amounting to an average of 67.32 per cent of their claims. Dividends distributed to creditors of all active receiverships during the month of August, 1938, amounted to \$2 941 060 00. Total dividends paid and distributions to depositors of all receiverships from March 16, 1933 to August 31, 1938, amounted to \$918 508 021 00.

FIRST NATIONAL BANK, HARTSELLE, ALABAMA:

This bank was placed in receivership February 16, - 1931. Depositors and other creditors received, including offsets allowed, \$525 039 00, representing 88.6 per cent of total liabilities established. Unsecured depositors received dividends aggregating 81.1 per cent of claims proved.

FIRST NATIONAL BANK, BENTON, ILLINOIS:

This bank was placed in receivership December 2, 1930. Depositors and other creditors received, including offsets allowed, \$994 308 00, representing 66.01 per cent of total liabilities established. Unsecured depositors received dividends aggregating 36.6 per cent of claims proved.

FIRST NATIONAL BANK, MENDOTA, ILLINOIS:

This bank was placed in receivership February 12, 1932. Depositors and other creditors received, including offsets allowed, \$455 637 00, representing 92.38 per cent of total liabilities established. Unsecured depositors received dividends aggregating 91.4 per cent of claims proved.

MENDOTA NATIONAL BANK, MENDOTA, ILLINOIS:

This bank was placed in receivership February 12, 1932. Depositors and other creditors received, including offsets allowed, \$763 598 00, representing 93.09 per cent of total liabilities established. Unsecured depositors received dividends aggregating 98.35 per cent of claims proved.

FIRST NATIONAL BANK, MARION, INDIANA:

This bank was formerly in conservatorship. It was finally placed in receivership December 5, 1933. Depositors and other creditors received, including offsets allowed, \$3 360 941 00, representing 103.83 per cent of total liabilities established. Unsecured depositors received dividends aggregating 100 per cent principal plus an additional interest dividend of 8.98 per cent, including 4.06 per cent interest in full to so-called "Guardianship Claimants". Assets and stockholders' unpaid assessments having book values in the respective aggregate amounts of \$175 473 00 and \$51 737 00 and cash in the sum of \$40 876 00 were transferred to an agent elected by the shareholders.

SECOND NATIONAL BANK, BEL AIR, MARYLAND:

This bank was formerly in conservatorship. It was finally placed in receivership October 13, 1933. Depositors and other creditors received, including offsets allowed, \$998 931 00, representing 97.12 per cent of total liabilities established. Unsecured depositors received dividends aggregating 96.26 per cent of claims proved.

FIRST NATIONAL BANK, CENTERLINE, MICHIGAN:

This bank was placed in receivership December 30, - 1932. Depositors and other creditors received, including offsets allowed, \$211 689 00, representing 37.47 per cent of total liabilities established. Unsecured depositors received dividends aggregating 81 per cent of claims proved.

HASTINGS NATIONAL BANK, HASTINGS, MICHIGAN:

This bank was formerly in conservatorship. It was finally placed in receivership December 27, 1933. Depositors and other creditors received, including offsets allowed, \$305 242 00, representing 93.57 per cent of total liabilities established. Unsecured depositors received dividends aggregating 93.46 per cent of claims proved.

CLINTON NATIONAL BANK, CLINTON, MISSOURI:

This bank was placed in receivership February 10, 1931. Depositors and other creditors received, including offsets allowed, \$369 578 00, representing 68.96 per cent of total liabilities established. Unsecured depositors received dividends aggregating 53.9 per cent of claims proved.

PEOPLES NATIONAL BANK, CLINTON, MISSOURI:

This bank was placed in receivership February 2, 1932. Depositors and other creditors received, including offsets allowed, \$264 658 00, representing 92.12 per cent of total liabilities established. Unsecured depositors received dividends aggregating 90.5 per cent of claims proved.

FIRST NATIONAL BANK, MOUNTAIN GROVE, MISSOURI:

This bank was formerly in conservatorship. It was finally placed in receivership February 19, 1934. Depositors and other creditors received, including offsets allowed, \$106 061 00, representing 50.91 per cent of total liabilities established. Unsecured depositors received dividends aggregating 24 per cent of claims proved.

ST. LOUIS NATIONAL BANK, ST. LOUIS, MISSOURI:

This bank was placed in receivership January 13, 1933. Depositors and other creditors received, including offsets allowed, \$1 539 552 00, representing 79.85 per cent of total liabilities established. Unsecured depositors received dividends aggregating 65.92 per cent of claims proved.

PEOPLES NATIONAL BANK, SEYMOUR, MISSOURI:

This bank was formerly in conservatorship. It was finally placed in receivership August 23, 1933. Depositors and other creditors received, including offsets allowed, \$68 973 00, representing 47.65 per cent of total liabilities established. Unsecured depositors received dividends aggregating 10.6 per cent of claims proved.

POINT PLEASANT BEACH NATIONAL BANK & TRUST COMPANY,
POINT PLEASANT BEACH, NEW JERSEY:

This bank was placed in receivership February 3,-
1932. Depositors and other creditors received, including
offsets allowed, \$431 130 00, representing 88.30 per cent
of total liabilities established. Unsecured depositors
received dividends aggregating 59.7 per cent of claims
proved.

ELMHURST NATIONAL BANK, ELMHURST, NEW YORK:

This bank was formerly in conservatorship. It was finally placed in receivership February 21, 1934. Depositors and other creditors received, including offsets allowed, \$799 965 00, representing 95.02 per cent of total liabilities established. Unsecured depositors received dividends aggregating 92.95 per cent of claims proved.

FIRST NATIONAL BANK, FRANKLIN, NEW YORK:

This bank was formerly in conservatorship. It was finally placed in receivership July 21, 1933. Depositors and other creditors received, including offsets allowed, \$534 231 00, representing 96.69 per cent of total liabilities established. Unsecured depositors received dividends aggregating 94.7 per cent of claims proved.

MANUFACTURERS NATIONAL BANK, MECHANICSVILLE, NEW YORK:

This bank was placed in receivership August 10, 1931. Depositors and other creditors received, including offsets allowed, \$2 599 029 00, representing 83.22 per cent of total liabilities established. Unsecured depositors received dividends aggregating 79.6 per cent of claims proved.

PEOPLES NATIONAL BANK, ADENA, OHIO:

This bank was placed in receivership April 13,-
1929. Depositors and other creditors received, including
offsets allowed, \$494 644 00, representing 81.69 per cent
of total liabilities established. Unsecured depositors
received dividends aggregating 75.3 per cent of claims
proved.

FIRST NATIONAL BANK, HOUTZDALE, PENNSYLVANIA:

This bank was placed in receivership November 30,-
1931. Depositors and other creditors received, including
offsets allowed, \$1 114 724 00, representing 91.15 per cent
of total liabilities established. Unsecured depositors
received dividends aggregating 89.14 per cent of claims
proved.

NATIONAL BANK OF NEWBERRY, SOUTH CAROLINA:

This bank was placed in receivership July 1, 1929. Depositors and other creditors received, including offsets allowed, \$480 345 00, representing 39.78 per cent of total liabilities established. Unsecured depositors received dividends aggregating 25.89 per cent of claims proved.

CITIZENS SECURITY NATIONAL BANK, SISSETON, SOUTH DAKOTA:

This bank was placed in receivership January 5, 1933. Depositors and other creditors received, including offsets allowed, \$215 716 00, representing 71.46 per cent of total liabilities established. Unsecured depositors received dividends aggregating 39.2 per cent of claims proved.

FARMERS & MERCHANTS NATIONAL BANK, WEBSTER, SOUTH DAKOTA:

This bank was placed in receivership October 15, 1931. Depositors and other creditors received, including offsets allowed, \$367 151 00, representing 69.98 per cent of total liabilities established. Unsecured depositors received dividends aggregating 66.1 per cent of claims proved.

TWIN CITY NATIONAL BANK, BLUEFIELD, VIRGINIA:

This bank was placed in receivership August 22, 1932. Depositors and other creditors received, including offsets allowed, \$77 564 00, representing 55.23 per cent of total liabilities established. Unsecured depositors received dividends aggregating 25.4 per cent of claims proved.

FIRST NATIONAL BANK, ST. ALBANS, WEST VIRGINIA:

This bank was formerly in conservatorship. It was finally placed in receivership December 18, 1933. Depositors and other creditors received, including offsets allowed, \$303 737 00, representing 90.67 per cent of total liabilities established. Unsecured depositors received dividends aggregating 89.26 per cent of claims proved.

INSOLVENT NATIONAL BANKS LIQUIDATED AND FINALLY CLOSED
OR RESTORED TO SOLVENCY DURING THE MONTH OF
AUGUST, 1938

Page A

<u>Name and Location of Bank.</u>	<u>Date of Failure.</u>	<u>Total Disbursements Including Offsets Allowed.</u>	<u>Per Cent Total Disbursements To Total Liabilities.</u>	<u>Per Cent Dividend Declared To All Claimants.</u>	<u>Capital Stock at Date of Failure.</u>	<u>Cash, Assets, Uncollected Stock Assessments, etc. Returned to Shareholders' Agent.</u>
First Natl Bank Hartselle, Ala.	2-16-31	\$ 525 039 00	88.6	81.1	\$ 100 000 00	\$ 000
First Natl Bank Benton, Ill.	12-2--30	994 308 00	66.01	36.6	100 000 00	000
First Natl Bank Mendota, Ill.	2-12-32	455 637 00	92.38	91.4	100 000 00	000
Mendota Natl Bank Mendota, Ill.	2-12-32	763 598 00	98.09	98.35	100 000 00	000
First Natl Bank Marion, Ind.	<u>2/</u> 12-5-33	3 360 941 00	103.83	108.98 <u>3/</u>	350 000 00	268 086 00
Second Natl Bank Bel Air, Md.	<u>2/</u> 10-13-33	998 931 00	97.12	96.26	60 000 00	000
First Natl Bank Centerline, Mich.	12-30-32	211 689 00	87.47	81.	50 000 00	000
Hastings Natl Bank Hastings, Mich.	<u>2/</u> 12-27-32	805 242 00	98.57	98.46	50 000 00	000
Clinton Natl Bank Clinton, Mo.	2-10-31	369 578 00	68.96	53.9	50 000 00	000
Peoples Natl Bank Clinton, Mo.	2-2-32	264 658 00	92.12	90.5	50 000 00	000
First Natl Bank Mountain Grove, Mo.	<u>2/</u> 2-19-34	106 061 00	50.91	24.	25 000 00	000
St. Louis Natl Bank St. Louis, Mo.	1--13-33	1 539 552 00	79.85	65.92	200 000 00	000
Peoples Natl Bank Seymour, Mo.	<u>2/</u> 8-23-33	68 973 00	47.65	10.6	25 000 00	000

INSOLVENT NATIONAL BANKS LIQUIDATED AND FINALLY CLOSED
OR RESTORED TO SOLVENCY DURING THE MONTH OF
AUGUST, 1938

Page B

Name and Location of Bank.	Date of Failure.	Total Disbursements Including Offsets Allowed.	Per Cent Total Dis- bursements To Total Liabilities.	Per Cent Dividend Declared To All Claimants.	Capital Stock at Date of Failure.	Cash, Assets, Uncollected Stock Assessments, etc. Returned to Share- holders' Agent.
Point Pleasant Beach NB&TrCo. Point Pleasant Beach, N. J.	2-3-32	\$ 431 130 00	88.30	59.7	\$ 100 000 00	\$ 000
Elmhurst Natl Bank Elmhurst, N. Y.	<u>2/</u> 2-21-34	799 965 00	95.02	92.95	200 000 00	000
First Natl Bank Franklin, N. Y.	<u>2/</u> 7-21-33	534 231 00	96.69	94.7	50 000 00	000
Manufacturers Natl Bank Mechanicsville, N. Y.	8-10-31	2 599 029 00	83.22	79.6	100 000 00	000
Peoples Natl Bank Adena, Ohio	4-13-29	494 644 00	81.69	75.3	50 000 00	000
First Natl Bank Houtzdale, Pa.	11-30-31	1 114 724 00	91.15	89.14	125 000 00	000
Natl Bank of Newberry, So. Car.	7-1-29	480 345 00	39.78	25.89	100 000 00	000
Citizens Security Natl Bank Sisseton, So. Dak.	1-5-33	215 716 00	71.46	39.2	50 000 00	000
Farmers & Merchants Natl Bank Webster, So. Dak.	10-15-31	367 151 00	69.98	66.1	50 000 00	000
Twin City Natl Bank Bluefield, Va.	8-22-32	77 564 00	55.23	25.4	50 000 00	000
First Natl Bank St. Albans, W. Va.	<u>2/</u> 12-18-33	303 737 00	90.67	89.26	25 000 00	000

2/ -- Formerly in conservatorship.

3/ -- Including 4.06% interest in full to so-called "Guardianship Claimants".

LIQUIDATION DATA

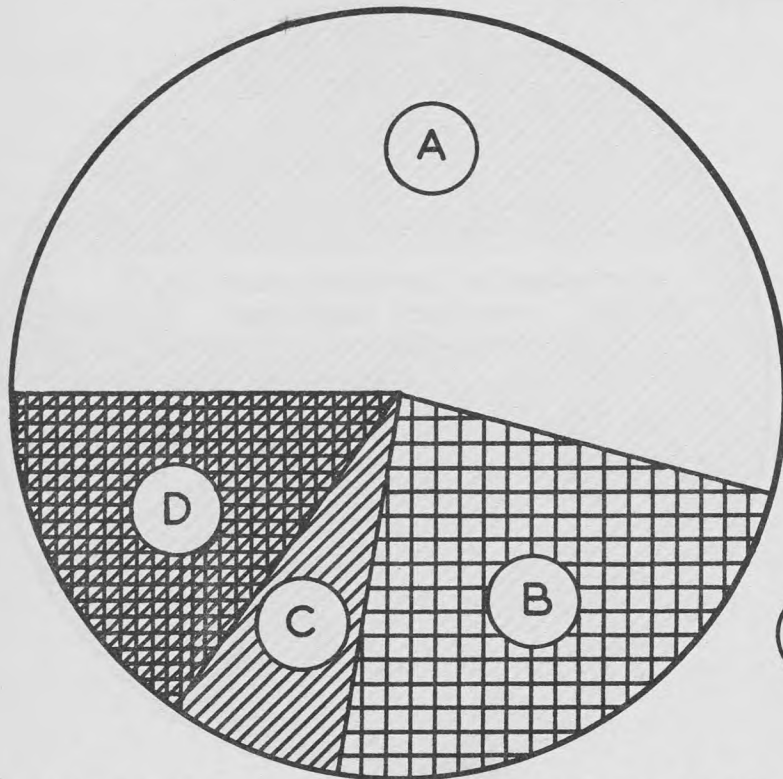
24

INSOLVENT NATIONAL BANKS

COMPLETELY LIQUIDATED AND FINALLY CLOSED

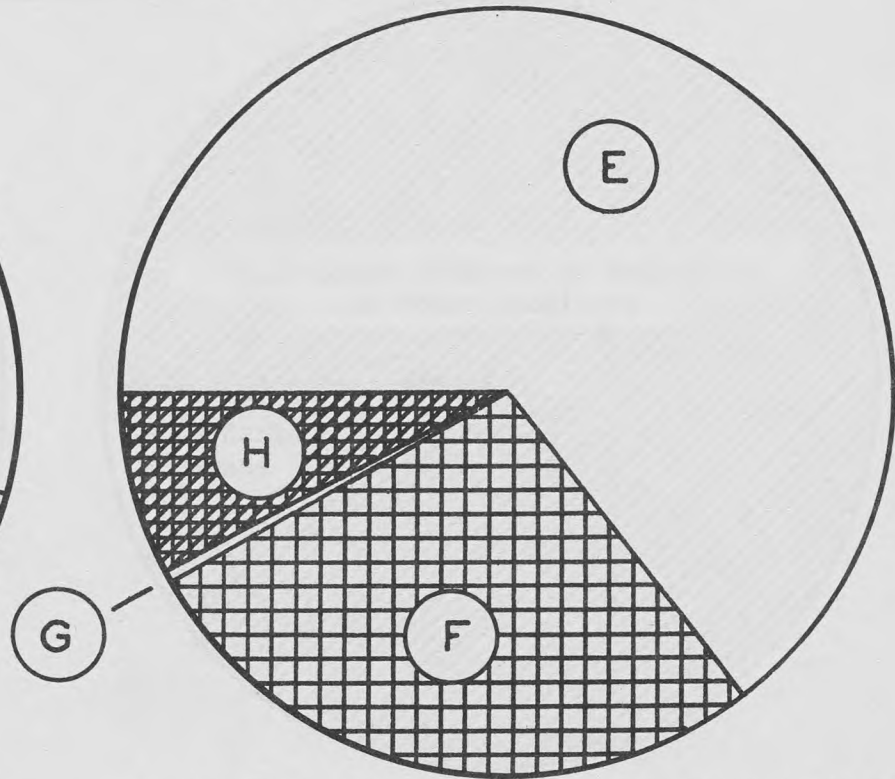
MONTH OF AUGUST 1938

DISPOSITION OF TOTAL LIABILITIES



A - Dividend Payments	\$ 11,456,378	54.2%
B - Other Cash Payments	\$ 4,904,842	23.2%
C - Offsets Allowed	\$ 1,521,223	7.2%
D - Unpaid Liabilities	\$ 3,260,615	15.4%
	<u>\$ 21,143,058</u>	

DISPOSITION OF TOTAL COLLECTIONS

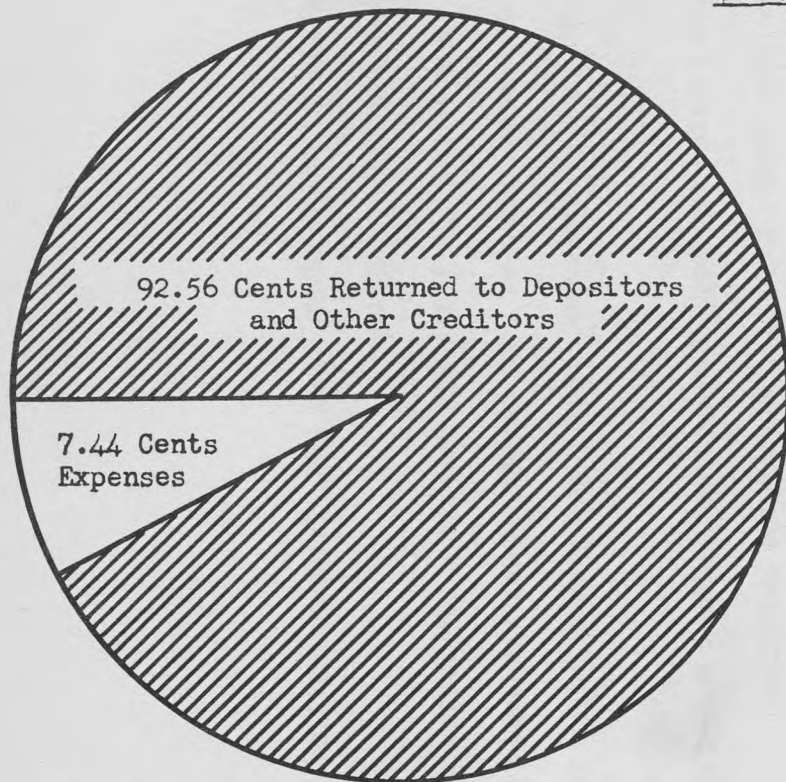


E - Dividend Payments	\$ 11,456,378	64.5%
F - Other Cash Payments	\$ 4,904,842	27.6%
G - Returned to Shareholders	\$ 40,876	.2%
H - Expense of Liquidation	\$ 1,371,859	7.7%
	<u>\$ 17,773,955</u>	

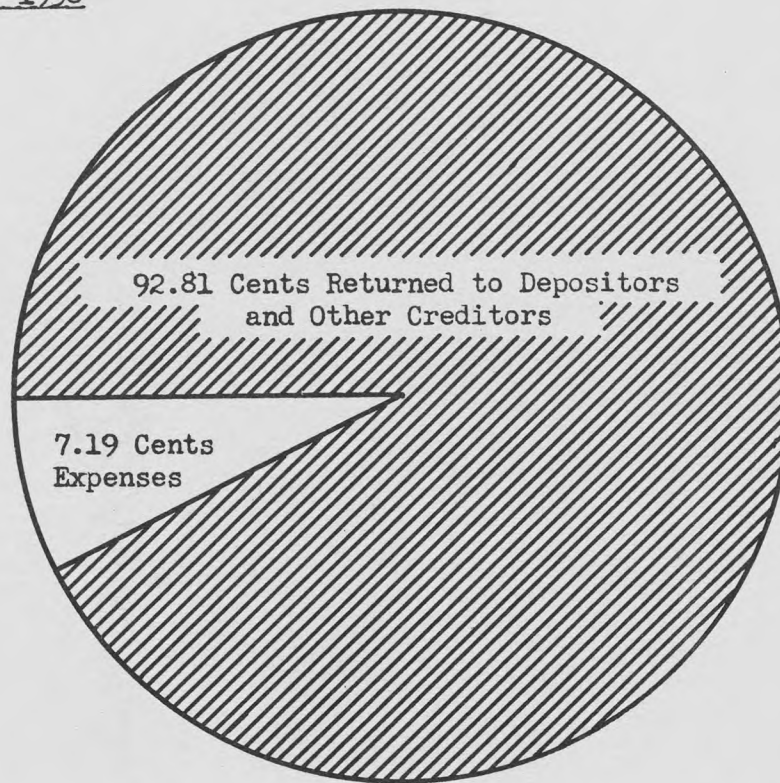
INSOLVENT NATIONAL BANKS

DISPOSITION OF COLLECTION DOLLAR (INCLUDING OFFSETS ALLOWED) IN
CLOSED RECEIVERSHIP BANKS THE LIQUIDATION OF WHICH HAD BEEN COMPLETED

TO
AUGUST 31, 1938



1,149 Receiverships Liquidated and Closed
period March 16, 1933 to August 31, 1938



2,260 Receiverships Liquidated and
Closed April 14, 1865 to August 31, 1938

MR. GASTON

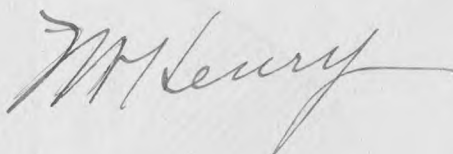
(Attention of Mr. Schwarz, Room 289, Treasury Building)

FROM THE COMMISSIONER OF CUSTOMS:

There is attached for immediate release a tabulation showing imports of red cedar shingles from Canada, under the quota provisions of the Canadian Trade Agreement, during the period July 1 to September 10, 1938.

When the release has been mimeographed, please have 145 copies forwarded to Miss Henry, Room 415, Washington Building.

JM 9/12/38

A handwritten signature in cursive script, appearing to read "Miss Henry", is written in the lower right quadrant of the page.

14-55

PRESS RELEASE

The Commissioner of Customs today announced that preliminary reports show imports of 821,778 squares of red cedar shingles from Canada, under the quota provisions of the Canadian Trade Agreement, during the period July 1 to September 10, 1938.

These importations represent 95 percent of the quota established in Executive Order No. 7946, of August 9, 1938, which limits importations of this commodity to 864,881 squares during the last six months of the calendar year 1938.

JM

TREASURY DEPARTMENT

Washington

FOR IMMEDIATE RELEASE,
Monday, September 12, 1938.

Press Service
No. 14-55

The Commissioner of Customs today announced that preliminary reports show imports of 821,778 squares of red cedar shingles from Canada, under the quota provisions of the Canadian Trade Agreement, during the period July 1 to September 10, 1938.

These importations represent 95 percent of the quota established in Executive Order No. 7946, of August 9, 1938, which limits importations of this commodity to 864,881 squares during the last six months of the calendar year 1938.

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TREASURY DEPARTMENT

WASHINGTON

FOR RELEASE, MORNING NEWSPAPERS,
Tuesday, September 13, 1938.
9/12/38

Press Service

no. 14-56

The Secretary of the Treasury announced last evening that the tenders for \$100,000,000, or thereabouts, of 91-day Treasury bills, to be dated September 14 and to mature December 14, 1938, which were offered on September 9, were opened at the Federal Reserve banks on September 12.

The details of this issue are as follows:

Total applied for - \$218,660,000
Total accepted - 100,000,000

Range of accepted bids:

High	-	100.							
Low	-	99.968	Equivalent rate approximately	0.127	percent				
Average price	-	99.974	"	"	"	"	0.103	"	"

(20 percent of the amount bid for at the low price was accepted)

[Handwritten signature]

TREASURY DEPARTMENT

Washington

FOR RELEASE, MORNING NEWSPAPERS,
Tuesday, September 13, 1938.
9-12-38

Press Service
No. 14-56

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Average price	- 99.974	"	"	"	0.103 "

(20 percent of the amount bid for at the low price was accepted)

--c0o--

IMPORTATIONS OF CATTLE, CREAM AND CERTIFIED SEED POTATOES
UNDER THE QUOTA PROVISIONS OF THE CANADIAN TRADE AGREEMENT

Preliminary Figures as of September 3, 1938

Customs District	January 1 to September 3, 1938				Dec. 1, 1937 to Sept. 3, 1938
	CATTLE UNDER 175# (Head)	CATTLE 700# OR MORE (Head)	DAIRY COWS 700# OR MORE (Head)	CREAM (Gal.)	WHITE OR IRISH SEED POTATOES (Pounds)
TOTAL IMPORTS	34,674	61,983	4,288	4,833	30,961,474
Percent of Quota	66.8%	39.8%	21.4%	0.3%	68.8%
<u>FROM CANADA</u>					
Alaska	-	-	4	2	-
Buffalo	5,301	6,604	36	-	160,770
Chicago	-	339	-	-	-
Dakota	113	2,192	7	157	109,500
Duluth & Superior	1	33	-	-	40,380
Florida	-	-	-	-	2,497,480
Maine & N. H.	89	20	311	63	2,926,614
Massachusetts	-	21	10	-	3,944,554
Michigan	43	2,449	1	-	1,276,290
Minnesota	1,452	15,785	-	-	-
Montana & Idaho	89	2,362	23	-	-
New York	16,252	101	-	-	18,774,846
Omaha	-	21	-	-	-
Oregon	-	159	-	-	-
Philadelphia	-	-	-	-	415,316
St. Lawrence	5,512	501	767	6	800
Vermont	453	168	2,806	4,222	40,280
Virginia	-	-	-	-	761,944
Washington	3,305	3,255	323	-	12,700
Total from Canada	32,610	34,010	4,288	4,450	30,961,474
<u>FROM MEXICO</u>					
Arizona	752	7,328	-	-	-
El Paso	741	16,251	-	-	-
San Antonio	561	2,856	-	-	-
San Diego	10	1,538	-	-	-
Total from Mexico	2,064	27,973	-	-	-
<u>FROM OTHER COUNTRIES</u>					
Puerto Rico	-	-	-	383	-

(Prepared by Division of Statistics and Research, Bureau of Customs)

PRESS RELEASE

The Commissioner of Customs today announced preliminary figures for imports of cattle, cream and certified seed potatoes, under the quota provisions of the Canadian Trade Agreement, as of September 3, 1938, and the percentage that such imports bear to the totals allowable under the quota provisions, as follows:

TREASURY DEPARTMENT

Washington

FOR IMMEDIATE RELEASE,
Tuesday, September 13, 1938.

Press Service
No. 14-57

The Commissioner of Customs today announced preliminary figures for imports of cattle, cream and certified seed potatoes, under the quota provisions of the Canadian Trade Agreement, as of September 3, 1938, and the percentage that such imports bear to the totals allowable under the quota provisions, as follows:

	January 1 to September 3, 1938				Dec. 1, 1937 to Sept. 3, 1938
Customs District	CATTLE UNDER 175# (Head)	CATTLE 700# OR MORE (Head)	DAIRY COWS 700# OR MORE (Head)	CREAM (Gal.)	WHITE OR IRISH SEED POTATOES (Pounds)
TOTAL IMPORTS	34,674	61,983	4,288	4,833	30,961,474
Percent of Quota	66.8%	39.8%	21.4%	0.3%	68.8%
<u>FROM CANADA</u>					
Alaska	-	-	4	2	-
Buffalo	5,301	6,604	36	-	160,770
Chicago	-	339	-	-	-
Dakota	113	2,192	7	157	109,500
Duluth & Superior	1	33	-	-	40,380
Florida	-	-	-	-	2,497,480
Maine & N.H.	89	20	311	63	2,926,614
Massachusetts	-	21	10	-	3,944,554
Michigan	43	2,449	1	-	1,276,290
Minnesota	1,452	15,785	-	-	-
Montana & Idaho	89	2,362	23	-	-
New York	16,252	101	-	-	18,774,846
Omaha	-	21	-	-	-
Oregon	-	159	-	-	-
Philadelphia	-	-	-	-	415,316
St. Lawrence	5,512	501	767	6	800
Vermont	453	168	2,806	4,222	40,280
Virginia	-	-	-	-	761,944
Washington	3,305	3,255	323	-	12,700
Total from Canada	32,610	34,010	4,288	4,450	30,961,474
<u>FROM MEXICO</u>					
Arizona	752	7,328	-	-	-
El Paso	741	16,251	-	-	-
San Antonio	561	2,856	-	-	-
San Diego	10	1,538	-	-	-
Total from Mexico	2,064	27,973	-	-	-
<u>FROM OTHER COUNTRIES</u>					
Puerto Rico	-	-	-	383	-

TREASURY DEPARTMENT

Washington

FOR IMMEDIATE RELEASE,
Wednesday, September 14, 1938.

Press Service

14-58

Secretary of the Treasury Morgenthau today announced the final subscription and allotment figures with respect to the current offering of 2-1/2 percent Treasury Bonds of 1950-52 and 1-1/8 percent Treasury Notes of Series A-1943.

Subscriptions and allotments were divided among the several Federal Reserve districts and the Treasury as follows:

2-1/2 PERCENT TREASURY BONDS OF 1950-52

Federal Reserve District	Total Cash Subscriptions Received	Total Cash Subscriptions Allotted	Total Exchange Subscriptions Received (Allotted in full)	Total Subscriptions Allotted
Boston	\$ 459,227,600	\$ 46,801,800	\$ 9,150,800	\$ 55,952,600
New York	2,036,058,700	204,609,100	283,941,200	488,550,300
Philadelphia	287,613,250	30,005,100	6,388,200	36,393,300
Cleveland	269,438,950	28,228,950	3,656,000	31,884,950
Richmond	141,925,250	15,064,250	4,933,800	19,998,050
Atlanta	127,211,100	14,861,450	1,601,000	16,462,450
Chicago	458,647,650	47,635,350	57,788,700	105,424,050
St. Louis	104,021,150	11,876,750	4,662,400	16,539,150
Minneapolis	58,237,700	6,201,500	1,923,500	8,125,000
Kansas City	89,527,750	9,685,850	14,347,600	24,033,450
Dallas	82,253,600	8,904,950	3,372,300	12,277,250
San Francisco	290,254,950	29,469,000	5,115,100	34,584,100
Treasury	82,936,000	8,337,050	358,500	8,695,550
TOTAL	\$4,487,353,650	\$461,681,100	\$397,239,100	\$858,920,200

1-1/8 PERCENT TREASURY NOTES OF SERIES A-1943

Federal Reserve District	Total Cash Subscriptions Received	Total Cash Subscriptions Allotted	Total Exchange Subscriptions Received (Allotted in full)	Total Subscriptions Allotted
Boston	\$ 221,601,200	\$ 24,688,500	\$ 2,055,500	\$26,744,000
New York	1,410,911,000	155,536,000	16,312,500	171,868,500
Philadelphia	174,600,600	19,342,500	353,500	19,696,000
Cleveland	196,955,600	21,941,800	1,604,000	23,545,800
Richmond	100,267,800	11,373,100	737,000	12,110,100
Atlanta	98,547,800	12,303,000	195,000	12,498,000
Chicago	351,016,500	39,472,300	3,512,400	42,984,700
St. Louis	86,307,300	9,990,900	528,500	10,519,400
Minneapolis	46,043,000	5,315,700	190,500	5,506,200
Kansas City	70,863,200	8,094,300	660,600	8,754,900
Dallas	59,914,300	6,950,500	60,000	7,010,500
San Francisco	243,629,900	26,922,500	433,500	27,356,000
Treasury	1,267,000	139,200	207,000	346,200
TOTAL	\$5,061,925,200	\$342,090,300	\$26,850,000	\$368,940,300

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155

TREASURY DEPARTMENT
Washington

FOR IMMEDIATE RELEASE,
Wednesday, September 14, 1938.

Press Service
No. 14-58

Secretary of the Treasury Morgenthau today announced the final subscription and allotment figures with respect to the current offering of 2-1/2 percent Treasury Bonds of 1950-52 and 1-1/8 percent Treasury Notes of Series A-1943.

Subscriptions and allotments were divided among the several Federal Reserve districts and the Treasury as follows:

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New York	2,036,058,700	204,609,100	283,941,200	488,550,300
Philadelphia	287,613,250	30,005,100	6,388,200	36,393,300
Cleveland	269,438,950	28,228,950	3,656,000	31,884,950
Richmond	141,925,250	15,064,250	4,933,800	19,998,050
Atlanta	127,211,100	14,861,450	1,601,000	16,462,450
Chicago	458,647,650	47,635,350	57,788,700	105,424,050
St. Louis	104,021,150	11,876,750	4,662,400	16,539,150
Minneapolis	58,237,700	6,201,500	1,923,500	8,125,000
Kansas City	89,527,750	9,685,850	14,347,600	24,033,450
Dallas	82,253,600	8,904,950	3,372,300	12,277,250
San Francisco	290,254,950	29,469,000	5,115,100	34,584,100
Treasury	82,936,000	8,337,050	358,500	8,695,550
TOTAL	\$4,487,353,650	\$461,681,100	\$397,239,100	\$858,920,200

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Federal Reserve District	Total Cash Subscriptions Received	Total Cash Subscriptions Allotted	Total Exchange Subscriptions Received (Allotted in full)	Total Subscriptions Allotted
Boston	\$ 221,601,200	\$ 24,688,500	\$ 2,055,500	\$ 26,744,000
New York	1,410,911,000	155,556,000	16,312,500	171,868,500
Philadelphia	174,600,600	19,342,500	353,500	19,696,000
Cleveland	196,955,600	21,941,800	1,604,000	23,545,800
Richmond	100,267,800	11,373,100	737,000	12,110,100
Atlanta	98,547,800	12,303,000	195,000	12,498,000
Chicago	351,016,500	39,472,300	3,512,400	42,984,700
St. Louis	86,307,300	9,990,900	528,500	10,519,400
Minneapolis	46,043,000	5,315,700	190,500	5,506,200
Kansas City	70,863,200	8,094,300	660,600	8,754,900
Dallas	59,914,300	6,950,500	60,000	7,010,500
San Francisco	243,629,900	26,922,500	433,500	27,356,000
Treasury	1,267,000	139,200	207,000	346,200
TOTAL	\$3,031,925,200	\$342,090,300	\$ 26,850,000	\$368,940,300

IMPORTS OF DOUGLAS FIR AND WESTERN HEMLOCK UNDER THE
QUOTA PROVISIONS OF THE CANADIAN TRADE AGREEMENT

Preliminary Figures as of September 3, 1938

Customs Districts	January 1 to September 3, 1938			
	Sawed Timber & Lumber Not Specially Provided For			
	DOUGLAS	WESTERN	MIXED FIR	TOTAL FIR
	FIR	HEMLOCK	& HEMLOCK	& HEMLOCK
	(Bd.Ft.)	(Bd.Ft.)	(Bd. Ft.)	(Bd. Ft.)
TOTAL IMPORTS	67,295,627	17,983,378	19,339,203	104,618,208
Percent of Quota				41.9%
<u>FROM CANADA</u>				
Alaska	512,058	-	-	512,058
Buffalo	1,455,635	827,299	-	2,282,934
Connecticut	3,320,736	38,059	-	3,358,795
Dakota	13,021,979	1,672,254	-	14,694,233
Duluth and Superior	7,505,598	3,040,745	-	10,546,343
Los Angeles	15,103,098	346,949	58,525	15,508,572
Maine and N. H.	101,758	-	-	101,758
Massachusetts	7,080,454	8,791,489	-	15,871,943
Michigan	82,781	231,647	-	314,428
Montana and Idaho	15,084	-	-	15,084
New York	13,244	-	19,213,624	19,226,868
Philadelphia	9,266,369	1,837,730	-	11,104,099
Rhode Island	530,883	668,879	-	1,199,762
St. Lawrence	35,512	-	150	35,662
San Francisco	260,315	150,598	-	410,913
Vermont	272,515	60,000	-	332,515
Washington	8,717,608	317,729	66,904	9,102,241

(Compiled by the Division of Statistics and Research, Bureau of Customs)

REVISED U.S. CUSTOMS AND SERVICE STATISTICS UNDER THE
QUOTA PROVISIONS OF THE CANADIAN TRADE AGREEMENT

Preliminary Figures as of September 3, 1938

PRESS RELEASE

January 1 to September 3, 1938

The Commissioner of Customs today announced preliminary figures for imports of Douglas fir and Western hemlock, under the quota provisions of the Canadian Trade Agreement, as of September 3, 1938, and the percentage that such imports bear to the total allowable under the quota provisions, as follows:

State	Imports	Percentage	Total Allowable
Alaska	513,000	-	513,000
Arizona	1,430,322	327,323	4,328,000
Connecticut	2,230,700	32,000	6,928,000
Delaware	13,001,079	1,071,000	24,194,000
Florida and Georgia	2,100,000	3,000,000	10,000,000
Idaho	10,100,000	545,000	20,000,000
Illinois and N. H.	100,000	-	100,000
Indiana	7,000,000	8,700,000	15,700,000
Michigan	50,000	20,000	200,000
Minnesota and Texas	10,000	-	10,000
New York	10,000	10,000,000	10,000,000
Pennsylvania	4,000,000	1,000,000	11,000,000
Rhode Island	200,000	50,000	1,000,000
St. Lawrence	20,000	100	20,000
San Francisco	500,000	100,000	1,000,000
Vermont	270,000	60,000	500,000
Washington	2,710,000	110,000	24,000,000

(Compiled by the Division of Statistics and Research, Bureau of Customs)

OFFICE OF THE COMMISSIONER OF CUSTOMS

Sta

SEP 15 1938

MR. GASTON
(Attention of Mr. Schwarz, Room 289, Treasury Building)

FROM THE COMMISSIONER OF CUSTOMS:

There is attached for immediate release a tabulation showing imports of Douglas fir and Western hemlock, under the quota provisions of the Canadian Trade Agreement, as of September 3, 1938.

When the release has been mimeographed, please have 145 copies forwarded to Miss Henry, Room 415, Washington Building.

J. H. Moyle

TREASURY DEPARTMENT

Washington

FOR RELEASE, MORNING NEWSPAPERS,
Thursday, September 15, 1938.
9/14/38.

Press Service
No. 14-59

The Commissioner of Customs today announced preliminary figures for imports of Douglas fir and Western hemlock, under the quota provisions of the Canadian Trade Agreement, as of September 3, 1938, and the percentage that such imports bear to the total allowable under the quota provisions, as follows:

Customs Districts	January 1 to September 3, 1938			
	Sawed Timber & Lumber Not Specially Provided For			
	DOUGLAS FIR (Bd. Ft.)	WESTERN HEMLOCK (Bd. Ft.)	MIXED FIR & HEMLOCK (Bd. Ft.)	TOTAL FIR & HEMLOCK (Bd. Ft.)
TOTAL IMPORTS	67,295,627	17,983,378	19,339,203	104,618,208
Percent of Quota				41.9%

FROM CANADA

Alaska	512,058	-	-	512,058
Buffalo	1,455,635	827,299	-	2,282,934
Connecticut	3,320,736	38,059	-	3,358,795
Dakota	13,021,979	1,672,254	-	14,694,233
Duluth and Superior	7,505,598	3,040,745	-	10,546,343
Los Angeles	15,103,098	346,949	58,525	15,508,572
Maine and N.H.	101,758	-	-	101,758
Massachusetts	7,080,454	8,791,489	-	15,871,943
Michigan	82,781	231,647	-	314,428
Montana and Idaho	15,084	-	-	15,084
New York	13,244	-	19,213,624	19,226,868
Philadelphia	9,266,369	1,837,730	-	11,104,099
Rhode Island	530,883	668,879	-	1,199,762
St. Lawrence	35,512	-	150	35,662
San Francisco	260,315	150,598	-	410,913
Vermont	272,515	60,000	-	332,515
Washington	8,717,608	317,729	66,904	9,102,241

IMPORTS OF COMMODITIES FROM THE PHILIPPINES UNDER QUOTA
PROVISIONS OF PHILIPPINE INDEPENDENCE ACT AND CORDAGE ACT OF 1935

Preliminary Figures, as of September 3, 1938

Customs District	January 1 to September 3, 1938			May 1 to Sept.
	COCONUT OIL (Pounds)	REFINED SUGAR (Pounds)	UNREFINED SUGAR (Pounds)	3, 1938 CORDAGE (Pounds)
TOTAL IMPORTS	234,870,037	87,915,986	1,504,771,627	467,322
Per Cent of Quota	52.4%	78.5%	84.0%	7.8%
Hawaii	24,838	-	15,773	67,995
Los Angeles	6,078,634	19,791,763	473,805	81,369
Maryland	1,890,330	-	152,828,297	-
Massachusetts	40,710,722	-	65,511,770	-
New Orleans	36,891,565	-	234,686,647	12,405
New York	126,764,301	-	620,332,755	20,852
Oregon	-	24,876,629	61,596	-
Philadelphia	6,644,920	-	393,710,666	12,704
Puerto Rico	89,594	-	-	25,688
San Antonio	-	-	-	5,171
San Francisco	15,088,313	-	37,094,746	221,346
Virginia	-	-	-	8,497
Washington	686,820	43,247,594	55,572	11,295

(Prepared by Division of Statistics and Research, Bureau of Customs)

Friday
Thurs A. M.
9-15-38

1460

PRESS RELEASE

The Commissioner of Customs today announced preliminary figures for imports of commodities coming into the United States from the Philippine Islands under the quota provisions of the Philippine Independence Act, during the period January 1 to September 3, 1938, and under the Cordage Act of 1935, during the period May 1 to September 3, 1938, also the percentage that such imports bear to the totals allowable under the quota provisions, as follows:

TO MR. GASTON
(Attention of Mr. Schwarz, Room 289, Treasury Building)

FROM THE COMMISSIONER OF CUSTOMS:

There is attached a tabulation for immediate release showing preliminary figures for imports of commodities coming into the United States from the Philippine Islands, under the quota provisions of the Philippine Independence Act and the Cordage Act of 1935, as of September 3, 1938.

When this tabulation has been mimeographed, please have 90 copies forwarded to Miss Henry, Room 415, Washington Building.

JM 9/14/38

M. Henry

TREASURY DEPARTMENT

Washington

FOR RELEASE, MORNING NEWSPAPERS,
Friday, September 16, 1938.
9/15/38.

Press Service
No. 14-60

The Commissioner of Customs today announced preliminary figures for imports of commodities coming into the United States from the Philippine Islands under the quota provisions of the Philippine Independence Act, during the period January 1 to September 3, 1938, and under the Cordage Act of 1935, during the period May 1 to September 3, 1938, also the percentage that such imports bear to the totals allowable under the quota provisions, as follows:

Customs District	: January 1 to September 3, 1938			: May 1 to Sept.
	: COCONUT OIL	: SUGAR	: UNREFINED SUGAR	: CORDAGE
	: (Pounds)	: (Pounds)	: (Pounds)	: (Pounds)
TOTAL IMPORTS	234,870,037	87,915,986	1,504,771,627	467,322
Per Cent of Quota	52.4%	78.5%	84.0%	7.8%
Hawaii	24,838	-	15,773	67,995
Los Angeles	6,078,634	19,791,763	473,805	81,369
Maryland	1,890,330	-	152,828,297	-
Massachusetts	40,710,722	-	65,511,770	-
New Orleans	36,891,565	-	234,686,647	12,405
New York	126,764,301	-	620,332,755	20,852
Oregon	-	24,376,629	61,596	-
Philadelphia	6,644,920	-	393,710,666	12,704
Puerto Rico	89,594	-	-	25,688
San Antonio	-	-	-	5,171
San Francisco	15,038,313	-	37,094,746	221,346
Virginia	-	-	-	8,497
Washington	686,820	43,247,594	55,572	11,295

TREASURY DEPARTMENT

Washington

FOR IMMEDIATE RELEASE,
Thursday September 15, 1938

Press Service
No. 14-61

Secretary Morgenthau announced today that Bernard Bernstein who, since December 1933, has served in various capacities in the Legal Division, has been promoted to the position of Assistant General Counsel for the Department, in which capacity he will be in charge of the Monetary and Exchange Section of the Legal Division. Mr. Bernstein, a native of New York City and a graduate of Columbia University Law School, was, prior to joining the legal staff of the Treasury Department, engaged in general practice in New York City, with the firm of Taylor, Blanc, Capron and Marsh. His work since coming to the Department has been primarily in connection with the handling of problems pertaining to gold and silver and to mint, monetary, and foreign exchange matters.

The Secretary announced also the promotion of Lawrence J. Bernard to the position of Assistant General Counsel. In his new position Mr. Bernard will be in charge as to legal aspects of legislative matters (except Revenue), Executive orders, and proclamations pertaining to the Department. Mr. Bernard, a graduate of Stetson University Law School, before joining the legal staff of the Department in September 1935, had served for two years on the legal staff of the National Recovery Administration, prior to which time he had been engaged in private practice in DeLand, Florida. For the past several months Mr. Bernard has been serving as a special assistant to the Chief Counsel, Bureau of Internal Revenue, previously to which, as a special assistant to the General Counsel for the Department, he had supervision over the legal work of the Bureau of Customs, Procurement Division, Public Health Service, United States Coast Guard and of the Bureau of Narcotics.

TREASURY DEPARTMENT

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Thursday, September 15, 1938.

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MR. GASTON

(Attention of Mr. Schwarz, Room 289, Treasury Building)

FROM THE COMMISSIONER OF CUSTOMS:

There is attached for immediate release a tabulation showing imports of red cedar shingles from Canada, under the quota provisions of the Canadian Trade Agreement, during the period July 1 to September 14, 1938.

When the release has been mimeographed, please have 145 copies forwarded to Miss Henry, Room 415, Washington Building.

JM 9/15/38

M. Henry

14-62

PRESS RELEASE

The Commissioner of Customs today announced that preliminary reports show imports of 851,144 squares of red cedar shingles from Canada, under the quota provisions of the Canadian Trade Agreement, during the period July 1 to September 14, 1938.

These importations represent 98.4 percent of the quota established in Executive Order No. 7946, of August 9, 1938, which limits importations of this commodity to 864,881 squares during the last six months of the calendar year 1938.

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TREASURY DEPARTMENT

Washington

FOR IMMEDIATE RELEASE,
Thursday, September 15, 1938.

Press Service
No. 14-62

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These importations represent 98.4 percent of the quota established in Executive Order No. 7946, of August 9, 1938, which limits importations of this commodity to 864,881 squares during the last six months of the calendar year 1938.

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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 19, 1938, ~~xxx~~ 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 21, 1938. ~~xxx~~

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. (Attention is invited to Treasury Decision 4550, ruling that Treasury bills are not exempt from the gift tax.) 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.

S. M. H.

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~~Single issue date~~
~~Single maturity date~~

~~PRESS STATEMENT "ALPHA"~~

~~Exhibit No. 10~~

TREASURY DEPARTMENT

FOR RELEASE, MORNING PAPERS,
Friday, September 16, 1938.

~~(1)~~

~~STATEMENT BY~~

~~(2)~~

The Secretary of the Treasury gives notice that tenders are invited for Treasury bills to the amount of \$ 100,000,000, or thereabouts, ~~(3)~~ They will be 91 -day bills; and will be sold on a discount basis to the highest bidders. ~~(4)~~ 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 19, 1938. Tenders will not be received at the ~~(5)~~ Treasury Department, Washington.

The Treasury bills will be dated September 21, 1938, and will mature on December 21, 1938, and on the maturity date the face amount ~~(6)~~ 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

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TREASURY DEPARTMENT

FOR RELEASE, MORNING PAPERS,
Friday, September 16, 1938.

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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 19, 1938, 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 21, 1938.

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. (Attention is invited to Treasury Decision 4550, ruling that Treasury bills are not exempt from the gift tax.) 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.



COMMISSIONER OF
ACCOUNTS AND DEPOSITS

TREASURY DEPARTMENT

OFFICE OF THE SECRETARY

WASHINGTON

September 7, 1938.

TO MR. GASTON:

During the month of August, 1938, the following market transactions took place in Government securities:

Total sales - - - - -	\$ 7,520,650
Total purchases - - - - -	<u>3,615,000</u>
Net sales - - - - -	<u><u>\$ 3,905,650</u></u>

M. L. ...

TREASURY DEPARTMENT

Washington

FOR IMMEDIATE RELEASE,
Friday, September 16, 1938.

Press Service
No. 14-63

Market transactions in Government securities for Treasury investment accounts in August, 1938, resulted in net sales of \$3,905,650, Secretary Morgenthau announced today.

--cOo--

and by Federal Reserve banks, none of which is in a position to take advantage of the tax-exempt features of such securities.

A large portion of the information dealing with State and local debt presented in the present report is compiled in much greater detail decennially by the Bureau of the Census, the latest compilation applying to the year 1932. The present report, applying to the year 1937, half-way between the census years 1932 and 1942, is believed to fill the need for an inter-censal estimate of State and local debt operations.

There is appended to the report a memorandum summarizing the available data with respect to the ownership of tax-exempt securities by private investors.

The report has not been printed for general distribution, but a few copies are available for public officers and for publications which wish to make use of the data.

S. M. A.
R. F. L.
Lund

For release to ~~afternoon~~ morning newspapers
of Monday, Sept 19,

PRESS RELEASE FOR
SECURITIES EXEMPT FROM THE FEDERAL INCOME TAX
AS OF JUNE 30, 1937

14-64
[Handwritten signature]

A detailed survey of securities exempt from the Federal income tax outstanding as of June 30, 1937, has been completed by the Treasury Department, in cooperation with the Bureau of the Census. The securities covered are of two classes; those the interest on which is exempt from the normal Federal income tax only -- generally referred to as partially tax-exempt securities --, and those the interest on which is exempt from the surtax as well as the normal tax -- generally referred to as wholly tax-exempt securities.

Summary statistics with respect to the estimated outstanding amounts of both of these classes of securities are published regularly in the Annual Report of the Secretary of the Treasury. The estimates relating to June 30, 1937, contained in the present survey, were first published in summary form in the Annual Report for 1937, released in January 1938.

The present survey, consisting of 113 pages, includes a detailed analysis of the amount of tax-exempt securities estimated to be outstanding on June 30, 1937, and of the annual amount of interest accruing on such securities. The survey also contains an analysis of trends in the volume of such securities outstanding and in the amounts of interest accruing thereon. The analysis is both presented nationally, and broken down in part by the geographical location and type of the issuing units.

Data are presented both with respect to the gross amount of tax-exempt securities outstanding and with respect to the amounts held by governments, their sinking, trust and investment funds, their agencies,

TREASURY DEPARTMENT

Washington

FOR RELEASE, MORNING NEWSPAPERS,
Monday, September 19, 1938.
9-17-38

Press Service
No. 14-64

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Data are presented both with respect to the gross amount of tax-exempt securities outstanding and with respect to the amounts held by governments, their sinking, trust and investment funds, their agencies, and by Federal

Reserve banks, none of which is in a position to take advantage of the tax-exempt features of such securities.

A large portion of the information dealing with State and local debt presented in the present report is compiled in much greater detail decennially by the Bureau of the Census, the latest compilation applying to the year 1932. The present report, applying to the year 1937, half-way between the census years 1932 and 1942, is believed to fill the need for an intercensal estimate of State and local debt operations.

There is appended to the report a memorandum summarizing the available data with respect to the ownership of tax-exempt securities by private investors.

The report has not been printed for general distribution, but a few copies are available for public officers and for publications which wish to make use of the data.

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14-65

PRESS RELEASE

The Commissioner of Customs today announced that preliminary reports show imports of 860,636 squares of red cedar shingles from Canada, under the quota provisions of the Canadian Trade Agreement, during the period July 1 to September 17, 1938.

These importations represent 99.5 percent of the quota established in Executive Order No. 7946, of August 9, 1938, which limits importations of this commodity to 864,881 squares during the last six months of the calendar year 1938.

JM

MR. GASTON

(Attention of Mr. Schwarz, Room 289, Treasury Building)

FROM THE COMMISSIONER OF CUSTOMS:

There is attached for immediate release a tabulation showing imports of red cedar shingles from Canada, under the quota provisions of the Canadian Trade Agreement, during the period July 1 to September 17, 1938.

When the release has been mimeographed, please have 145 copies forwarded to Miss Henry, Room 415, Washington Building.

JM 9/19/38

M. Henry

TREASURY DEPARTMENT

Washington

FOR IMMEDIATE RELEASE,
Monday, September 19, 1938.

Press Service
No. 14-65

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--oOo--

TREASURY DEPARTMENT

WASHINGTON

FOR RELEASE, MORNING NEWSPAPERS,
Tuesday, September 20, 1938.
 9/19/38

Press Service

The Secretary of the Treasury announced last evening that the tenders for \$100,000,000, or thereabouts, of 91-day Treasury bills, to be dated September 21 and to mature December 21, 1938, which were offered on September 16, were opened at the Federal Reserve banks on September 19.

The details of this issue are as follows:

Total applied for - \$260,895,000
 Total accepted - 100,045,000

Range of accepted bids:

High	-	99.980	Equivalent rate approximately	0.079	percent
Low	-	99.969	" " "	0.123	"
Average price	-	99.973	" " "	0.106	"

(47 percent of the amount bid for at the low price was accepted)

Law R- W.H.A. Sward

TREASURY DEPARTMENT

Washington

FOR RELEASE, MORNING NEWSPAPERS,
Tuesday, September 20, 1938.
9/19/38.

Press Service
No. 14-66

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Total accepted - 100,043,000

Range of accepted bids:

High	-	99.980	Equivalent rate approximately	0.079	percent
Low	-	99.969	" "	0.123	"
Average price	-	99.973	" "	0.106	"

(47 percent of the amount bid for at the low price was accepted)

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were most suitable for research on spontaneous lung cancer. Still other hybrids were found to be best adapted as test animals when it was desirable to ascertain whether chemicals, such as coal-tar derivatives, were causes of cancer. All the strains investigated were found to have outstanding characteristics conducive to tumor growth, however, a factor which should be of great assistance to subsequent cancer investigators.

Guinea-pigs, white mice and rats have generally been employed as test animals in this work. Through years of research, however, the mice have proved the best "guinea-pigs" for several reasons. First, they are easy to handle. Then, too, from the standpoints of original cost, maintenance, and amount of space necessary for them to occupy in laboratories, they are most economical. Furthermore, they are highly susceptible to the implantation and spontaneous development of malignant tumors. Finally, their ability to propagate rapidly makes them ideal for studies in genetics.

Thus, by using mice, the scientist is able to follow physiological conditions through several generations. Laboratory mice average about four litters a year. In a quarter of a century, one foremost cancer investigator has made genetic observations through more than one hundred generations of mice. In the case of the human being, on the other hand, even the most long-lived scientist is permitted to observe only three generations at most. Beyond this, he would be forced to fall back for his information upon what may have been compiled by way of vital statistics. These are not always available, nor entirely reliable when available. Furthermore, if available at all, they may prove not to be of the type essential the pursuit of the specific study.

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TREASURY DEPARTMENT
U.S. Public Health Service
Washington

FOR RELEASE

Thursday pm's

*for immediate
release Philip J. Brangley*

(4-67)

When mice and men meet in Science's pursuit of cancer problems, the genealogy of both is important. In the case of the mice, however, it is more than likely that their family tree will have been made to order.

"When performing investigations involving cancer study," ~~according to~~ Dr. H. B. Andervont, Senior Biologist of the United States Public Health Service, *(said today)* "it is essential to use experimental animals. In most experiments, those animals must be used which are susceptible to the kind of cancer the investigator wishes to study."

Since such animals do not always exist in nature, it often becomes a part of the business of Science to "create" them. Thus, inbreeding and cross-breeding is resorted to, under strictest laboratory surveillance. To a hair, literally, the exact ancestry of test-animals produced is known; their size, color, and almost every physical characteristic can be predicted in advance.

In his recent investigations ("Susceptibility of Mice to Spontaneous, Induced, and Transplantable Tumors", Public Health Reports, September 16, 1938), Dr. Andervont made a comparative study of eight strains of white mice in order to discover the salient characteristics of the various hybrids when subjected to certain experimental procedures in cancer study. Some of the strains utilized were developed as long ago as 1909, although the majority have been in existence only about twenty years.

It was found, according to the report, that some strains were suitable for studies relating to spontaneous breast tumors, for example; that others

TREASURY DEPARTMENT
U.S. Public Health Service
Washington

FOR RELEASE, AFTERNOON NEWSPAPERS,
Thursday, September 22, 1938.
9/20/38.

Press Service
No. 14-67

When mice and men meet in Science's pursuit of cancer problems, the genealogy of both is important. In the case of the mice, however, it is more than likely that their family tree will have been made to order.

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It was found, according to the report, that some strains were suitable for studies relating to spontaneous breast tumors, for example; that others

were most suitable for research on spontaneous lung cancer. Still other hybrids were found to be best adapted as test animals when it was desirable to ascertain whether chemicals, such as coal-tar derivatives, were causes of cancer. All the strains investigated were found to have outstanding characteristics conducive to tumor growth, however, a factor which should be of great assistance to subsequent cancer investigators.

Guinea-pigs, white mice and rats have generally been employed as test animals in this work. Through years of research, however, the mice have proved the best "guinea-pigs" for several reasons. First, they are easy to handle. Then, too, from the standpoints of original cost, maintenance, and amount of space necessary for them to occupy in laboratories, they are most economical. Furthermore, they are highly susceptible to the implantation and spontaneous development of malignant tumors. Finally, their ability to propagate rapidly makes them ideal for studies in genetics.

Thus, by using mice, the scientist is able to follow physiological conditions through several generations. Laboratory mice average about four litters a year. In a quarter of a century, one foremost cancer investigator has made genetic observations through more than one hundred generations of mice. In the case of the human being, on the other hand, even the most long-lived scientist is permitted to observe only three generations at most. Beyond this, he would be forced to fall back for his information upon what may have been compiled by way of vital statistics. These are not always available, nor entirely reliable when available. Furthermore, if available at all, they may prove not to be of the type essential/^{to}the pursuit of the specific study.

Number of Airplanes and Passengers Entering by
Airplanes at the Various Customs Districts
Fiscal Years 1931-1938, inclusive.

Customs Districts	1931	1932	Airplanes					
			1933	1934	1935	1936	1937	1938
Maine	51	66	22	48	24	35	63	52
Vermont	106	60	55	148	208	156	111	559
St. Lawrence	68	82	78	52	29	29	36	51
Massachusetts	-	4	8	-	7	16	9	6
Connecticut	-	-	-	2	-	-	-	-
Philadelphia	-	-	-	-	-	3	7	-
New York	404	341	396	380	321	295	371	527
Maryland	-	-	-	-	-	-	-	68
Rochester	-	-	-	1	-	-	38	23
Buffalo	349	172	240	171	155	185	319	233
Ohio	18	16	20	18	13	19	24	39
Michigan	430	376	150	117	76	96	132	161
Chicago	-	-	1	-	-	-	-	-
Duluth	-	18	6	3	2	17	9	10
Dakota	244	429	409	338	537	399	368	587
Montana	58	14	8	9	21	9	40	28
Oregon	-	-	-	1	-	-	-	-
Washington	648	372	324	139	477	773	949	802
Northern Border	2376	1950	1717	1427	1870	2032	2476	3146
San Francisco	-	-	-	-	1	-	-	-
Los Angeles	-	-	-	53	259	156	161	142
San Diego	1052	1763	1130	636	395	274	248	177
Arizona	99	35	39	216	129	28	24	33
El Paso	318	119	130	195	197	82	5	31
San Antonio	851	512	436	472	444	435	426	449
Southern Border	2320	2429	1735	1572	1425	975	864	832
Alaska	78	61	49	114	219	354	558	580
Hawaii	-	-	-	-	-	10	49	50
Puerto Rico	352	154	248	225	222	246	347	420
Florida	1682	1319	1300	1234	1301	1227	1557	1611
Other districts	2112	1534	1597	1573	1742	1837	2511	2661
Total	6808	5913	5049	4572	5037	4844	5851	6639
			Passengers					
Maine	102(1)	207	28	77	49	55	119	99
Vermont	158	104	121	275	454	345	231	1515
St. Lawrence	111	155	124	94	55	56	51	120
Massachusetts	-	-	1	-	11	25	10	9
Connecticut	-	-	-	-	-	-	-	-
Philadelphia	-	-	-	-	-	132	348	-
New York	483	539	776	754	832	1081	1696	3790
Maryland	-	-	-	-	-	-	-	558
Rochester	-	-	-	-	-	-	81	43
Buffalo	517	215	274	192	131	198	512	491
Ohio	44	57	13	19	10	18	33	63
Michigan	259	201	168	132	78	104	150	171
Chicago	-	-	-	-	-	-	-	-
Duluth	-	29	9	4	4	56	15	19
Dakota	373	650	790	637	943	986	1787	2345
Montana	151	46	19	23	45	14	79	105
Oregon	-	-	-	-	-	-	-	-
Washington	1558	697	520	200	1632	2061	3389	2840
Northern Border	3756	2900	2843	2407	4244	5131	8501	12168
San Francisco	-	-	-	-	1	-	-	-
Los Angeles	-	-	-	108	823	649	650	724
San Diego	3595	4690	2597	1297	941	578	497	325
Arizona	18	73	90	607	276	66	62	56
El Paso	670	326	374	755	640	307	11	64
San Antonio	3565	2359	2823	3083	3811	2878	3138	4501
Southern Border	7848	7448	5884	5850	6492	4478	4358	5670
Alaska	133	67	52	150	457	894	1584	1879
Hawaii	-	-	-	-	-	48	184	276
Puerto Rico	1160	658	1049	1105	1359	1474	1449	1740
Florida	8010	7872	10019	11217	15802	16608	22861	24114
Other districts	9303	8597	11120	12472	17618	19024	26078	28009
Total	20907	18945	19847	20729	28354	28633	38937	45847

(1) Estimated

passengers arriving at New York City.

Although fewer planes arrived along the Mexican border than during the previous year, the number of airplane passengers was 30.1 per cent greater than during ^{fiscal} 1937, and three-fifths of these arrived in the San Antonio customs district at the port of Brownsville.

The number of passengers carried per plane has risen to a marked degree during the past eight years. In 1930 less than three passengers per plane were reported, while in 1938 the average per plane was ~~four~~ ^{close to} seven, ~~an increase of more than 100 percent.~~

The following table presents a statement of the number of planes and the number of passengers arriving by plane in each customs district for each fiscal year from 1931 to 1938, inclusive:

	1931	1932	1933	1934	1935	1936	1937	1938
San Antonio	516	112	120	145	188	200	219	259
Southern Border	851	512	428	472	444	412	412	412
Other	18	61	60	114	219	212	212	212
Grand Total	1385	685	608	731	851	824	843	883
Passengers	1781	207	217	277	424	484	507	607
San Antonio	128	204	121	201	254	284	307	357
Other	151	183	96	76	130	130	130	150

Airplane traffic between the United States and foreign countries showed a pronounced increase during the fiscal year 1938, it was announced ^{today} by the Bureau of Customs, ~~today~~

During the ~~past year~~ ^{twelve-month period,} 6,639 planes arrived in the United States, or its outlying possessions, from foreign countries, an increase of 13.5 percent over the ~~number~~ ^{5,851 arrivals} during the preceding ^{fiscal} year, ~~(5,851)~~. ~~The number of planes during the fiscal year 1938 was exceeded only by the number in 1932 (6,000).~~

The number of airplane passengers entering the United States from abroad during ~~the~~ fiscal year 1938 ^{was} 45,847 ^{and} exceeded that of the previous fiscal year by 17.7 percent. ^{This} ~~and~~ marked the seventh consecutive year during which ~~continuous~~ increases have taken place in the number of airplane passengers on international lines, ^{terminating in the United States. More than} ~~over~~ half of the passengers reported arrived in the Florida customs district, 23,882 ^{clearing} ~~arriving~~ at the port ^{of} Miami. The Vermont ^Σ customs district ^Σ showed the largest relative gain in the number of planes and ~~the~~ ~~number of airplane~~ passengers, five times as many planes and more than six times as many passengers arriving in that district in 1938 as during the previous fiscal year. The increased traffic at that point was due to the extension of the Boston-Burlington line to Montreal.

The establishment of the New York-Bermuda line in June, 1937, resulted in a large increase in the number of planes and airplane

OFFICE OF THE COMMISSIONER OF CUSTOMS

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... increased during the fiscal year 1938, it was ...
by the Office of Customs, ...

SEP 19 1938

... 5,551 ...

TO MR. GASTON

FROM THE COMMISSIONER OF CUSTOMS:

There is transmitted herewith a statement relative to
airplane traffic for the fiscal years 1931-1938, inclusive,
which may be suitable for use as a Treasury press release.

J. H. Keyle

Enclosure.

*R - Fish
Gwd*

OFFICE OF THE COMMISSIONER OF CUSTOMS

Friday pm

September 19, 1938.

It will be appreciated if you will furnish the Bureau
25 copies of the attached press release and accompanying table
when it is complete. Deliver same to Mr. C. A. Freeman, Room
415, Washington Building.

TREASURY DEPARTMENT

Washington

FOR RELEASE, AFTERNOON NEWSPAPERS,
Friday, September 23, 1938.

Press Service
No. 14-68

9-20-38

Airplane traffic between the United States and foreign countries showed a pronounced increase during the fiscal year 1938, it was announced today by the Bureau of Customs.

During the twelve-month period, 6,639 planes arrived in the United States, or its outlying possessions, from foreign countries, an increase of 13.5 percent over the 5,851 arrivals during the preceding fiscal year.

The number of airplane passengers entering the United States from abroad during fiscal 1938 was 45,847 and exceeded that of the previous fiscal year by 17.7 percent. This marked the seventh consecutive year during which increases have taken place in the number of airplane passengers on international lines terminating in the United States. More than half of the passengers reported arrived in the Florida Customs district, 23,882 clearing at the port of Miami. The Vermont Customs district showed the largest relative gain in the number of planes and passengers, five times as many planes and more than six times as many passengers arriving in that district in 1938 as during the previous fiscal year. The increased traffic at that point was due to the extension of the Boston-Burlington line to Montreal.

The establishment of the New York-Bermuda line in June, 1937, resulted in a large increase in the number of planes and airplane passengers arriving at New York City.

Although fewer planes arrived along the Mexican border than during the previous year, the number of air passengers was 30.1 percent greater than during fiscal 1937, and three-fifths of these arrived in the San Antonio Customs district at the port of Brownsville.

The number of passengers carried per plane has risen to a marked degree during the past eight years. In 1930 less than three passengers per plane were reported, while in 1938 the average per plane was close to seven.

The following table presents a statement of the number of planes and the number of passengers arriving by plane in each Customs district for each fiscal year from 1931 to 1938, inclusive:

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	<u>Airplanes</u>							
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Vermont	106	60	55	148	208	156	111	559
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Oregon	-	-	-	1	-	-	-	-
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Philadelphia	-	-	-	-	-	132	348	-
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Dakota	373	650	790	637	943	986	1787	2345
Montana	151	46	19	23	45	14	79	105
Oregon	-	-	-	-	-	-	-	-
Washington	1558	697	520	200	1632	2061	3339	2840
Northern Border	3756	2900	2843	2407	4244	5131	8501	12168
San Francisco	-	-	-	-	1	-	-	-
Los Angeles	-	-	-	108	823	649	650	724
San Diego	3595	4690	2597	1297	941	578	497	325
Arizona	18	73	90	607	276	66	62	56
El Paso	670	326	374	755	640	307	11	64
San Antonio	3565	2359	2823	3083	3811	2878	3138	4501
Southern Border	7848	7448	5884	5850	6492	4478	4358	5670
Alaska	133	67	52	150	457	894	1584	1879
Hawaii	-	-	-	-	-	48	184	276
Puerto Rico	1160	658	1049	1105	1359	1474	1449	1740
Florida	8010	7872	10019	11217	15802	16608	22861	24114
Other districts	9303	8597	11120	12472	17618	19024	26078	28009
Total	20907	18945	19847	20729	28354	28633	38937	45847

(1) Estimated

cavity indicated a decayed tooth. The breakages recorded were those most readily found on a careful clinical dental examination. The extent of decay in any single tooth was measured in terms of tooth surface involved, and when such areas extended from one surface to others, the involved surfaces counted separately as decay. The remaining roots were considered as equal to five decayed surfaces.

Records for filled teeth were made in a similar manner: filled surfaces were counted as past decays. Full crowns, of which very few were encountered, were considered as five surfaces affected by past decays.

All of these procedures were designed to make possible the measurement and tabulation of former decay.

Don Bloch:MG
September 21, 1938.

S-max

TREASURY DEPARTMENT
U. S. Public Health Service
Washington

Approved Philip S. Bragdon
14-69

FOR RELEASE, *D. M.'s*
Friday, September 23, 1938.

Age for age, girls have more teeth missing, filled or decayed than boys.

~~However,~~ this is not simply because they are girls, according to Drs. Henry Klein and Carroll E. Palmer of the United States Public Health Service. It is rather because a girl's teeth are cut earlier in life than a boy's and have therefore been exposed longer at the same age to wear, tear and germs. In the last analysis, however, the girls show no greater susceptibility to dental decay than boys.

Drs. Klein and Palmer report their findings in the September 23rd issue (Vol. 53; No. 38) of Public Health Reports, the weekly scientific publication of the Service, in ~~the~~ ^{an} article, ^{entitled} "Sex Differences in Dental Caries Experience in Elementary School Children."

Continuing their well-known dental studies with students attending the municipal elementary schools of the small urban community of Hagerstown, Maryland, the doctors gathered the present data from examinations of 2,232 boys and 2,184 girls. All examinations were made with plain mirrors and fine-pointed "pig-tail" explorers under favorable lighting conditions.

Observations were made on all teeth present in the mouths. In addition, extracted permanent teeth and those not yet cut were noted. Tiny holes and cracks in which the explorer caught, but which after careful inspection were not considered definitely decayed, were noted as separate items and not counted. Only the presence of an actual

TREASURY DEPARTMENT
U.S. Public Health Service
Washington

FOR RELEASE, AFTERNOON NEWSPAPERS,
Friday, September 23, 1938.
9-22-38

Press Service
No. 14-69

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All of these procedures were designed to make possible the measurement and tabulation of former decay.

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 26, 1938, ~~(28)~~ 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 28, 1938.

~~(29)~~
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. (Attention is invited to Treasury Decision 4550, ruling that Treasury bills are not exempt from the gift tax.) 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.

S. mat.

~~Single issue date~~
~~Single maturity date~~

~~PRESS STATEMENT WALSHAW~~

~~Exhibit No. x~~

TREASURY DEPARTMENT

FOR RELEASE, MORNING PAPERS,
Friday, September 23, 1938.
(1)

~~STATEMENT BY~~ ~~XXXXXXXXXXXXXXXXXXXX~~
(2)

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, September 26, 1938. Tenders will not be received at the Treasury Department, Washington.

The Treasury bills will be dated September 28, 1938, and will mature on December 28, 1938, 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

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TREASURY DEPARTMENT

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Friday, September 23, 1938.

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"activated sludge" and aerated. They indicate that in this process the oxidation rates are much more rapid than those taking place under natural conditions in polluted waters and streams because of the development of a mass of bacteria. It was found, too, that by this method of treatment, fifty percent as much of the sewage organic matter is oxidized in five hours as could be accomplished in five days by aerating sewage alone.

In the results presented at this time, evidence is presented indicating additional factors which affect the rate of purification. This rate is shown to depend on the number of bacteria present, on their distribution throughout the polluted water, and on the maintenance of conditions whereby they may grow in air. Thus it is made evident that by increasing the numbers of bacteria which bring about the purification, maintaining a sufficient supply of dissolved oxygen, and by establishing conditions which provide for continuous contact between bacteria, pollution particles, and dissolved oxygen throughout the polluted water, the rate of purification may be very greatly increased.

S. Mast

Don Bloch:MG
September 22, 1938.

TREASURY DEPARTMENT
U. S. Public Health Service
Washington

~~FOR IMMEDIATE RELEASE~~ *ans*

~~9/23/38~~ *Saturday, 9/24*

14-70

Something more than mere distance is required for running water to rid itself of impurities.

Careful studies of sewage treatment, being made by the Stream Pollution Investigations laboratory of the United States Public Health Service, at Cincinnati, Ohio, show that the extent of purification is governed by speed, not distance of flow, for example; that the nature of the pollution and physical conditions under which the water exists are also important factors.

These points are brought out in Parts VII and VIII of "Studies of Sewage Purification", which are currently appearing in Public Health Reports, weekly scientific publication of the Service.

Thus, it has been proved that purification proceeds about three times as fast at 86° F. as it does at 48° F., and that in a rapidly flowing stream correspondingly greater distances of flow are required. It has likewise been demonstrated that this purification depends primarily on the activity of bacteria.

The treatment of sewage is a problem of major importance in densely populated communities, and what is called the "activated sludge process" of sewage treatment is used extensively. By this process, all sewage is both "aerated" (agitated by blowing air bubbles through it) and exposed to other sludge which has been "seeded" with bacteria. Thus, very high rates of oxidation are obtained.

These studies are based upon controlled observations of the biochemical oxidation of various quantities and strengths of sewage fed to

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TREASURY DEPARTMENT
U. S. PUBLIC HEALTH SERVICE

MEMORANDUM

DATE September 22, 1938

FROM: Philip S. Broughton

TO: Mr. Schwarz

Attached is a suggested release on Sewage Purification
for release on ~~Friday, September 23, 1938.~~
Saturday

Philip S. Broughton
Philip S. Broughton,
In Charge, Office of
Health Education.

PSB:MG
Enclosure.

TREASURY DEPARTMENT
U.S. Public Health Service
Washington

FOR RELEASE, MORNING NEWSPAPERS,
Saturday, September 24, 1938.
9-23-38

Press Service
No. 14-70

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are much more rapid than those taking place under natural conditions in polluted waters and streams because of the development of a mass of bacteria. It was found, too, that by this method of treatment, fifty percent as much of the sewage organic matter is oxidized in five hours as could be accomplished in five days by aerating sewage alone.

In the results presented at this time, evidence is presented indicating additional factors which affect the rate of purification. This rate is shown to depend on the number of bacteria present, on their distribution throughout the polluted water, and on the maintenance of conditions whereby they may grow in air. Thus it is made evident that by increasing the numbers of bacteria which bring about the purification, maintaining a sufficient supply of dissolved oxygen, and by establishing conditions which provide for continuous contact between bacteria, pollution particles, and dissolved oxygen throughout the polluted water, the rate of purification may be very greatly increased.

An acute streptococcus infection is responsible for the disease in a majority of cases. What were called "growing pains" in children, ill-defined fevers, and even tonsillitis, are often early evidences of the disease.

There is no specific therapy yet developed for the infection itself, and the use of serums is still in the experimental stage. While infection is present, good nursing, prolonged rest in bed, a simple diet, and appropriate recommended therapy are the best advice. If there is a record of chronic rheumatic heart disease, tonsilectomy is advised.

industrial classes where poor hygiene and damp, sunless, overcrowded living-quarters exist. Crowding, exposure to wet and cold without sufficient protection, malnutrition, and fatigue are contributing factors to its greater incidence in public as compared to private schools.

In the matter of prevalence, it is estimated upon the best authority that there are 840,000 active cases of the disease in the United States at the present time, and that 200,000 new cases are contracted annually. In certain seasons, one-fourth of all available beds in New York hospitals are occupied by patients suffering from rheumatic heart disease, and it is said that 80 per cent of the total organic heart disease in children of a school age is rheumatic. It causes at least 40,000 deaths in the United States annually.

The average duration of life in a rheumatic cardiac is fifteen years from the onset of infection. Some sufferers live fifty years with it, some less than fifteen. The average age of death from the disease is 30. A fortunate minority - about 25 to 35 per cent - of the patients afflicted, have only minimal cardiac lesions which heal completely, and they live out a normal life span. The majority, however, die before they are 40.

"Death from heart failure and complicating infections", said Dr. Paul D. White, in his book Heart Disease, "commonly overtakes the victim of rheumatic heart disease in the second, fourth, or fifth decade of life after many years - usually ten to twenty - of partial crippling and restriction of activity, and after a few years - usually two to five - of partial or complete invalidism. Sometimes he may live to old age and die a noncardiac death if he is careful, and if the heart lesions are slight."

"The tendency for fewer cases of rheumatic heart disease to be found in colleges and universities with well-organized health services is unlike the situation regarding pulmonary tuberculosis," continues Dr. Hedley. "Here, approximately ten times as many cases are detected in institutions with adequate facilities for diagnosis as in colleges and universities depending upon physical examinations alone.

The tendency in the mass diagnosis of rheumatic heart disease is toward over-diagnosis. This emphasizes the importance of careful physical examinations not only for the purpose of detecting actual cases of the disease, but also to rule out functional conditions frequently mis-diagnosed as organic heart disease.

Background:

Rheumatic heart disease is an extremely important public health problem, due to its initial infectiousness, its prevalence, age distribution, extreme chronicity, influence on industry and the home, rejection for military service, and relatively early ages at which it causes death.

It results in 15-40 per cent of all cases of heart disease, depending on the locality, for climate is a factor in its incidence. In the cold, wetter seasons, and in the colder, wetter parts of the temperate zone, its prevalence is greater. There are five to ten times as many cases found in the northern than in the southern states. In New England states it is the commonest, being found in 40 per cent of all heart disease cases -- in 93 per cent of these cases, in persons under 20 years of age.

In many thickly settled communities of the temperate zone throughout the world, it is the most serious of all types of heart disease; one of the chief scourges -- it has been called "The Red Plague" -- of youth, crippling and killing children and young adults. It is exceptionally heavy among

TREASURY DEPARTMENT
U. S. Public Health Service
Washington

FOR RELEASE, MORNING NEWSPAPERS,
Sunday, September 25, 1938.
9-23-38

Press Service
No. 14-71

Rheumatic heart disease, only lately accepted by medical science as a clinical entity, is the most common form of heart disease among persons of college age, it is shown in a study completed today by Dr. O. F. Hedley, Passed Assistant Surgeon, United States Public Health Service.

"It accounts for at least 90 per cent of detectable structural changes in the heart," said Dr. Hedley, "notably valvular diseases, cardiac enlargement, and adherent pericardium. Rheumatic heart disease thus presents a definite but limited problem among student bodies in institutions of higher education."

Inquiries sent by Dr. Hedley to 213 colleges and universities with enrollments of at least 500 students, brought back replies from eighty-six institutions in thirty-six States and Hawaii. A total of 1,207 cases of rheumatic heart disease among 104,163 student health examinations were reported, an incidence of 11.6 per thousand physical examinations. This incidence bore an inverse relationship to the number of examinations performed, and to the total enrollment of the colleges and universities; in institutions reporting less than 500 examinations, the incidence was 19.4 per thousand, while in the larger schools reporting over 2,000 physical examinations, the incidence was only 6.4 per thousand.

Among fourteen large universities with affiliated medical schools, the reported incidence was only 6.4 per thousand, and it is believed that this rate more nearly approximates the true incidence among college students. According to the report, this was because these institutions have well-organized health services and are therefore in a better position to avail themselves of consultants and modern diagnostic equipment.

TREASURY DEPARTMENT
U. S. Public Health Service
Washington

FOR IMMEDIATE RELEASE

~~9-21-38~~ Sunday axis

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* "Incidence of Rheumatic Heart Disease Among College Students in the United States", Public Health Reports, Vol. 53, No. 37. Sept 16, 1938

S-max

During the period covered by the study reported in the latter section of the bulletin, it is shown that about 60 percent of the 8,191 registered hospitals under analysis (which included 84 percent of the total capacity of 1,148,131 beds) maintained a continuous existence. The remaining number included many that were newly established and 565 institutions that were discontinued.

The loss of facilities revealed by the data, according to the authors, is actually more apparent than real, however. Those institutions which failed to survive were, for the most part, small ones, privately owned, and located in populous counties comparatively well supplied with hospital facilities. This loss, too, was more than offset by the 218,512 increase in the total number of beds available in the years studied. Furthermore, each medical type of hospital showed an appreciable increase in number of beds. The most decided expansion occurred in mental hospitals, particularly from 1932-34; the least expansion, in institutional hospitals. Except in the case of the latter group, the increase of beds in each medical type substantially exceeded the rise in population.

To those interested in supply and demand as it applies to hospital facilities, and to those seeking a more adequate distribution of such accommodations, the publication presents much valuable data. Inclusion of a number of charts and tables augments its usefulness as a reference material.

DB:MG
9/21/38.

S. Math.

Mental and tuberculosis hospitals are fifty percent tax-supported. More than half a million beds are provided by the 597 institutions for patients suffering from nervous and mental disorders, which would indicate their average size is large. Even so, according to the bulletin, they are often filled to more than their rated capacity. One-third of them have 1,000 or more beds each, while 84 percent of the total bed capacity is located in hospitals of this size.

Tuberculosis sanatoria are of moderate size. Figures indicate the total bed capacity of the 506 registered institutions of this type is about 71,000. Nearly half of all tuberculosis hospitals and beds are maintained by cities and counties. Although one-eighth of the hospitals are State-owned, only about 25 percent of the beds available are included in these State institutions. Approximately 30,000 additional tuberculosis beds are located in special units of other hospitals.

The Southern States have relatively few hospital facilities of all types. States of the Mountain and Pacific areas, however, and those of the middle Atlantic Seaboard rank much more favorably when accommodations and population are compared. Proportionately more facilities are available in counties which are wealthy and populous than in those which are poor and sparsely settled.

Section I of the bulletin, "Selected Characteristics of Hospital Facilities in 1936", gives a panoramic view of the medical type, size, control, and use of hospitals which operated in that year, and the relationship of their facilities to population groups. The second section, "Trends in Hospital Development, 1928-36", determines the extent to which such factors as control, size, and location have, during the indicated span, motivated the stability of existence.

TREASURY DEPARTMENT
U. S. Public Health Service
Washington

Press Service
No.

FOR IMMEDIATE RELEASE

Monday press

Although there are approximately 451,000 beds and 53,000 bassinets in the 4,841 registered general and special hospitals in the United States, according to a bulletin released today by the U. S. Public Health Service, * one-fourth of these hospitals have less than twenty-five beds and one-half, less than fifty.

Significantly the larger hospitals furnish more facilities. However, according to this publication, they likewise, render a greater amount of service than do the smaller institutions, both from the aspect of total daily census, and from the relation of volume of service to capacity.

Non-profit organizations (fraternal, church, and other non-profit associations) lead the country as sponsors of these general and special hospitals. They control about half the total number. Thirty-two percent are privately owned; 12 percent are managed by States, cities or counties. The Federal Government maintain the remaining 5 percent. In general, these latter are large institutions; the non-profit, moderate sized; while the privately owned are smaller than those under any other control. State and local governmental hospitals are used to a higher degree than those managed by any other type of agency. Maternity service is a more important feature of non-profit hospitals than of any other group, but size of hospitals apparently had no uniform relation to the number of births which occurred therein.

* Public Health Bulletin #243: "Hospital Facilities in the United States", by Senior Surgeon J. W. Mountin. This publication includes data compiled by the Division of Public Health Methods, of the National Institute of Health, in connection with the National Health Inventory completed early in 1936.

TREASURY DEPARTMENT
U.S. Public Health Service
Washington

FOR RELEASE, AFTERNOON NEWSPAPERS,
Monday, September 26, 1938.
9-23-38

Press Service
No. 14-72

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Mental and tuberculosis hospitals are fifty per cent tax-supported. More than half a million beds are provided by the 597 institutions for patients suffering from nervous and mental disorders, which would indicate their average size is large. Even so, according to the bulletin, they are often filled to more than their rated capacity. One-third of them have 1,000 or more beds each, while 84 per cent of the total bed capacity is located in hospitals of this size.

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The Southern States have relatively few hospital facilities of all types. States of the Mountain and Pacific areas, however, and those of the middle Atlantic Seaboard rank much more favorably when accommodations and population are compared. Proportionately more facilities are available in counties which are wealthy and populous than in those which are poor and sparsely settled.

Section I of the bulletin, "Selected Characteristics of Hospital Facilities in 1936", gives a panoramic view of the medical type, size, control, and use of hospitals which operated in that year, and the relationship of their facilities to population groups. The second section, "Trends in Hospital Development, 1928-36" determines the extent to which such factors as control, size, and location have, during the indicated span, motivated the stability of existence.

During the period covered by the study reported in the latter section of the bulletin, it is shown that about 60 per cent of the 8,191 registered hospitals under analysis (which included 84 per cent of the total capacity of 1,148,131 beds) maintained a continuous existence. The remaining number included many that were

newly established and 565 institutions that were discontinued.

The loss of facilities revealed by the data, according to the authors, is actually more apparent than real, however. Those institutions which failed to survive were, for the most part, small ones, privately owned, and located in populous counties comparatively well supplied with hospital facilities. This loss, too, was more than offset by the 218,512 increase in the total number of beds available in the years studied. Furthermore, each medical type of hospital showed an appreciable increase in number of beds. The most decided expansion occurred in mental hospitals, particularly from 1932-34; the least expansion, in institutional hospitals. Except in the case of the latter group, the increase of beds in each medical type substantially exceeded the rise in population.

To those interested in supply and demand as it applies to hospital facilities, and to those seeking a more adequate distribution of such accommodations, the publication presents much valuable data. Inclusion of a number of charts and tables augments its usefulness as a reference material.

TREASURY DEPARTMENT

Washington

FOR IMMEDIATE RELEASE

Monday, Sept 26, 1938

Press Service

7473

The Secretary of the Treasury today announced that His Excellency, Mr. D. Sicilianos, Minister of Greece, transmitted to him through the Department of State on September 20, 1938, a check drawn by the Federal Reserve Bank of New York at the direction of the Bank of Greece for account of the Greek Ministry of Finance, to the order of the Secretary of the Treasury in the amount of \$87,168, representing payment by the Greek Government to the Government of the United States of 40% of the semi-annual interest amounting to \$217,920 due on May 10, 1938 on the 4% loan of 1929 made to the Greek Government by the United States under the agreement of May 10, 1929.

This amount has been received by the Treasury in the same manner as the previous payments made by the Greek Government to the United States on account of the amounts due during the period since 1932 were received by the United States, namely, without prejudice to the contractual rights of the United States which are set forth in Part II of the debt agreement of May 10, 1929, and in accordance with the position of the United States as stated in the note addressed by the Secretary of State to the Greek Minister at Washington on February 8, 1936.

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478 Me [signature]

TREASURY DEPARTMENT

Accounts and Deposits

To Mr. Gaston

This is
similar to our
release upon receipt
of previous payment.

WJH

MR. HEFFELFINGER

TREASURY DEPARTMENT

Washington

FOR IMMEDIATE RELEASE,
Monday, September 26, 1938.

Press Service
No. 14-73

The Secretary of the Treasury today announced that His Excellency, Mr. D. Sicilianos, Minister of Greece, transmitted to him through the Department of State on September 20, 1938, a check drawn by the Federal Reserve Bank of New York at the direction of the Bank of Greece for account of the Greek Ministry of Finance, to the order of the Secretary of the Treasury in the amount of \$87,168, representing payment by the Greek Government to the Government of the United States of 40% of the semi-annual interest amounting to ~~\$217~~,920 due on May 10, 1938, on the 4% loan of 1929 made to the Greek Government by the United States under the agreement of May 10, 1929.

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TREASURY DEPARTMENT

WASHINGTON

FOR RELEASE, MORNING NEWSPAPERS,
Tuesday, September 27, 1938.
9/26/38

Press Service

The Secretary of the Treasury announced last evening that the tenders for \$100,000,000, or thereabouts, of 91-day Treasury bills, to be dated September 28 and to mature December 28, 1938, which were offered on September 23, were opened at the Federal Reserve banks on September 26.

The details of this issue are as follows:

Total applied for - \$279,925,000
Total accepted - 100,026,000

Range of accepted bids:

High	- 99.987	Equivalent rate approximately	0.051	percent
Low	- 99.959	"	"	" 0.162 "
Average price	- 99.964	"	"	" 0.142 "

(26 percent of the amount bid for at the low price was accepted)

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[Signature]

TREASURY DEPARTMENT

Washington

FOR RELEASE, MORNING NEWSPAPERS,
Tuesday, September 27, 1938.
9/26/38.

Press Service
No. 14-74

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in Texas and in the Pan-Handle and West Texas sections. Other states not so severely affected include South Dakota, Arizona, Kansas, New Mexico, Virginia, Idaho, Illinois, Iowa, North and South Carolina and Colorado. About eighty-five percent of all the children born and raised in Colorado Springs, Colorado, have these enamel defects and about ninety percent in Amarillo, Texas.

In the rest of the world there are hundreds of endemic areas. The situation is worst in the Argentine where there are over 200. Other areas are located in England, British Indies, Italy, China, Japan, Canada (Alberta), Mexico, and Northern Africa (especially Morocco, Tunisia and Algiers).

Mottled enamel is definitely a water-borne disease. One part of the fluoride in a million is toxic and will cause some degree of the affection. Where there are over three parts of fluoride concentration in the water studies show that 80 to 90 percent of the children are affected. With six parts and over, 100 percent are affected.

Adults, as such, are not affected; neither are children past eight or nine, except in the case of third molars. The permanent teeth (and in some instances the deciduous) are affected only during the period of calcification. Incidentally, no race, color or sex is immune.

It has been proved, incidentally, that the teeth of the children in these areas offer no greater liability to dental caries (cavities, decay) than do normally calcified teeth. In fact, fewer caries have been noted where there are toxic amounts of fluoride present in the water supplies of communities.

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Don Bloch:FIS
September 27, 1938

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Results of this new survey indicate that of the fourteen children (14 and 15 years old) who had calcified their permanent teeth while using the old deep well supply, all were affected, generally to a marked degree. In the 11, 12 and 13 year age group, there were twenty-three children whose period of calcification overlapped the change in the water supply and consequently had used both supplies in varying amounts. It is interesting to note in this connection that a veritable "high water mark" shows on the teeth of the children in this group. Twelve of these twenty-three, or more than half, were affected.

Of the forty-five children between six and ten born about the time of or subsequent to the change in water supply, however, only two showed evidence of mottled enamel, and these two were of the mildest type.

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~~Editorial Note~~
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Teeth usually erupt showing a smooth, glossy, translucent structure and are pale creamy-white in color. Affected with fluorosis, however, they exhibit a dull, opaque, chalky-white appearance, which in many instances later takes on a characteristic brown stain, becoming worse with age. In many advanced cases the surfaces of the teeth become badly corrugated and pitted.

The town of Bauxite occupies a permanent place in mottled enamel history. It is a small, company-owned mining community of about 1,800 people, twenty-five miles southwest of Little Rock, established in 1901 to provide homes and a social environment for the employees of an aluminum subsidiary located there.

The original domestic water supply of Bauxite came from shallow wells and a few springs. As the town grew these surface supplies became contaminated. A new water supply became necessary, so in 1909 two deep wells were drilled. Then six years later, one of these wells, from partial caving in, went out of commission. A new deep well was drilled.

Even before this time, however, a report that the disease was prevalent had caused steps to be taken to change the common water supply. In 1928 the community was surveyed and showed practically 100 percent affection of mottled enamel, in general of an unusually severe type. The water being used by the citizens

conscious of the defects in their children's teeth. There seemed good reason to connect this condition with the communal water supply. A women's civic league launched a campaign calling for a bond issue to finance a new water supply. Influential citizens of the town--adults, let it be noted--opposed the issue; but in February, 1925, after an examination of the public school children had been made by Dr. Frederick S. McKay, Consultant with the Public Health Service, and pioneer in mottled enamel studies, proving conclusively that the water supply was the cause of the condition of the children's teeth, and after a number of authoritative public talks had been made, the bond issue was put over.

[Three or four miles away from the original warm springs was located a cold spring used by a local family for a number of years for its own supply. That family included four children--and an examination of their teeth showed no evidence whatsoever of the mottled enamel. Upon this evidence alone the new water supply was selected, and on July 21, 1925, the first of Oakley's new water flowed into town.

[In 1933, a resurvey of the children of Oakley was made by Dr. McKay and others. It provided evidence for the first time in dental history that water had been the cause of the disease.]

Fluorine is the most active, chemically, of all the elements. Abundant in soils, water and rocks at least a half a mile down in the earth's crust, it is universally present also in plant and animal tissue. Its super-abundance in certain wells and springs

TREASURY DEPARTMENT
U. S. Public Health Service
Washington

FOR RELEASE *afternoon newspapers,*
Friday, September 30, 1938

In May, 1928, Bauxite, Arkansas, en masse, took literally to the nearby Saline River in order to save the teeth of its children. It thus became the second community in the recorded history of this country to abandon the use of an otherwise satisfactory common water supply, solely to prevent endemic dental fluorosis ("mottled enamel"), a disease causing permanent disfigurements among its youth.

Now, a decade later, a resurvey of the children of the town made by Dr. H. Trendley Dean, Dental Surgeon of the U. S. Public Health Service, and others (Public Health Reports, September 30) has proved the wisdom of the move.

[The first town was Oakley, Idaho, in 1925. During the half-dozen years prior to that date the citizens of this small agricultural community were becoming increasingly alarmed at the condition of their children's teeth. All presented a disfiguring appearance. The townspeople knew neither the nature nor the cause of the condition. They did know, however, that the children outside of town who met their own at school each day did not have this trouble.

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Mr. Schwarz
To.....

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This is the release Mr. Bloch talked to you about this morning. It is transmitted in Mr. Broughton's absence.

It has been approved by Dr. Olesen.

FROM..... A. E. McCormack

DATE..... 9/27/38

TREASURY DEPARTMENT
U.S. Public Health Service
Washington

FOR RELEASE, AFTERNOON NEWSPAPERS,
Friday, September 30, 1938.
9/28/38.

Press Service
No. 14-75

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removal of the placenta, in the failure to use aseptic techniques (sterile drapes and rubber gloves), and in frequent vaginal examination and use of forceps. Taken as a group the younger physicians, those who graduated since 1925, tend to follow with slight variations the practices of the obstetric specialists; physicians who graduated before 1925, and in some instances the doctors of osteopathy, tend to adopt practices which are employed by the obstetricians with relative infrequency. Although questionable, and even dangerous procedures are spread widely over the total group of parturient women, a relatively large share of the most serious defects in practice fall upon poor women, those delivered at home, and those living in rural communities."

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Ernest Bryan:MG
September 22, 1938.

S. Mott.
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In general, women who are poor or who are on relief, women who live in rural areas and those who have had other children, according to the Michigan Committee on Maternal Care, "bear the brunt of the wide-spread deficiency in prenatal services".

In a study of the hospitalization, the Michigan Committee found that those in the upper income brackets and those having their first baby are more likely to have hospital care than women otherwise classified. Nearly 60% of the mothers living in the larger cities are delivered in hospitals, while less than 25% of the rural women are afforded such service. When it comes to economic status, the figures show that hospitalization varies from 65% among the well-to-do, 50% among the middle class group, 33% among the poor to 28% among those on relief. The proportion of hospitalized mothers of first babies is nearly double that of those who have previously undergone childbirth.

It was found also that the technique employed in the handling of labor and delivery varies widely and is related to certain characteristics of the birth attendant, to the place of delivery (home or hospital), size of the city, and the economic status of the mothers. The Committee stated, "If the procedures adopted by specialists in obstetrics are taken to represent standards of good practice, serious defects appear in the practices of many of the birth attendants. The most striking of these consist in the use of pituitrin before delivery, in manual dilation of the cervix, in manual

and second, because of the magnitude of the problem, which robs the nation annually of some 12,000 women in the prime of life at the height of their usefulness to their families and to the nation.

Sepsis is the most important cause of maternal mortality and accounts for approximately 40 percent of the deaths, according to Dr. Campbell. Although it is largely preventable by adequate antenatal and postnatal medical supervision and rigorously aseptic technique at delivery, no significant decrease in the death rate from this cause has been achieved during the last 22 years for which records are available. Deaths from toxemias of pregnancy have decreased slightly but significantly in the last six or eight years.

According to the Michigan Committee, at least three-fourths of the deaths occurring in the first month of life are caused by reasons either natal or prenatal in origin. The Committee also pointed out that in addition to the unnecessary waste of maternal and infant life, much ill health in terms of physical or mental abnormalities result from childbirth.

"Many mothers and babies are permanently crippled from injuries sustained during labor or suffer impairment of physical or mental health from conditions incidental to pregnancy and labor; many babies are malformed at birth. There is conclusive evidence that much of this ill-health is preventable."

The Michigan study found that physicians attend 96.5% of the registered births in the State, the remaining 3.5% being about equally divided between obstetricians and a group of unspecified individuals who are nurses, friends, or relatives. Approximately one-half of the physicians in the State of Michigan are engaged in the practice of obstetrics, but less than one-fourth of the total number of the doctors in the State handle about 85% of the births. The other half deliver the remaining one-sixth

TREASURY DEPARTMENT
U. S. Public Health Service
Washington

*Has all proper
approvals.
Philip S. Braughton*

FOR RELEASE, ^{Amis} ~~SUNDAY PAPERS~~
Sunday, ~~September 5~~ 1938

October 2,

Wide divergencies in maternal care, together with serious deficiencies in maternal service, were revealed in a survey on maternal care in the State of Michigan made public today by the Maternal Health Committee of the Michigan State Medical Society.

The study, which was conducted by the Michigan State Medical Society, with the assistance of the United States Public Health Service, constitutes an effort to determine the quality and distribution of maternal health services rendered to Michigan women. The data was based on approximately 21,000 birth certificates which represent the number of registered births during the first quarter of 1936, and 10,000 detailed obstetric histories used as a reasonably representative sample of these births.

The Michigan study is designed to assist the medical profession and the general public to understand the complexity of the problem of maternal care with its economic implications and to suggest some of the directions which attempts to improve maternal service must take.

In presenting the report, Dr. Alexander M. Campbell of Grand Rapids, Michigan, who is Chairman of the Maternal Health Committee of the Michigan State Medical Society, stated:

"The United States practically leads the civilized world in the rate of mortality attributable to childbirth. As this knowledge has become widespread, demands for correction have increased; first, because studies dealing with maternal deaths have shown that a majority of them are preventable,

TREASURY DEPARTMENT
U. S. Public Health Service
Washington

FOR RELEASE, MORNING NEWSPAPERS,
Sunday, October 2, 1938.
9-29-38

Press Service
No. 14 - 76

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PRESS RELEASE

The Commissioner of Customs today announced that the quota on importations of red cedar shingles from Canada, provided for under the Canadian Trade Agreement, and Executive Order No. 7946, of August 9, 1938, which limited importations of this commodity to 864,881 squares during the last six months of the calendar year 1938, was filled on September 28, 1938.

Therefore, further importations of this commodity may not be admitted to entry for consumption until the beginning of the next quota period on January 1, 1939.

OFFICE OF THE COMMISSIONER OF CUSTOMS

Sta

SEP 30 1938

MR. GASTON

(Attention of Mr. Schwarz, Room 289, Treasury Building)

FROM THE COMMISSIONER OF CUSTOMS:

There is attached for immediate release a statement announcing the fulfillment of the current quota on importations of red cedar shingles from Canada on September 28, 1938.

When the release has been mimeographed, please have 145 copies forwarded to Miss Henry, Room 415, Washington Building.

James H. Moyle

TREASURY DEPARTMENT

Washington

FOR IMMEDIATE RELEASE,
Thursday, September 29, 1938.

Press Service
No. 14-77

The Commissioner of Customs today announced that the quota on importations of red cedar shingles from Canada, provided for under the Canadian Trade Agreement, and Executive Order No. 7946, of August 9, 1938, which limited importations of this commodity to 864,881 squares during the last six months of the calendar year 1938, was filled on September 28, 1938.

Therefore, further importations of this commodity may not be admitted to entry for consumption until the beginning of the next quota period on January 1, 1939.

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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 3, 1938, ~~(8)~~ 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 5, 1938.

~~(9)~~
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. (Attention is invited to Treasury Decision 4550, ruling that Treasury bills are not exempt from the gift tax.) 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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~~Single issue date~~
~~Single maturity date~~

~~PRESS STATEMENT "AARDRA"~~

~~Exhibit No. x~~

TREASURY DEPARTMENT

FOR RELEASE, MORNING PAPERS,
Friday, September 30, 1938.
~~(1)~~

~~STATEMENT BY~~ ~~XXXXXXXXXXXXXXXXXXXX~~

~~(2)~~

The Secretary of the Treasury gives notice that tenders are invited for Treasury bills to the amount of \$ 100,000,000, or thereabouts, ~~(3)~~ They will be 91 -day bills; and will be sold on a discount basis to the highest bidders. ~~(4)~~ 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 3, 1938. ~~(5)~~ Tenders will not be received at the Treasury Department, Washington.

The Treasury bills will be dated October 5, 1938, and will mature on January 4, 1939, and on the maturity date the face amount will be payable without interest. ~~(6)~~ 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

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TREASURY DEPARTMENT

FOR RELEASE, MORNING PAPERS,
Friday, September 30, 1938.

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pharmacist's mate, whose many duties will include servicing the new trailer, chauffeuring, and aiding the doctor.

The new unit, built to specification for the United States Public Health Service, is fitted with the most modern dental chair and accessories; x-ray machine; dark-room, for developing plates; and lead-lined storage space for film. It has, likewise, the newest type sterilizer for instruments; facilities for administering gas; complete laboratory supply closets; and all equipment, including lathe, for a limited amount of prosthetic work. The electrical equipment uses alternating current, but when the unit strikes a base where only direct current is available, a rotary converter is put into action. An outside hose connection for continuous water supply connects through the trailer walls. There is a dressing closet, with full length mirror; storage space for linens, instruments, and other essentials; a writing desk and other conveniences for the officer in charge.

The idea of and plans for this unit as well as the first, which was put into commission in Florida in November 1936, were instigated within the Public Health Service. It was planned to serve officers and enlisted men of the United States Coast Guard at out of the way stations. Up to August 1, 1938, 7,304 treatments for all types of dental ailments had been given to 2,046 patients in the trailer unit.

Before the advent of these dental units, when a Coast Guardsman required dental treatment, he entered a Marine Hospital or went to a civilian dentist who did the work by contract with the Government. The motorized station now takes over a large part of this work; is more convenient for the patient; and has, likewise, reduced long-run expenses, both to Government and patients.

TREASURY DEPARTMENT
U. S. Public Health Service
Washington

14-78

Saturday AM
~~FOR IMMEDIATE RELEASE~~

~~September 29, 1938~~

Oct 1, 1938

As a result of the very successful operation of its motorized dental unit

Prompted by the overwhelming success of the first ~~one~~, the United States Public Health Service this week put into operation ~~the~~ ^a second ^{unit} of its ^{this type} ~~motorized dental units~~. This mobile station will cruise within Coast Guard Districts of the Great Lakes for a month before starting out for the West Coast. Neither of these areas has ever before been visited by a mobile unit.

Beginning the first week in October, the new unit - longer, heavier, and equipped with the latest type of dental instruments - will start from Oswego, New York, and work west through Youngstown, Ashtabula, Fairport Harbor, Lorraine, and Marblehead, Ohio. The time of stay at each of these stations will be determined by the amount of work to be done and the state of the weather.

The unit will render dental relief to a considerable number of beneficiaries who otherwise might never get it - Coast Guard personnel, at isolated stations. If his tooth-troubles are made known to Passed Assistant Dental Surgeon, Dr. David Cooper, however, who is in charge of the new unit, "no one in pain is turned away", be he Government employee or layman.

Before taking over the new unit, Dr. Cooper had been in charge of the first of these semi-trailer type dental stations. He is especially qualified for this work because of his long association with the United States Coast Guard. For two seasons he was dental officer of the Bering Sea Ice and Seal Patrol force. As in the first unit, Dr. Cooper will have as assistant, a

TREASURY DEPARTMENT
U. S. Public Health Service
Washington

FOR RELEASE, MORNING NEWSPAPERS,
Saturday, October 1, 1938.
9/30/38.

Press Service
No. 14-78

As a result of the very successful operation of its first motorized dental unit, the United States Public Health Service this week put into operation a second unit of this type. This mobile station will cruise within Coast Guard Districts of the Great Lakes for a month before starting out for the West Coast. Neither of these areas has ever before been visited by a mobile unit.

Beginning the first week in October, the new unit - longer, heavier, and equipped with the latest type of dental instruments - will start from Oswego, New York, and work west through Youngstown, Ashtabula, Fairport Harbor, Lorraine, and Marblehead, Ohio. The time of stay at each of these stations will be determined by the amount of work to be done and the state of the weather.

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assistant, a pharmacist's mate, whose many duties will include servicing the new trailer, chauffeuring, and aiding the doctor.

The new unit, built to specification for the United States Public Health Service, is fitted with the most modern dental chair and accessories; x-ray machine; dark-room, for developing plates; and lead-lined storage space for film. It has, likewise, the newest type sterilizer for instruments; facilities for administering gas; complete laboratory supply closets; and all equipment, including lathe, for a limited amount of prosthetic work. The electrical equipment uses alternating current, but when the unit strikes a base where only direct current is available, a rotary converter is put into action. An outside hose connection for continuous water supply connects through the trailer walls. There is a dressing closet, with full length mirror; storage space for linens, instruments, and other essentials; a writing desk and other conveniences for the officer in charge.

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Before the advent of these dental units, when a Coast Guardsman required dental treatment, he entered a Marine Hospital or went to a civilian dentist who did the work by contract with the Government. The motorized station now takes over a large part of this work; is more convenient for the patient; and has, likewise, reduced long-run expenses, both to Government and patients.

<u>Fund or Agency</u>	Government Securities	Government- guaranteed Securities (000 omitted)	Other Securities*
Totals brought forward	\$2,659,853	\$269,802	\$44,689
District of Columbia Water Fund	736	-	-
Unemployment Trust Fund	951,000	-	-
Railroad Retirement Account	69,700	-	-
Old-Age Reserve Account	733,300	-	-
Foreign Service Retirement and Disability Fund	3,626	-	-
Canal Zone Retirement and Disability Fund (1)	4,102	-	-
Adjusted Service Certificate Fund	24,300	-	-
Alaska Railroad Retirement and Disability Fund	502	-	-
Totals	\$4,447,119	\$269,802	\$44,689
Federal Farm Mortgage Corporation	\$ -	\$ -	\$762,705
Federal Land Banks	60,105	-	-
Federal Intermediate Credit Banks	64,935	9,000	-
Banks for Cooperatives	64,236	23,995	8,525
Production Credit Corporations	5,129	13,931	25,907
Production Credit Associations	1,845	11,028	75,293
Joint Stock Land Banks	2,055	6,897	25
Federal Home Loan Banks	25,426	9,682	-
Home Owners' Loan Corporation	1,100	-	-
Reconstruction Finance Corporation	48,020	-	-
Inland Waterways Corporation**	3,487	-	-
U.S. Spruce Production Corporation	125	-	-
U.S. Housing Authority	250	-	-
Totals	\$ 276,713	\$74,533	\$872,455

Note: All trust funds may be invested in Government and Government-guaranteed securities, and certain funds may also be invested in additional securities as indicated:

- (1) In Federal Farm Loan Bonds;
- (2) No Limitations.

* Consist principally of Federal Farm Loan Bonds and Federal Intermediate Credit Banks Debentures.

** Latest figures available.

TREASURY DEPARTMENT

Washington

FOR RELEASE, MORNING NEWSPAPERS,
Saturday, October 1, 1938.
 9/30/38.

Press Service
 No. 14-79

Secretary Morgenthau released today the following statement relative to the amount of Government and other securities held in governmental trust accounts and by governmental corporations and agencies:

SECURITIES HELD AS INVESTMENTS IN TRUST FUNDS AND IN ACCOUNTS
OF CERTAIN GOVERNMENTAL CORPORATIONS AND AGENCIES
ON AUGUST 31, 1938.

<u>Fund or Agency</u>	Government Securities	Government- guaranteed securities	Other Securities*
	(000 omitted)		
Postal Savings System	\$ 938,521	\$166,834	\$ -
Federal Deposit Insurance Corporation ...	369,094	-	-
Individual Indian Trust Funds	42,462	71	21
Mutual Mortgage Insurance Fund and Housing Insurance Fund	19,686	-	-
Federal Savings and Loan Insurance Corp..	10,015	102,787	-
Civil Service Retirement and Disability Fund	468,000	-	-
U.S. Government Life Insurance Fund (1)..	767,282	-	42,067
D.C. Teachers' Retirement Fund (2)	5,536	95	1,965
Alien Property Custodian Fund	30,710	-	-
Panama Canal Zone Funds (1)	1,850	5	290
General Post Fund, Veterans' Administra- tion	1,067	-	1
Library of Congress Trust Fund (2)	1	-	291
D.C. Workmen's Compensation Fund (1)	10	-	11
Longshoreman's and Harbor Workers' Compensation Fund (1)	117	10	43
German Special Deposit Account	3,957	-	-
National Institute of Health Gift Fund ..	83	-	-
Comptroller of the Currency Employees' Retirement Fund	1,242	-	-
Pershing Hall Memorial Fund	198	-	-
National Park Trust Fund (2)	12	-	-
Ainsworth Library Fund, Walter Reed General Hospital	10	-	-
	<u>\$2,659,853</u>	<u>\$ 269,802</u>	<u>\$44,689</u>

TREASURY DEPARTMENT

Accounts and Deposits

To Mr Gaston

This is the
regular monthly
release.

Wry

MR. HEFFELFINGER

TREASURY DEPARTMENT

Washington

FOR RELEASE, *morning papers*
Sat - Oct 1, 1938

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** Latest figures available.

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Sat. P. M. 12

Mrs. Nellie Tayloe Ross, Director of the United States Mint, today announced that the three coinage mints located at Philadelphia, Denver and San Francisco had been instructed to proceed with the coinage of the new "Jefferson nickel."

The United States Treasurer's office, which distributes the Treasury's coin and currency to the nation's banks, has requested the Bureau of the Mint to furnish it with 12,700,000 of the new coins, having a value of \$635,000, before distribution will be undertaken.

Mrs. Ross warned coin collectors and others eager to obtain the new nickel as soon as possible, that the only places at which these coins will be available will ~~like~~ be the banks of the country. It is expected that distribution to the banks will not take place until November.

Secretary of the Treasury Morgenthau announced on April 21, 1938, that Felix Schlag, of Chicago, was the winner of the national competition among American sculptors for the design of the new five-cent coin. ~~Mrs. Ross subsequently requested Mr. Schlag to make certain changes in the design deemed desirable.~~ After the final revisions were made the Bureau of the Mint commenced the detailed and intricate work of perfecting the dies. These details having now been completed, the Mint is prepared to strike off the new nickel at a rapid rate.

Mr. Schlag's ^{design} was ~~awarded~~ ^{chosen} as the winner contingent upon ^{his} certain changes being made ⁱⁿ the design it.

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TREASURY DEPARTMENT

Washington

FOR IMMEDIATE RELEASE,
Saturday, October 1, 1938.

Press Service
No. 14-80

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Immediate
Sat. Oct 1, 1938

14-81

Secretary Morgenthau announced today that Marshall ^{R.} Diggs, First Deputy Comptroller of the Currency, who has been Acting Comptroller since the resignation of Comptroller J.F.T. O'Connor early in April, had resigned to re-enter the ~~practice~~ practice of law.

~~The Secretary~~ also ^{also} announced the resignation of G. J. Oppegard, Deputy Comptroller of the Currency, who is returning to the Federal Deposit Insurance Corporation as Assistant Counsel, a position he occupied until his appointment as Deputy Comptroller in January, 1938.

After consultation with Preston Delano, who has been appointed by the President to be Comptroller of the Currency, Secretary Morgenthau has appointed Cyril B. Upham as First Deputy Comptroller of the Currency. Mr. ~~Upham~~ ^{took the oath of office today} will take office immediately and will serve as Acting Comptroller until Mr. Delano assumes the duties of the office in the near future.

Mr. Upham ~~has been in the Treasury Department~~ has been in the Treasury Department since December, 1933, for the last three years as an Assistant to the Secretary, in which capacity he has been active in matters related to banking and to the operation of Government credit agencies. He is a ~~native~~ resident of Iowa and a member of the bar of the District of Columbia.

He was graduated with the degree of A. B. from ^{Morningside College} ~~the University of Iowa~~ and subsequently obtained the degree of Ph.D. ^{from the same institution State University of Iowa} as the result of research in political science. Later he engaged in banking in New York City and was afterward a member of the research staff of the Brookings Institution. He is co-author of a book, "Closed and Distressed Banks," which was a study of the developments following the banking crisis of 1932 and 1933.

TREASURY DEPARTMENT

Washington

FOR IMMEDIATE RELEASE,
Saturday, October 1, 1938.

Press Service
No. 14-81

Secretary Morgenthau announced today that Marshall R. Diggs, First Deputy Comptroller of the Currency, who has been Acting Comptroller since the resignation of Comptroller J. F. T. O'Connor early in April, had resigned to re-enter the practice of law.

The Secretary also announced the resignation of G. J. Oppegard, Deputy Comptroller of the Currency, who is returning to the Federal Deposit Insurance Corporation as Assistant Counsel, a position he occupied until his appointment as Deputy Comptroller in January, 1938.

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Mr. Upham has been in the Treasury Department since December, 1933, for the last three years as an Assistant to the Secretary, in which capacity he has been active in matters related to banking and to the operations of Government credit agencies. He is a resident of Iowa and a member of the bar of the District of Columbia. He was graduated with the degree of A.B. from Morningside College and subsequently obtained the degree of Ph.D. from the State University of Iowa as the result of research in political science. Later he engaged in banking in New York City and was afterward a member of the research staff of the Brookings Institution. He is co-author of a book, "Closed and Distressed Banks," which was a study of the developments following the banking crisis of 1932 and 1933.

TREASURY DEPARTMENT

Washington

FOR IMMEDIATE RELEASE,
Monday, October 3, 1938.

Press Service
No. 14-82

Arriving from foreign ports, 73,558 vessels made entries at United States Custom Houses in the fiscal year 1938, an increase of 1.2 percent from the 72,679 ships that checked in during the preceding fiscal year, the Bureau of Customs announced today. The totals include entries at Puerto Rico, Virgin Islands, Hawaii and Alaska with those for the continental United States.

"Entering" is used as a technical term by Customs officials to refer to the filing of certain specific documents with the collectors of customs within a short time after the arrival of the vessel at a port. All vessels, whether of foreign or domestic registry, arriving in this country direct from foreign ports are required to make entry at a Custom House. In addition, all foreign vessels plying between American ports for the purpose either of securing further cargo or of unloading residue cargo, are required to make entry at each port of call. American vessels, if registered for foreign trade, or if they carry any foreign cargo in bond, are likewise required to make entry at each port of call.

The total number of vessels entering direct from foreign ports during the past fiscal year was 34,273, a decrease of 2.4 percent from the previous year. The net tonnage of these vessels showed an increase of 4.9 percent over the previous year, from 68,805,087 in 1937 to 72,184,846 in 1938. Of the above total, the number of foreign vessels remained practically stationary, while the number of American vessels decreased by 6.3 percent.

A detailed statement of the number of entrances of vessels for each of the past two fiscal years and of the increases or decreases in their net tonnage follows:

	Number of Vessels		Net Tonnage of Vessels		Percent of Increase or Decrease	
	1937	1938	1937	1938	No.:	Tonnage
<u>Direct from Foreign Ports</u>						
Foreign vessels	21,977	21,965	49,005,360	52,236,449	-.1	6.6
Domestic vessels	13,130	12,308	19,799,727	19,948,397	-6.3	.8
Total	35,107	34,273	68,805,087	72,184,846	-2.4	4.9
<u>Via Other Domestic Ports with Residue Cargo to Unlade</u>						
Foreign vessels	5,297	5,505	17,118,626	17,704,120	3.9	3.4
Domestic vessels	2,522	2,574	8,793,409	9,043,296	2.1	2.8
Total	7,819	8,079	25,912,035	26,747,416	3.3	3.2
<u>Via Other Domestic Ports to Lade</u>						
Foreign vessels	5,297	6,068	16,103,446	18,454,820	14.6	14.6
Domestic vessels	2,469	2,598	8,283,789	8,883,451	5.2	7.2
Total	7,766	8,666	24,387,235	27,338,271	11.6	12.1
<u>From Noncontiguous Territory</u>						
Domestic vessels only	5,281	5,544	7,894,818	9,162,362	5.0	16.1
<u>From Intercoastal Ports</u>						
Domestic vessels only	4,376	5,684	15,981,934	20,843,726	30.0	30.0
<u>From Coastwise Ports</u>						
Domestic vessels only	12,330	11,312	25,532,979	22,815,940	-8.3	-6.4
<u>Total Entrances:</u>						
Foreign vessels	32,571	33,538	82,227,432	88,395,389	3.0	7.5
Domestic vessels	40,108	40,020	86,286,656	90,697,172	-.2	5.1
Total	72,679	73,558	168,514,088	179,092,561	1.2	6.3

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OFFICE OF THE COMMISSIONER OF CUSTOMS

OCT 1 1938

TO MR. GASTON

FROM THE COMMISSIONER OF CUSTOMS:
(Through Assistant Secretary Gibbons)

There is transmitted herewith a statement showing data regarding the number of vessels entering the United States during the fiscal years 1937 and 1938, which may be suitable for use as a Treasury press release.

James H. Moyle

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~~TABLE~~

~~NUMBER OF VESSELS~~

	Number of ^{Vessels}		Net Tonnage of Vessels		Percent of Increase or Decrease	
	1937	1938	1937	1938	No.	Tonnage
<u>Direct from Foreign Ports</u>						
Foreign vessels	21,977	21,965	49,005,360	52,236,449	-.1	6.6
Domestic vessels	13,130	12,308	19,799,727	19,948,397	-6.3	.8
Total	35,107	34,273	68,805,087	72,184,846	-2.4	4.9
<u>Via Other Domestic Ports with Residue Cargo to Unlade</u>						
Foreign vessels	5,297	5,505	17,118,626	17,704,120	3.9	3.4
Domestic vessels	2,522	2,574	8,793,409	9,043,296	2.1	2.8
Total	7,819	8,079	25,912,035	26,747,416	3.3	3.2
<u>Via Other Domestic Ports to Lade</u>						
Foreign vessels	5,297	6,068	16,103,446	18,454,820	14.6	14.6
Domestic vessels	2,469	2,598	8,283,789	8,883,451	5.2	7.2
Total	7,766	8,666	24,387,235	27,338,271	11.6	12.1
<u>From Noncontiguous Territory</u>						
Domestic vessels only	5,281	5,544	7,894,818	9,162,362	5.0	16.1
<u>From Intercoastal Ports</u>						
Domestic vessels only	4,376	5,684	15,981,934	20,843,726	30.0	30.0
<u>From Coastwise Ports</u>						
Domestic vessels only	12,330	11,312	25,532,979	22,815,940	-8.3	-6.4
<u>Total Entrances:</u>						
Foreign vessels	32,571	33,538	82,227,432	88,395,389	3.0	7.5
Domestic vessels	40,108	40,020	86,286,656	90,697,172	-.2	5.1
Total	72,679	73,558	168,514,088	179,092,561	1.2	6.3

NOTE: A minus sign (-) denotes decrease.

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~~115,207,13,558~~
The ~~number of~~ vessels entering through the various customhouses of the United States aggregated 73,558 during the fiscal year 1938, an increase of 1.2 percent from the total for the preceding fiscal year (72,679), the Bureau of Customs announced today. These totals include entrances in Puerto Rico, Virgin Islands, Hawaii and Alaska with those for the continental United States.

~~When~~ "Entering" is used ^{as a technical term} by Customs officials in a somewhat technical sense ~~and~~ ^{to} refer to the filing of certain specific documents with the collectors of customs within a short time after the arrival of the vessel at a port. All vessels, whether of foreign or domestic registry, arriving in this country direct from foreign ports are required to make entry at a customhouse. In addition, all foreign vessels plying between American ports for the purpose either of securing further cargo or of unloading residue cargo, are required to make entry at each port of call. American vessels, if registered for foreign trade, or if they carry any foreign cargo in bond, are likewise required to make entry at each port of call.

The total number of vessels entering direct from foreign ports during the past fiscal year was 34,273, a decrease of 2.4 percent from the previous year. The net tonnage of these vessels showed an increase of 4.9 percent over the previous year, from 68,805,087 in 1937 to 72,184,846 in 1938. Of the above total, the number of foreign vessels remained practically stationary, while the number of American vessels decreased by 6.3 percent.

A detailed statement of the number of entrances of vessels for each of the past two fiscal years and of the increases or decreases in their net tonnage follows:

For immediate release

14-82

Arriving from foreign ports, 73,558 vessels made entries at United States Custom Houses in the fiscal year 1938, an increase of 1.2 per cent from the 72,679 ships that checked in during the preceding fiscal year, the Bureau of Customs announced today. The totals include entries at Puerto Rico, Virgin Islands, Hawaii and Alaska with those for the continental United States.

more

TREASURY DEPARTMENT

Washington

FOR IMMEDIATE RELEASE,
Monday, October 3, 1938.

Press Service
No. 14-82

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TREASURY DEPARTMENT

Washington

FOR RELEASE, MORNING NEWSPAPERS,
Tuesday, October 4, 1938.
10/3/38

Press Service

The Secretary of the Treasury announced last evening that the tenders for \$100,000,000, or thereabouts, of 91-day Treasury bills, to be dated October 5, 1938, and to mature January 4, 1939, which were offered on September 30, were opened at the Federal Reserve banks on October 3.

The details of this issue are as follows:

Total applied for - \$455,786,000
Total accepted - 100,125,000

Range of accepted bids:

High	-	100.			
Low	-	99.990	Equivalent rate approximately	0.040	percent
Average price	-	99.992	"	"	" 0.032 "

(53 percent of the amount bid for at the low price was accepted)

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TREASURY DEPARTMENT

Washington

FOR RELEASE, MORNING NEWSPAPERS,
Tuesday, October 4, 1938.
10/3/38.

Press Service
No. 14-83

The Secretary of the Treasury announced last evening that the tenders for \$100,000,000, or thereabouts, of 91-day Treasury bills, to be dated October 5, 1938, and to mature January 4, 1939, which were offered on September 30, were opened at the Federal Reserve banks on October 3.

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various hospitals and clinics which are in need of radium for cancer treatment and for the skilled physicians and special equipment essential for its proper use. ~~The Institute's supply of radium is believed to be the largest concentration in the country and was purchased at a cost of \$200,000. Included in the regulations for the loaning of radium is the provision that "the personnel who are charged with the control and use of Government-owned radium in institutions applying for same, must have the professional qualifications or the equal of those required of diplomates of the American Board of Radiology". Also included in the radium loan regulations is the stipulation that "no charge can be made a patient for the use of Government-owned radium".~~

Since radium loses half of its power only once in every 1,700 years, it is pointed out that the Government-owned radium will have a long term of usefulness and will facilitate the treatment of hundreds of cancer sufferers.

The Council voted to meet again on Tuesday, January 3, 1939, at which time it is expected that several grants-in-aid to hospitals and research institutions for cancer study will be made and several committees will report.

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work on the new Cancer Institute building to be erected on a 15-acre site donated by Mrs. Luke I. Wilson. The members of the Council participating in this ceremony included: Dr. James Ewing, Director, Memorial Hospital, New York; Dr. Francis Carter Wood, Director, Crocker Institute of Cancer Research, Columbia University; Dr. Clarence C. Little, Director, Roscoe B. Jackson Memorial Laboratory, Bar Harbor, Maine; Dr. Arthur H. Compton, Professor of Physics, University of Chicago; Dr. James B. Conant, President of Harvard University, in addition to Surgeon General Thomas Parran and Dr. Ludvig Heiktoen. Mrs. Wilson released the lever which started the excavating for the building which will be completed July 1, 1939, at a cost of \$600,000.

The Cancer Institute building which will be of Georgian design will consist of three stories and two basements; it will house the administrative offices of the National Cancer Institute and the National Advisory Cancer Council and will provide laboratory space for the Institute's extensive program of cancer research.

At its meeting today, the Council heard Dr. Arthur H. Compton of the University of Chicago report on Professor E. O. Lawrence's work with the cyclotron, a new instrument for shattering atoms into tiny particles, some of which may have value in cancer treatment.

A report on the training of cancer specialists was presented by Dr. James Ewing, Director of the Memorial Hospital in New York.

Dr. Clarence C. Little of the Jackson Memorial Laboratory, Bar Harbor, Maine, informed the Council concerning the work of his colleague, Dr. John J. Bittner, in the field of genetics as related to cancer.

The Council gave its approval to regulations drawn up by the National Cancer Institute for the loan of its $9\frac{1}{2}$ grams of radium to

TREASURY DEPARTMENT

(United States Public Health Service)

Washington

~~Memorandum~~
October 3, 1938.

For immediate release.

The U. S. Public Health Service will undertake immediately a special study of the efficiency of various types of cancer treatment, ~~Dr. H. H. Parsons, Surgeon General of the U. S. Public Health Service, announced~~ ^{it was announced} ~~today~~ at a meeting of the National Advisory Cancer Council ~~today~~.

The types of cancer treatment to be studied are x-ray, radium and surgery. The Public Health Service will attempt to weigh the efficiency of these different types of treatment in their application to numerous forms of cancer. ~~Dr. H. H. Parsons~~

Officials of the Public Health Service connected with the National Cancer Institute said that the decision to undertake this study was made because of the "tremendously increased public interest in the cancer problem and the widespread efforts of various organizations, both public and private, in stimulating and developing programs of cancer control."

In commenting on this development, Dr. Ludvig Hektoen, Executive Director of the National Advisory Cancer Council, said, "There is obviously a very great need for the critical appraisal of these cancer control programs, and more particularly those elements which seem to receive the greatest emphasis from the standpoint of both public education and public expenditures. The one element of such programs which seems especially important in this connection relates to cancer therapy, or cancer treatment."

During ~~the~~ ^{new} all-day session today ~~the~~ ^{members of the} Cancer Council took part in the ceremonies at Bethesda, Maryland, in connection with the beginning of

TREASURY DEPARTMENT
U.S. Public Health Service
Washington

FOR IMMEDIATE RELEASE,
Monday, October 3, 1938.

Press Service
No. 14-84

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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 10, 1938, ~~(1938)~~ 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 13, 1938. ~~(1938)~~

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. (Attention is invited to Treasury Decision 4550, ruling that Treasury bills are not exempt from the gift tax.) 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.

~~Single issue date~~
~~Single maturity date~~

~~PRESS STATEMENT HEADLINE~~

~~Exhibit No.~~

TREASURY DEPARTMENT

FOR RELEASE, MORNING PAPERS,
Friday, October 7, 1938.

(1)

~~STATEMENT BY~~XXXXXXXXXXXXXXXXXXXX

(2)

The Secretary of the Treasury gives notice that tenders are invited for Treasury bills to the amount of \$100,000,000, or thereabouts, ~~(3)~~ They will be 90-day bills; and will be sold on a discount basis to the highest bidders. ~~(4)~~ 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 10, 1938. ~~(5)~~ Tenders will not be received at the Treasury Department, Washington.

The Treasury bills will be dated October 13, 1938, and will mature on January 11, 1939, and on the maturity date the face amount ~~(6)~~ 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

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Immediately after the closing hour for receipt of tenders on October 10, 1938, 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 13, 1938.

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. (Attention is invited to Treasury Decision 4550, ruling that Treasury bills are not exempt from the gift tax.) 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.

"Sometimes the carrier state lasts a long time. Tests may then be made to see if the bacilli are still virulent—that is, capable of causing the disease. This cannot be told by simple microscopic examination. If the bacilli are found to be no longer virulent, the patient may be released. Otherwise, he must be treated until successive tests prove that the bacteria have disappeared."

The public health control of diphtheria depends upon several factors. Most important of these, from the Service standpoint, is the prompt reporting of cases for isolation and quarantine until officially released. All discharges from the patient and all articles used by him should be disinfected and a thorough cleaning of the sick room made after the patient leaves it. Since diphtheria is occasionally carried in milk, where a case or carrier has been employed in its preparation, the use of pasteurized milk only should be encouraged. There should also be thorough control of the carriers discovered by bacteriological examinations. Finally, antitoxin should be made available to everybody and free to the poor.

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10/3/38

be given to a school child whenever an undue prevalence of diphtheria occurs in the school or community.

"The patient with diphtheria begins to show symptoms in from two to five days after exposure. Its treatment is a task for the doctor. Home remedies do no good: they waste valuable time, give a false sense of security, and are not based on a proper diagnosis. A doctor should be called promptly when there are symptoms of sore throat with mild fever, or even of indefinite illness where the cause is not apparent. He will administer the antitoxin if in his judgment it is needed, and use an appropriate surgical procedure if this is essential to save life."

The disease may be conveyed to another person as long as the bacilli, in virulent form, remain in the patient or "carrier". This may be weeks, even months. It is usually contracted by contact with the sick person or carried, by droplet infection, or by handling recently soiled articles. Sometimes it is conveyed in milk or ice cream, in which case extensive epidemics may be caused which are almost explosive in their suddenness.

Diphtheria is a condition in which carriers play an important part. People may be immune to the toxin of diphtheria, yet at the same time the bacilli may live in their throats and noses. They are thus a danger to other people while in no danger themselves. Convalescents may be carriers; and so may persons who have had no attacks of diphtheria, or such mild ones, usually called "missed cases", that they are not recognized.

"It is very important for health departments to know about these carriers," ~~further warns~~ ^{warned} Dr. Thompson. "This is one reason why every case of the disease should be reported. Cultures can be taken from the nose and throats of persons recovering from diphtheria, and the time of disappearance of the bacilli determined. Previous to that time, the individual should be isolated from contact with well persons who are not immune.

"Thanks to modern research, however, there are now few diseases about which so much is known. Its cause and modes of transmission are known; its spread can be checked; and medicine possesses specific preventives, a precise measure of susceptibility, and a curative agent of great potency. Both prevention and control are therefore entirely feasible, according to the Public Health Service, provided the intelligent cooperation of health authorities, medical profession, and the general public is assured.

"People are beginning to feel that it is eminently more desirable to attempt protection against a disease, where that is possible, than to fall prey to its ravages and take a chance on recovery. The modern preventives--toxin-antitoxin, plain toxoid, and alum precipitated toxoid--for the great majority of children, are almost sure protection against the disease in later life. Diphtheria toxoid, prepared from chemically treated toxin, has largely replaced the toxin-antitoxin mixtures within the last five years. It is generally administered in one, two or sometimes more injections, depending on the doctor's, or health officer's, preference or judgment in these matters."

Whether a person is immune to diphtheria or not may be determined by the Schick test. This consists of injecting a minute measured amount of toxin between the layers of the skin of the forearm. If the person is immune no reaction occurs; if not immune, a small area of redness develops and persists for about three days at the place of injection. Schick tests should be made three to six months after the preventive inoculations in order to learn whether they have been effective. This is because some persons are harder to immunize than others and require more injections than are routinely given. Further inoculations should depend upon the result of this test.

"Just prior to admission to school," continued Dr. Thompson, "the Schick test should be repeated to determine the susceptibility of the child at that time. Positive reactors should receive the inoculation. Thereafter a Schick test should

Treasury Department
U. S. Public Health Service
Washington

Approved
for release
Philip & Broughton
14-8

For ~~release~~ Release ^{pm's}

Friday, October 7
~~preys primarily upon~~

Diphtheria ~~preys~~ babies: it strikes oftenest, among the whole population, those children between the ages of five and seven; it kills oftenest, between three and four.

~~Experience shows that~~
~~Statistics show that, out of every ten children who will contract the~~
disease this fall, one will die of it.

Last year, 28,536 cases of diphtheria were reported in the United States; 3,184 of ~~those stricken~~ (excluding figures from Maine and New Hampshire, which have not yet been received) died. According to the latest census reports, more than three-fourths of all those who died from it in 1935 were babies who had not reached their fifth year of life, and three out of every ten of those were either three or four years old. These percentages, according to the U. S. Public Health Service, apply equally ~~and~~ to the later ~~ages~~ years.

Normal characteristic features of the prevalence curve for diphtheria are its gradual rise beginning in August, the plateau in October and November, the decline during December and the succeeding months, to the lowest incidence from May to August. Once started, however, an epidemic may run its course uninfluenced by the season of the year.

"Until scientific discoveries revealed the cause and the methods for the cure and control of diphtheria," ~~Dr.~~ Dr. L. R. Thompson, Director of the National Institute of Health, ^{said today} "few diseases had presented such high mortality, or before whose onsets mankind was so helpless. An outbreak of diphtheria in a community caused a shudder of horror. The old records are full of instances where all the children of a family were swept away in spite of what medical knowledge of that time could do.

TREASURY DEPARTMENT
U.S. Public Health Service
Washington

FOR RELEASE, AFTERNOON NEWSPAPERS,
Friday, October 7, 1938.
10/6/38.

Press Service
No. 14-85

Diphtheria preys primarily upon babies: It strikes oftenest, among the whole population, those children between the ages of five and seven; it kills oftenest, between three and four.

Experience shows that of every ten children who will contract the disease this fall, one will die of it.

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of diphtheria in a community caused a shudder of horror. The old records are full of instances where all the children of a family were swept away in spite of what medical knowledge of that time could do.

"Thanks to modern research, however, there are now few diseases about which so much is known. Its cause and modes of transmission are known; its spread can be checked; and medicine possesses specific preventives, a precise measure of susceptibility, and a curative agent of great potency. Both prevention and control are therefore entirely feasible, according to the Public Health Service, provided the intelligent cooperation of health authorities, medical profession, and the general public is assured.

"People are beginning to feel that it is eminently more desirable to attempt protection against a disease, where that is possible, than to fall prey to its ravages and take a chance on recovery. The modern preventives--toxin-antitoxin, plain toxoid, and alum precipitated toxoid--for the great majority of children, are almost sure protection against the disease in later life. Diphtheria toxoid, prepared from chemically treated toxin, has largely replaced the toxin-antitoxin mixtures within the last five years. It is generally administered in one, two or sometimes more injections, depending on the doctor's, or health officer's, preference or judgment in these matters."

Whether a person is immune to diphtheria or not may be determined by the Schick test. This consists of injecting a minute measured amount of toxin between the layers of the skin of the forearm. If the person is immune no reaction occurs; if not immune, a small area of redness develops and persists for about three days at the place of injection. Schick tests

should be made three to six months after the preventive inoculations in order to learn whether they have been effective. This is because some persons are harder to immunize than others and require more injections than are routinely given. Further inoculations should depend upon the result of this test.

"Just prior to admission to school," continued Dr. Thompson, "the Schick test should be repeated to determine the susceptibility of the child at that time. Positive reactors should receive the inoculation. Thoreafter a Schick test should be given to a shcool child whenever an undue prevalence of diphtheria occurs in the school or community.

"The patient with diphtheria begins to show symptoms in from two to five days after exposure. Its treatment is a task for the doctor. Home remedies do no good: they waste valuable time, give a false sense of security, and are not based on a proper diagnosis. A doctor should be called promptly when there are symptoms of sore throat with mild fever, or even of indefinite illness where the cause is not apparent. He will administer the antitoxin if in his judgment it is needed, and use an appropriate surgical procedure if this is essential to save life."

The disease may be conveyed to another person as long as the bacilli, in virulent form, remain in the patient or "carrier". This may be weeks, even months. It is usually contracted by contact with the sick person or carried, by droplet infection, or by handling recently soiled articles. Sometimes it is conveyed in milk or ice cream, in which case extensive epidemics may be caused which are almost explosive in their suddenness.

Diphtheria is a condition in which carriers play an important part. People may be immune to the toxin of diphtheria, yet at the same time the bacilli may live in their throats and noses. They are thus a danger to other

people while in no danger themselves. Convalescents may be carriers; and so may persons who have had no attacks of diphtheria, or such mild ones, usually called "missed cases", that they are not recognized.

"It is very important for health departments to know about these carriers," Dr. Thompson warned. "This is one reason why every case of the disease should be reported. Cultures can be taken from the nose and throats of persons recovering from diphtheria, and the time of disappearance of the bacilli determined. Previous to that time, the individual should be isolated from contact with well persons who are not immune.

"Sometimes the carrier state lasts a long time. Tests may then be made to see if the bacilli are still virulent--that is, capable of causing the disease. This cannot be told by simple microscopic examination. If the bacilli are found to be no longer virulent, the patient may be released. Otherwise, he must be treated until successive tests prove that the bacteria have disappeared."

The public health control of diphtheria depends upon several factors. Most important of these, from the Service standpoint, is the prompt reporting of cases for isolation and quarantine until officially released. All discharges from the patient and all articles used by him should be disinfected and a thorough cleaning of the sick room made after the patient leaves it. Since diphtheria is occasionally carried in milk, where a case or carrier has been employed in its preparation, the use of pasteurized milk only should be encouraged. There should also be thorough control of the carriers discovered by bacteriological examinations. Finally, antitoxin should be made available to everybody and free to the poor.

would violate Section 211, that also has been the position of the Treasury. In addition, I am sure you will agree with me that your reference to such special committee is a reference to but one of many possible devices prohibited by the term "directly or indirectly" in Section 211. The instructions given to Treasury employees by the circulation of Form 1982 mentioned above were not limited to any single device.

Again I am pleased to observe that your Committee's response to my third and final question merely states what, in effect, the Treasury Department stated to all its employees on September 10, 1934 in the underlined portion of paragraph 2 of the Treasury's regulations of that date:

"The instruction contained in said circular should not be construed: * * *

"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."

I appreciate your cooperation because the subject is, as I have advised you, one in which I have taken a great deal of interest ever since I assumed my present duties.

Very truly yours,

HENRY MORGENTHAU, JR.
Secretary.

Honorable Morris Sheppard
Chairman
Special Committee to Investigate
Campaign Expenditures
United States Senate

Oct 10. 1938

My dear Senator Sheppard:

I have received your letter of October 7, 1938 in answer to my letter of September 9, 1938 and I appreciate your response to my request for your observations on the spirit as well as the letter of the law governing political contributions by Federal employees.

Referring to your answer to my first question, I am gratified to learn that your Committee is of the opinion that the Treasury regulations are not repugnant to either the letter or the spirit of the law. Concerning your further suggestion in this connection that the Department's regulations should make specific reference to Section 211, Title 18, U.S. Code, I may say that United States Civil Service Commission Form No. 1982, warning against political activities, contains a specific reference to, and a paraphrase of, Section 211 (see copies attached). The Treasury Department on June 5, 1934 and August 23, 1936 circulated this Form to all the employees of the Department.

I am further gratified to note that your views in response to my second question coincide with the opinion in the Treasury Department that it is not a violation of the law for a Federal employee to make a voluntary contribution to a political party. Concerning your further observation that contributions by Federal employees to any special committee promoting the campaign of a Senator or Representative

indirectly, to the campaign of any Senator, or Member of, or Delegate to Congress,
or Resident Commissioner, whether in the primary or in the general election.

Yours very truly,

/s/ Morris Sheppard

Chairman.

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

Washington, D. C.,
October 7, 1938.

My dear Mr. Secretary:

I am directed by the Special Committee to Investigate Senatorial Campaign Expenditures and Use of Governmental Funds to make reply to your letter of September 9, 1938, in which you propounded the following three questions:

- "(1) Is it your view that the Treasury regulations, copies of which have been sent to you, permit acts which are repugnant to the letter or spirit of the law?
- "(2) Do you contend that it is a violation of the law for a Federal employee to make a voluntary contribution to the campaign fund or to the general funds of a political party?
- "(3) Is it your position that it is a violation of the law for such an employee to make a voluntary contribution to a fund which is to be used for the purpose of advocating a particular candidate for Federal office in a primary campaign?"

In answer to your first question, the Committee is of the opinion that the Treasury regulations are not repugnant to the letter or spirit of the law, but that they do not cover the subject. These regulations do not call attention to Section 211, Title 18, U. S. Code (Criminal Code, Section 121) which specifically forbids every officer, clerk, or other person in the service of the United States, "directly or indirectly, to give or hand over to any other officer, clerk, or person in the service of the United States, or to any Senator, or Member of, or Delegate to Congress, or Resident Commissioner, any money or other valuable thing" for a political purpose. It is the opinion of the Committee that this section specifically prohibits any employee of the United States from making any contribution, directly or indirectly, to any Senator, or Member of, or Delegate to Congress, or Resident Commissioner, for any political purpose.

In answer to the second question, it is the opinion of the Committee that it is not a violation of the law for a Federal employee to make a voluntary contribution to a political party. The prohibition of Section 211, to which allusion has just been made, relates to voluntary contributions to individual members of the Senate or House of Representatives, and, in the opinion of the Committee, this prohibition includes contributions to any special committees, organized for the purpose of promoting the campaign of a Senator or Representative.

In answer to the third question, it is the opinion of the Committee that no Federal employee may legally contribute, voluntarily or otherwise, directly or

14-86

Immediate Release
Monday Oct 10

Secretary Murgenthau today
made public his reply, dated
Monday, Oct. 10, to a letter dated
October 7 from Senator Morris
Sheppard, Chairman of the
Special Committee ^{of the Senate} to Investigate
Campaign Expenditures. Copies
of both letters are attached.

TREASURY DEPARTMENT

Washington

FOR IMMEDIATE RELEASE,
Monday, October 10, 1938.

Press Service
No. 14-86

Secretary Morgenthau today made public his reply, dated Monday, October 10, to a letter dated October 7 from Senator Morris Sheppard, Chairman of the Special Committee of the Senate to Investigate Campaign Expenditures. Copies of both letters are attached:

Washington, D.C.,
October 7, 1938.

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In answer to the third question, it is the opinion of the Committee that no Federal employee may legally contribute, voluntarily or otherwise, directly or indirectly, to the campaign of any Senator, or Member of, or Delegate to Congress, or Resident Commissioner, whether in the primary or in the general election.

Yours very truly,
(s) Morris Sheppard
Chairman

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

October 10, 1938.

My dear Senator Sheppard:

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I appreciate your cooperation because the subject is, as I have advised you, one in which I have taken a great deal of interest ever since I assumed my present duties.

Very truly yours,
(s) HENRY MORGENTHAU, JR.
Secretary.

Honorable Morris Sheppard
Chairman, Special Committee to
Investigate Campaign Expenditures
United States Senate.

TREASURY DEPARTMENT

Washington

FOR RELEASE, MORNING NEWSPAPERS,
Tuesday, October 11, 1938.
10/10/38

Press Service

14-87

The Secretary of the Treasury announced last evening that the tenders for \$100,000,000, or thereabouts, of 90-day Treasury bills, to be dated October 13, 1938, and to mature January 11, 1939, which were offered on October 7, were opened at the Federal Reserve banks on October 10.

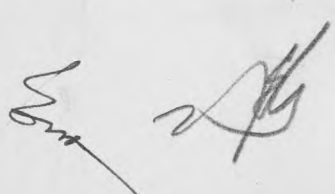
The details of this issue are as follows:

Total applied for	- \$425,732,000
Total accepted	- 100,040,000

Range of accepted bids:

High	- 100.	
Low	- 99.994	Equivalent rate 0.024 percent
Average price	- 99.995	Equivalent rate approximately 0.022 percent

(79 percent of the amount bid for at the low price was accepted)



TREASURY DEPARTMENT

Washington

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Tuesday, October 11, 1938.
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IMPORTATIONS OF CATTLE, CREAM AND CERTIFIED SEED POTATOES
UNDER THE QUOTA PROVISIONS OF THE CANADIAN TRADE AGREEMENT

Preliminary Figures as of October 1, 1938

Customs District	January 1 to October 1, 1938				Dec. 1, 1937 to Oct. 1, 1938
	CATTLE UNDER 175# (Head)	CATTLE 700# OR MORE (Head)	DAIRY COWS 700# OR MORE (Head)	CREAM (Gal.)	WHITE OR IRISH SEED POTATOES (Pounds)
TOTAL IMPORTS	36,198	69,219	5,036	4,962	31,151,824
Percent of Quota	69.7%	44.4%	25.2%	0.3%	69.2%
FROM CANADA					
Alaska	-	-	4	3	-
Buffalo	5,454	8,304	36	-	160,770
Chicago	-	381	-	-	-
Dakota	181	2,364	1	182	109,500
Duluth & Superior	1	33	-	-	40,380
Florida	-	-	-	-	2,497,480
Maine & N. H.	101	22	443	86	3,116,964
Massachusetts	-	25	30	-	3,944,554
Michigan	45	2,567	1	-	1,276,290
Minnesota	1,453	19,610	-	-	-
Montana & Idaho	89	2,361	24	-	-
New York	17,419	211	-	-	18,774,846
Omaha	-	21	-	-	-
Oregon	-	159	-	-	-
Philadelphia	-	-	-	-	415,316
St. Lawrence	5,552	557	987	19	800
Vermont	497	169	3,180	4,233	40,280
Virginia	-	-	-	-	761,944
Washington	3,340	3,289	330	-	12,700
Total from Canada	34,132	40,073	5,036	4,523	31,151,824
FROM MEXICO					
Arizona	752	7,374	-	-	-
El Paso	743	16,745	-	-	-
San Antonio	561	3,069	-	-	-
San Diego	10	1,958	-	-	-
Total from Mexico	2,066	29,146	-	-	-
FROM OTHER COUNTRIES					
Puerto Rico	-	-	-	439	-

(Prepared by Division of Statistics and Research, Bureau of Customs)

14-86

PRESS RELEASE

The Commissioner of Customs today announced preliminary figures for imports of cattle, cream and certified seed potatoes, under the quota provisions of the Canadian Trade Agreement, as of October 1, 1938, and the percentage that such imports bear to the totals allowable under the quota provisions, as follows:

MR. GASTON

(Attention of Mr. Schwarz, Room 289, Treasury Building)

FROM THE COMMISSIONER OF CUSTOMS:

There is attached for immediate release a tabulation showing imports of cattle, cream and certified seed potatoes, under the quota provisions of the Canadian Trade Agreement, as of October 1, 1938.

When the release has been mimeographed, please have 135 copies forwarded to Miss Henry, Room 415, Washington Building.

Miss Henry

JM 10/11/38

TREASURY DEPARTMENT

Washington

FOR IMMEDIATE RELEASE,
Tuesday, October 11, 1938.

Press Service
No. 14-88

The Commissioner of Customs today announced preliminary figures for imports of cattle, cream and certified seed potatoes, under the quota provisions of the Canadian Trade Agreement, as of October 1, 1938, and the percentage that such imports bear to the totals allowable under the quota provisions, as follows:

Customs District	January 1 to October 1, 1938				Dec. 1, 1937 to Oct. 1, 1938
	CATTLE UNDER 175# (Head)	CATTLE 700#: OR MORE (Head)	DAIRY COWS 700# OR MORE (Head)	CREAM (Gal.)	WHITE OR IRISH SEED POTATOES (lbs)
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Percent of Quota	69.7%	44.4%	25.2%	0.3%	69.2%

FROM CANADA

Alaska	-	-	4	3	-
Buffalo	5,454	8,304	36	-	160,770
Chicago	-	381	-	-	-
Dakota	181	2,364	1	182	109,500
Duluth & Superior	1	33	-	-	40,380
Florida	-	-	-	-	2,497,480
Maine & N.H.	101	22	443	86	3,116,964
Massachusetts	-	25	30	-	3,944,554
Michigan	45	2,567	1	-	1,276,290
Minnesota	1,453	19,610	-	-	-
Montana & Idaho	89	2,361	24	-	-
New York	17,419	211	-	-	18,774,846
Omaha	-	21	-	-	-
Oregon	-	159	-	-	-
Philadelphia	-	-	-	-	415,316
St. Lawrence	5,552	557	987	19	800
Vermont	497	169	3,180	4,233	40,280
Virginia	-	-	-	-	761,944
Washington	3,340	3,289	330	-	12,700
Total from Canada	34,132	40,073	5,036	4,523	31,151,824

FROM MEXICO

Arizona	752	7,374	-	-	-
El Paso	743	16,745	-	-	-
San Antonio	561	3,069	-	-	-
San Diego	10	1,958	-	-	-
Total from Mexico	2,066	29,146	-	-	-

FROM OTHER COUNTRIES

Puerto Rico	-	-	-	439	-
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TREASURY DEPARTMENT

Washington

FOR IMMEDIATE RELEASE
Tuesday, October 11, 1938

PRESS SERVICE
No. 14-89.

The Acting Comptroller of the Currency today announces the reestablishment at Richmond, Virginia of the office of Chief National Bank Examiner for the Fifth Federal Reserve District. That district includes the states of Maryland, Virginia, West Virginia, North Carolina, South Carolina, and the District of Columbia. This change of the District office from Washington, where it has been located for the past 16 years, to Richmond will facilitate the work of the Comptroller's office and will be a convenience to the national banks located in the territory it serves. Examining policies and procedure will not be effected by the change.

Mr. Jennings L. Bailey has been appointed Chief National Bank Examiner for the Fifth Federal Reserve District, and will be in charge of the office at Richmond. Mr. Bailey is 40 years of age, is a native of Virginia, and is well known to the bankers throughout the district. He has been connected with the examining force of the Comptroller's office since 1920, except for a period of 4 months in 1933, when he was detailed to assist the Federal Deposit Insurance Corporation in the capacity of Supervising Examiner at Richmond. Mr. Bailey has examined banks in practically all sections of the district and for the past five years has had headquarters at Baltimore, Maryland.

IMPORTS OF DOUGLAS FIR AND WESTERN HEMLOCK UNDER THE
QUOTA PROVISIONS OF THE CANADIAN TRADE AGREEMENT

Preliminary Figures for the Period January 1 to October 1, 1938

Customs District	: Sawed Timber and Lumber Not Specially Provided for			
	: DOUGLAS	: WESTERN	: MIXED FIR	: TOTAL FIR
	: FIR	: HEMLOCK	: & HEMLOCK	: & HEMLOCK
	: (Bd.Ft.)	: (Bd.Ft.)	: (Bd. Ft.)	: (Bd. Ft.)
TOTAL IMPORTS	75,751,889	24,426,338	26,825,945	127,004,172
Percent of Quota				50.8%
<u>FROM CANADA</u>				
Alaska	528,258	-	-	528,258
Buffalo	1,455,635	827,299	-	2,282,934
Chicago	48,606	-	19,223	67,829
Connecticut	3,320,736	38,059	-	3,358,795
Dakota	14,339,663	2,024,098	-	16,363,761
Duluth & Superior	8,159,277	3,175,425	-	11,334,702
Iowa	25,366	-	-	25,366
Los Angeles	16,699,759	346,949	58,525	17,105,233
Maine & N. H.	103,483	-	-	103,483
Massachusetts	8,110,987	12,658,779	-	20,769,766
Michigan	82,781	265,543	-	348,324
Montana & Idaho	15,084	-	-	15,084
New York	13,244	-	26,667,722	26,680,966
Philadelphia	12,140,582	3,816,377	-	15,956,959
Rhode Island	530,883	668,879	-	1,199,762
St. Lawrence	35,512	-	150	35,662
San Francisco	260,315	150,598	-	410,913
Vermont	285,915	60,000	-	345,915
Washington	9,595,803	394,332	80,525	10,070,460

(Prepared by Division of Statistics and Research, Bureau of Customs)

14-90

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MR. GASTON

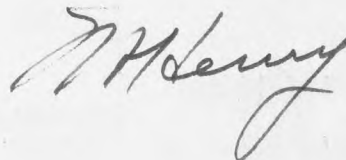
(Attention of Mr. Schwarz, Room 289, Treasury Building)

FROM THE COMMISSIONER OF CUSTOMS:

There is attached for immediate release a tabulation showing imports of Douglas fir and Western hemlock, under the quota provisions of the Canadian Trade Agreement, as of October 1, 1938.

When the release has been mimeographed, please have 145 copies forwarded to Miss Henry, Room 415, Washington Building.

JM 10/11/38



Immediate

14-90

PRESS RELEASE

The Commissioner of Customs today announced preliminary figures for imports of Douglas fir and Western hemlock, under the quota provisions of the Canadian Trade Agreement, as of October 1, 1938, and the percentage that such imports bear to the total allowable under the quota provisions, as follows:

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TREASURY DEPARTMENT

Washington

FOR IMMEDIATE RELEASE,
Wednesday, October 12, 1938.

Press Service
No. 14-90

The Commissioner of Customs today announced preliminary figures for imports of Douglas fir and Western hemlock, under the quota provisions of the Canadian Trade Agreement, as of October 1, 1938, and the percentage that such imports bear to the total allowable under the quota provisions, as follows:

Customs District	: Sawed Timber and Lumber Not Specially Provided for			
	: DOUGLAS : FIR : (Bd.Ft.)	: WESTERN : HEMLOCK : (Bd.Ft.)	: MIXED FIR : & HEMLOCK : (Bd.Ft.)	: TOTAL FIR : & HEMLOCK : (Bd.Ft.)
TOTAL IMPORTS	75,751,889	24,426,338	26,825,945	127,004,172
Percent of Quota				50.8%

FROM CANADA

Alaska	528,258	-	-	528,258
Buffalo	1,455,635	827,299	-	2,282,934
Chicago	48,606	-	19,223	67,829
Connecticut	3,320,736	38,059	-	3,358,795
Dakota	14,339,663	2,024,098	-	16,363,761
Duluth & Superior	8,159,277	3,175,425	-	11,334,702
Iowa	25,366	-	-	25,366
Los Angeles	16,699,759	346,949	58,525	17,105,233
Maine & N. H.	103,483	-	-	103,483
Massachusetts	8,110,987	12,658,779	-	20,769,766
Michigan	82,781	265,543	-	348,324
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Philadelphia	12,140,582	3,816,377	-	15,956,959
Rhode Island	530,883	668,879	-	1,199,762
St. Lawrence	35,512	-	150	35,662
San Francisco	260,315	150,598	-	410,913
Vermont	285,915	60,000	-	345,915
Washington	9,595,803	394,332	80,325	10,070,460

IMPORTS OF COMMODITIES FROM THE PHILIPPINES UNDER QUOTA
PROVISIONS OF PHILIPPINE INDEPENDENCE ACT AND CORDAGE ACT OF 1935

Preliminary Figures, as of October 1, 1938

Customs District	January 1 to October 1, 1938			May 1 to Oct.
	COCONUT OIL	REFINED SUGAR	UNREFINED SUGAR	CORDAGE
	(Pounds)	(Pounds)	(Pounds)	(Pounds)
TOTAL IMPORTS	257,900,098	94,511,897	1,633,609,728	682,052
Percent of Quota	57.6%	84.4%	91.2%	11.4%
Galveston	-	-	-	36,959
Hawaii	24,838	-	15,773	82,838
Los Angeles	6,078,634	20,893,468	529,805	104,469
Maryland	1,890,330	-	170,484,492	-
Massachusetts	46,823,510	-	65,511,770	-
New Orleans	40,233,198	-	238,025,079	10,832
New York	135,873,475	-	685,113,536	64,927
Oregon	-	24,876,629	91,577	-
Philadelphia	6,644,920	-	436,347,045	12,704
Puerto Rico	89,594	-	-	54,508
Rhode Island	-	-	-	30,703
San Antonio	-	-	-	5,171
San Francisco	19,554,779	-	37,094,746	259,149
Virginia	-	-	-	8,497
Washington	686,820	48,741,800	395,905	11,295

(Prepared by Division of Statistics and Research, Bureau of Customs)

OCT 13 1938

TO MR. GASTON
(Attention of Mr. Schwarz, Room 289, Treasury Building)

FROM THE COMMISSIONER OF CUSTOMS:

There is attached a tabulation for immediate release showing preliminary figures for imports of commodities coming into the United States from the Philippine Islands, under the quota provisions of the Philippine Independence Act and the Cordage Act of 1935, as of October 1, 1938.

When this tabulation has been mimeographed, please have 90 copies forwarded to Miss Henry, Room 415, Washington Building.

James A. Neyle

TREASURY DEPARTMENT

Washington

FOR RELEASE, MORNING NEWSPAPERS,
 Thursday, October 13, 1938.
 10/12/38.

Press Service
 No. 14-91

The Commissioner of Customs today announced preliminary figures for imports of commodities coming into the United States from the Philippine Islands under the quota provisions of the Philippine Independence Act, during the period January 1 to October 1, 1938, and under the Cordage Act of 1935, during the period May 1 to October 1, 1938, also the percentage that such imports bear to the totals allowable under the quota provisions, as follows:

Customs District	January 1 to October 1, 1938			May 1 to Oct.
	COCONUT OIL (Pounds)	REFINED SUGAR (Pounds)	UNREFINED SUGAR (Pounds)	1, 1938 CORDAGE (Pounds)
TOTAL IMPORTS	257,900,098	94,511,897	1,633,609,728	682,052
Percent of Quota	57.6%	84.4%	91.2%	11.4%
Galveston	-	-	-	36,959
Hawaii	24,838	-	15,773	82,838
Los Angeles	6,078,634	20,893,468	529,805	104,469
Maryland	1,890,330	-	170,484,492	-
Massachusetts	46,823,510	-	65,511,770	-
New Orleans	40,233,198	-	238,025,079	10,832
New York	135,873,475	-	685,113,536	64,927
Oregon	-	24,876,629	91,577	-
Philadelphia	6,644,920	-	436,347,045	12,704
Puerto Rico	89,594	-	-	54,508
Rhode Island	-	-	-	30,703
San Antonio	-	-	-	5,171
San Francisco	19,554,779	-	37,094,746	259,149
Virginia	-	-	-	8,497
Washington	686,820	48,741,800	395,905	11,295

Lack of uniformity in the method of classifying deaths according to cause and the fact that a certain number of certificates were not filed in time to be included, make it possible that these preliminary data may in some instances differ from the final figures subsequently published by the Bureau of the Census. Some deviation from the final figures for individual states is also to be expected because of the provisional nature of the information. It is believed, however, that the trend of mortality among the states is correctly represented.

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that for the past year. This increase combined with a lower death rate, has resulted in a crude rate of natural increase of 6.0 per 100,000 population compared with the ~~corresponding~~^{correspond}ing rate of 4.3 for 1937.

The downward trend of the death rate from tuberculosis also continues, ~~the~~. The current rate is 10 percent less than the corresponding rate for 1937. It is possible that the rate for this year will drop below 50 per 100,000 for the first time.

The decline in maternal mortality has been even greater than that from tuberculosis. It stands at 4.4 per 100,000 live births--15 percent less than that corresponding rate for 1937.

Wide-spread ~~the~~ efforts to prevent traffic accidents are apparently achieving success. The mortality rate from automobile accidents for the half year is 20 percent less than the rate for the similar period last year. Only four of the states, as a matter of fact, reported a higher rate than for 1937.

The only important cause of death for which the current rate is greater than that for 1937 is cancer. Here an increase of about 3 percent is reported.

The serious outbreak of measles which occurred last winter continued into the second quarter of this year. As a result, the death rate, 4.5 per 100,000 population, is more than four times last year's ~~the~~ corresponding rates. Slight increases occurred also in the mortality rates from whooping cough, diarrhea, and enteritis in children under two years of age.

TREASURY DEPARTMENT
U. S. Public Health Service
Washington

FOR RELEASE *Morning Newspapers*
Friday, October 14, 1938

14-92

Unless there is a marked reversal of trend, ^{the} mortality rate from all causes of death during the current year will be the lowest on record, with the possible exception of 1933.

In that year, according to reports compiled and published today by the United States Public Health Service (Public Health Reports, October ^{1, 1938} ~~14~~), the death rate was 10.7 per 1,000 population. The rate for the first ¹⁹³⁸ ~~six~~ months ~~of 1938~~—10.8—represents ~~also~~ a decrease of 8.5 percent under last year. Every State from which these preliminary data are available—42 States, the District of Columbia, Alaska, and Hawaii—reported a lower rate than for 1937.

Although this decrease in the mortality rate is reflected in nearly all of the important causes of death, about 60 percent is accounted for by the decreased prevalence of influenza and pneumonia, especially during the first three months of the year. The death rate from influenza for the first half of 1938 is only one-third of that for 1937; from pneumonia, only three-fourths of the rate for the corresponding period last year.

Another outstanding feature of the mortality record for the first six months of this year ^Σ was the wide-spread decline in infant mortality. Only five states reported a rate higher than that for last year; the current rate is nearly 9 percent less than for 1937. The birth rate, too, for 1938 has continued slightly above

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TREASURY DEPARTMENT
U. S. Public Health Service
Washington

FOR RELEASE, MORNING NEWSPAPERS,
Friday, October 14, 1938.
10-13-38

Press Service
No. 14-92

Unless there is a marked reversal of trend, the mortality rate from all causes of death during the current year will be the lowest on record, with the possible exception of 1933.

In that year, according to reports compiled and published today by the United States Public Health Service (Public Health Reports, October 14, 1938), the death rate was 10.7 per 1,000 population. The rate for the first six 1938 months -- 10.8 -- represents a decrease of 8.5 per cent under last year. Every State from which these preliminary data are available -- 42 States, the District of Columbia, Alaska, and Hawaii -- reported a lower rate than for 1937.

Although this decrease in the mortality rate is reflected in nearly all of the important causes of death, about 60 per cent is accounted for by the decreased prevalence of influenza and pneumonia, especially during the first three months of the year. The death rate from influenza for the first half of 1938 is only one-third of that for 1937; from pneumonia, only three-fourths of the rate for the corresponding period last year.

Another outstanding feature of the mortality record for the first six months of this year was the wide-spread decline in infant mortality. Only five States reported a rate higher than that for last year; the current rate is nearly 9 per cent less than for 1937. The birth rate, too, for 1938 has continued slightly above that for the past year. This increase combined with a lower death rate, has resulted in a crude rate of natural increase of 6.0 per 100,000 population compared with the corresponding rate of 4.3 for 1937.

The downward trend of the death rate from tuberculosis also continues. The current rate is 10 per cent less than the corresponding rate for 1937. It is possible that the rate for this year will drop below 50 per 100,000 for the first time.

The decline in maternal mortality has been even greater than that from tuberculosis. It stands at 4.4 per 100,000 live births--15 per cent less than that corresponding rate for 1937.

Wide-spread efforts to prevent traffic accidents are apparently achieving success. The mortality rate from automobile accidents for the half year is 20 per cent less than the rate for the similar period last year. Only four of the states, as a matter of fact, reported a higher rate than for 1937.

The only important cause of death for which the current rate is greater than that for 1937 is cancer. Here an increase of about 3 per cent is reported.

The serious outbreak of measles which occurred last winter continued into the second quarter of this year. As a result, the death rate, 4.5 per 100,000 population - is more than four times the corresponding rate of last year. Slight increases occurred also in the mortality rates from whooping cough, diarrhea, and enteritis in children under two years of age.

Lack of uniformity in the method of classifying deaths according to cause and the fact that a certain number of certificates were not filed in time to be included make it possible that these preliminary data may in some instances differ from the final figures subsequently published by the Bureau of the Census. Some deviation from the final figures for individual states is also to be expected because of the provisional nature of the information. It is believed, however, that the trend of mortality among the states is correctly represented.

Now Commanding Officer of the Coast Guard Air Patrol Detachment at Cape May, N. J., Lieut. Burke has engaged in a number of other aerial rescue missions ~~evin~~ evincing high qualities of seamanship and flying ability. ~~Outstanding~~ Outstanding among these, according to Coast Guard Headquarters, have been flights to the trawler WILD GOOSE, July 31, 1933; ~~Ocracoke Inlet, N. C., November 22, 1934,~~ to the S. S. ~~EMERSON~~ LEMUEL BURROWS, June 22, 1934; to the U. S. S. SALT LAKE CITY, July 9, 1934; to Ocracoke Inlet, N. C., November 22, 1934, and to the S. S. CORNELIA, March 24, 1935. In each instance Lieut. Burke and his crew brought back a person seriously injured or desperately ill.

Lieut. Burke was appointed a cadet in the Coast Guard on April 29, 1924, and, after serving ~~aboard~~ aboard a number of vessels and ^{at} various land stations, was detailed to duty at the Naval Air Station at Pensacola, Fla., in 1930. He was designated a Coast Guard aviator on June 12, 1931. He has set both speed and ~~altitude~~ altitude records for service craft.

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For immediate release

Secretary Morgenthau will confer the Distinguished Flying Cross upon Lieut. L. R. Burke, United States Coast Guard, at 11:45 o'clock tomorrow morning in the Office of the Secretary, Coast Guard Headquarters announced today.

Third of the Service's aviators to be so honored, Lieut. Burke was selected for the award by the Permanent Board of the Coast Guard in recognition of a flight ~~through~~ 120 miles to sea through fog and rain to rescue a severely injured seaman, whose life was saved by prompt hospitalization.

Able to proceed only on radio bearings because of the adverse weather, Lieut. Burke ^{on June 13, 1933,} flew the seaplane ADHARA from the Coast Guard Air Station at Gloucester, Mass., to the fishing trawler SHAWMUT. Heavy swells about the vessel made the landing and takeoff exceedingly perilous, according to the citation for the award, but the pilot made his way back to Boston ^{airport,} ~~where~~ the United States Marine where a waiting ambulance carried the seaman to ~~the~~ Hospital.

~~Now Commanding Officer of the Coast Guard Air Patrol Detachment at Cape May, N. J., Lieut. Burke ~~has~~ piloted planes in ~~fixes subsequent~~ a number of other successful ~~in~~ aerial rescue missions, of which Coast Guard~~

TREASURY DEPARTMENT

Washington

FOR IMMEDIATE RELEASE,
Thursday, October 13, 1938.

Press Service
No. 14-93

Secretary Morgenthau will confer the Distinguished Flying Cross upon Lieutenant R. L. Burke, United States Coast Guard, at 11:45 o'clock tomorrow morning in the Office of the Secretary, Coast Guard Headquarters announced today.

Third of the Service's aviators to be so honored, Lieutenant Burke was selected for the award by the Permanent Board of the Coast Guard in recognition of a flight 130 miles to sea through fog and rain to rescue a severely injured seaman, whose life was saved by prompt hospitalization.

Able to proceed only on radio bearings because of the adverse weather, Lieutenant Burke on June 13, 1933, flew the seaplane ADHARA from the Coast Guard Air Station at Gloucester, Mass., to the fishing trawler SHAWMUT. Heavy swells about the vessel made the landing and takeoff exceedingly perilous, according to the citation for the award, but the pilot made his way back to Boston airport, where a waiting ambulance carried the seaman to the United States Marine Hospital.

Now Commanding Officer of the Coast Guard Air Patrol Detachment at Cape May, N.J., Lieutenant Burke has engaged in a number of other aerial rescue missions evincing high qualities of seamanship and flying ability. Outstanding among these, according to Coast Guard Headquarters, have been flights to the trawler WILD GOOSE, July 31, 1933; to the S.S. LEMUEL BURROWS, June 22, 1934; to the U.S.S. SALT LAKE CITY, July 9, 1934; to Ocracoke Inlet, N.C., November 22, 1934, and to the S.S. CORNELIA, March 24, 1935. In each instance Lieutenant Burke and his crew brought back a person seriously injured or desperately ill.

Lieutenant Burke was appointed a cadet in the Coast Guard on April 29, 1924, and, after serving aboard a number of vessels and at various land stations, was detailed to duty at the Naval Air Station at Pensacola, Fla., in 1930. He was designated a Coast Guard aviator on June 12, 1931. He has set both speed and altitude records for service craft.

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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 17, 1938, 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 19, 1938.

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. (Attention is invited to Treasury Decision 4550, ruling that Treasury bills are not exempt from the gift tax.) 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.

~~Single issue date~~
~~Single maturity date~~

~~PRESS STATEMENT WALPWAH~~

~~Exhibit No. 11~~

TREASURY DEPARTMENT

FOR RELEASE, MORNING PAPERS,
Friday, October 14, 1938.

~~(1)~~

~~STATEMENT BY~~ ~~XXXXXXXXXXXXXXXXXXXX~~

~~(2)~~

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, October 17, 1938. Tenders will not be received at the Treasury Department, Washington.

The Treasury bills will be dated October 19, 1938, and will mature on January 18, 1939, 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

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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
U. S. Coast Guard

For Friday am's

First Class Seaman Rudolph Jones, United States Coast Guard, will receive the Pershing Gold Medal for individual honors in the 1938 National Rifle Matches at 10 o'clock this morning, it was announced today. The presentation will be made at Coast Guard Headquarters, 1512 H Street, by the Commandant, Rear Admiral R. R. Weesche.

First representative of the United States Coast Guard to capture the award since it was established by General Pershing at the Inter-Allied Games in Paris in 1919, Seaman Jones registered high among 1,250 contestants at Camp Perry, Ohio, with a score of 287. Following the ~~at~~^P Paris games, General Pershing tendered similar trophies and medals for team and individual champions in the National Rifle Matches.

Secretary of the Treasury Morgenthau has transmitted a letter of commendation to Seaman Jones and, acting for General Pershing, Assistant Secretary of War Johnson has similarly commended him for his marksmanship in this year's competition.

Seaman Jones was born October 5, 1910, in Camden county, North Carolina. He enlisted in the Coast Guard on August 14, 1929, and has served aboard various vessels in the Service. He is now attached to the Coast Guard Depot at Curtis Bay, Maryland.

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TREASURY DEPARTMENT
U. S. Coast Guard
Washington

FOR RELEASE, MORNING NEWSPAPERS,
Friday, October 14, 1938.
10/13/38.

Press Service
No. 14-94

First Class Seaman Rudolph Jones, United States Coast Guard, will receive the Pershing Gold Medal for individual honors in the 1938 National Rifle Matches at 10 o'clock this morning, it was announced today. The presentation will be made at Coast Guard Headquarters, 1512 H Street, by the Commandant, Rear Admiral R. R. Waesche.

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(four)

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This discussion will be conducted from the standpoint of the private laboratory director by Dr. Frederick H. Lamb, of Davenport, Iowa. The Health Officer's view will be presented by Dr. A. Wadsworth, State Department of Health, Albany, N.Y.

A separate committee will draft recommendations for each of the four sections for presentation to the assembly. The chairmen of the committees will be Doctors Walter M. Simpson, of Dayton, O.; Arthur H. Sanford, of Rochester, Minn.; F.E. Senear, of Chicago, Ill.; and H.H. Hazen, professor of Dermatology and Syphilology, of Howard University, Washington, D.C.

The Hot Springs conference resulted from representations of various groups to the Public Health Service, calling attention to the Potential value of the discussions. (more) -o-

(three)---

(2) ~~the~~ Discussion of the need for training of laboratory personnel. The qualifications and training for both laboratory directors and technicians will be presented in separate papers.

(3) ~~the~~ Prosecution of studies to evaluate the performance of serologic tests within the states, ~~will be the subject of discussion at this session,~~ the question for consideration being whether this should be made the ^{responsibility} ~~subject~~ of the state or local municipal department^s of health. Actual experience with ^{these} ~~such~~ studies in the States of Maryland and New Jersey and in the City of Cleveland will be described.

(4)---- ^{Consideration of} The Desirability of licensing or approving the performance of serodiagnostic tests for syphilis laboratories within the states by the respective state departments of health, ~~will be considered.~~
(more)-o-

(two)---

The ~~aims and purposes~~ of the assembly will be consideration of ~~the~~ methods to improve and to make more generally available the serologic tests regarded by the Public Health Service as essential in syphilis control work. Tentative arrangements call for the presentation of the program in four sections as follows:

(1) ~~A~~ Consideration of the need for adherence to conventional technic in the routine performance of reliable serodiagnostic tests. Papers will be ~~there~~ presented by Doctors Harry Eagle, William A. Hinton, Reuben Kahn, Benjamin Kline and John H. Kolmer. Later in ^p social sessions each of the specialists will conduct an actual demonstration of the test procedure he originated.

(more) -o-

TREASURY DEPARTMENT
United States Public Health Service
Washington.

14-95

For Sunday axis

Important developments ~~relative~~ ⁱⁿ to the diagnosis, ~~control and~~ ^{and control} treatment of syphilis ~~= a national health~~ campaign ~~supported by~~ ^{supported by} millions of dollars of federal funds ~~will be outlined~~ ^{Friday and Saturday} at the Assembly of Laboratory Directors and Serologists, ~~to be held~~ at Hot Springs National Park, Ark., ~~October 21 and 22~~ ^{October 21 and 22} Surgeon General Thomas Parran announced today.

Some of the leading national authorities on the subject will gather for the purpose of intensifying the campaign of the United States Public Health Service, with the cooperation of the ~~American Society of Clinical Pathologists and other~~ public and private ~~medical~~ ^{physicians.} ~~scientists.~~ Dr. Parran will act as chairman.

(more)-o-

TREASURY DEPARTMENT
U. S. Public Health Service
Washington

FOR RELEASE, MORNING NEWSPAPERS,
Sunday, October 16, 1938.
10-14-38

Press Service
No. 14-95

Important developments in the diagnosis, treatment and control of syphilis will be outlined Friday and Saturday at the Assembly of Laboratory Directors and Serologists, at Hot Springs National Park, Arkansas, Surgeon General Thomas Parran announced today.

Some of the leading national authorities on the subject will gather for the purpose of intensifying the campaign of the United States Public Health Service, with the cooperation of public and private physicians. Dr. Parran will act as chairman.

The aim of the assembly will be consideration of methods to improve and to make more generally available the serologic tests regarded by the Public Health Service as essential in syphilis control work. Tentative arrangements call for the presentation of the program in four sections as follows:

(1) Consideration of the need for adherence to conventional technic in the routine performance of reliable serodiagnostic tests. Papers will be presented by Doctors Harry Eagle, William A. Hinton, Reuben Kahn, Benjamin Kline and John H. Kolmer. Later in special sessions each of the specialists will conduct an actual demonstration of the test procedure he originated.

(2) Discussion of the need for training of laboratory personnel. The qualifications and training for both laboratory directors and technicians will be presented in separate papers.

(3) Prosecution of studies to evaluate the performance of serologic tests within the States, the question for consideration being whether this should be made the responsibility of the State or municipal departments of

health. Actual experience with these studies in the States of Maryland and New Jersey and in the City of Cleveland will be described.

(4) Consideration of the desirability of licensing or approving the performance of serodiagnostic tests for syphilis laboratories within the States by the respective State departments of health. This discussion will be conducted from the standpoint of the private laboratory director by Dr. Frederick H. Lamb of Davenport, Iowa. The health officer's view will be presented by Dr. A. Wadsworth, State Department of Health, Albany, N. Y.

A separate committee will draft recommendations for each of the four sections for presentation to the assembly. The chairmen of the committees will be Doctors Walter M. Simpson of Dayton, Ohio; Arthur H. Sanford of Rochester, Minnesota; F. E. Seneor of Chicago, Illinois; and H. H. Hazen, Professor of Dermatology and Syphilology, of Howard University, Washington, D.C.

The Hot Springs conference resulted from representations of various groups to the Public Health Service, calling attention to the potential value of the discussions.

Sensing the need for reliable "serologic blood tests," which become positive within two or three weeks after the onset of primary syphilis, and remain so in the majority of untreated patients throughout the course of the disease, the American Society of Clinical Pathologists sought cooperation of the Public Health Service. A committee on evaluation of serodiagnostic tests for syphilis, consisting of two syphilologists, two clinical pathologists, and officers of the Public Health Service, was appointed by Surgeon General Parran to consider the problem.

~~On the fourth anniversary of the creation of the Section of Painting and Sculpture in the Procurement Division of the Treasury Department, Secretary Morgenthau today announced that the work of the Section would be continued as a permanent activity of the Government.~~

Secretary Morgenthau today announced the creation of the Section of Fine Arts in the Procurement Division of the Treasury Department as a permanent activity of the Government. The new Section succeeds to the work of the Section of Painting and Sculpture of the Procurement Division, which is charged with responsibility for the art decoration of all Federal buildings.

The renaming of the Section and the announcement of its permanent ~~status~~ ~~of the Treasury~~ come on the fourth anniversary of the creation of the Section of Painting and Sculpture by order of the Director of Procurement, approved by the Secretary of the Treasury.

The order renaming and establishing the new status of the Section follows:

The action is evidence of the belief of both the Director and the Secretary that the work pursued and the methods employed by the Section have made so substantial a contribution to the development of native art that they constitute a sound basis for permanent governmental activity in this field.

TREASURY DEPARTMENT

Washington

FOR RELEASE, MORNING NEWSPAPERS,
Monday, October 17, 1938.

10-14-38

Press Service

No. 14-96

Secretary Morgenthau today announced the creation of the Section of Fine Arts in the Procurement Division of the Treasury Department as a permanent activity of the Government. The new Section succeeds to the work of the Section of Painting and Sculpture of the Procurement Division, which is charged with responsibility for the art decoration of all Federal buildings.

The renaming of the Section and the announcement of its permanency come on the fourth anniversary of the creation of the Section of Painting and Sculpture by order of the Director of Procurement, approved by the Secretary of the Treasury. The action is evidence of the belief of both the Secretary and the Director that the work pursued and the methods employed by the Section have made so substantial a contribution to the development of native art that they constitute a sound basis for permanent governmental activity in this field.

The order renaming and establishing the new status of the Section follows:

TREASURY DEPARTMENT

Procurement Division

October 13, 1938.

ORDER

On October 16, 1934, an Order was approved and issued setting up a "Painting and Sculpture Section" in the Procurement Division. The general objectives of the Order were defined as follows:

- (1) To secure suitable art of the best quality available for the embellishment of public buildings.
- (2) To carry out this work in such a way as will assist in stimulating, as far as practicable, development of art in this country and reward what is regarded as the outstanding talent which develops.
- (3) So far as consistent with a high standard of art, to employ local talent.
- (4) To endeavor to secure the cooperation of people throughout the country interested in the arts and whose judgment in connection with art has the respect of the Section in selecting artists for the work to be done and criticism and advice as to their production.
- (5) In carrying out this work, to make every effort to afford an opportunity to all artists on the sole test of their qualifications as artists and, accordingly, to encourage competitions wherever practicable recognizing the fact, however, that certain artists in the country, because of their recognized talent, are entitled to receive work without competition.

Attached hereto is a summary in figures of the work of the Section of Painting and Sculpture during the past four years. The figures, however, while they furnish an idea of the amount of work done and the number of artists benefited by the Section of Painting and Sculpture, only remotely indicate the importance of the work.

The general objectives of the Order of October 16, 1934, have been realized beyond our most optimistic expectations. A series of mural paintings and of sculptures in the round and in relief have been installed in Federal buildings in more than three hundred different communities. The average quality of this work is high, the cost low. (1% of the building).

Setting out to stimulate the development of art in this country and to reward outstanding talent on the basis of quality alone, the results achieved

are remarkable. Painters and sculptors of established position have out-done themselves in this work and many distinguished talents hitherto unknown to the public have been brought out by our system of anonymous competitions.

It was our purpose as stated "to secure the cooperation of people throughout the country interested in the arts." Looking back over the accomplishments of the Section of Painting and Sculpture we are able to say that in the hundreds of communities in which our work is set up we have received wise and enthusiastic cooperation.

To the principle that the decoration of Federal buildings should be given to artists "on the sole test of their qualifications as artists" we have held strictly and successfully.

Therefore, in consideration of the verdict of the leading authorities in painting and sculpture that the objectives stated in the original Order establishing the Section of Painting and Sculpture have been attained and that the work accomplished in the past four years has proved to be a great material and spiritual enrichment to this country, the name "Section of Painting and Sculpture" is hereby changed to the name "Section of Fine Arts."

The Section of Fine Arts shall be a permanent Section of the Treasury Department and will continue and further extend the activities of its predecessor the Section of Painting and Sculpture.

(Signed) C. J. PEOPLES

Director of Procurement.

Approved: Oct. 13, 1938

(Signed) H. MORGENTHAU, JR.

Secretary of the Treasury.

SUMMARY OF WORK OF SECTION OF PAINTING AND SCULPTURE

OCTOBER 16, 1934, to OCTOBER 12, 1938

Number of competitions being conducted at the present time	17		
Number of competitions held	79		
Number of artists competing	4,824		
Number of sketches submitted	10,334		
Number of issues of Bulletin	17		
Number of artists contracts completed	375	Amount expended	\$537,154.93
Number of artists under contract	192	Amount obligated	364,135.00
Number of artists designing	134	Amount obligated	185,980.00

ments and those who meet at least certain minimum requirements. All ice cream manufacturers will be required to hold permits, which will be revoked if they fail to satisfy at least the minimum requirements.

The difference between the Grade A requirements and the minimum requirements is primarily that the latter limit themselves largely to the processing and freezing plants; whereas the Grade A requirements cover not only the processing plants but also the dairy farms from which these plants secure their ingredients. The new code will prescribe a minimum period of time during which all manufacturers will have an opportunity to prepare for the grading announcement, and before which no manufacturer will be permitted to advertise his grade, or "jump the gun". This will be done in order to give all manufacturers, large and small alike, a fair time in which to comply with the requirements.

The Advisory Board also reviewed the sanitary code on fresh fluid milk which the Public Health Service has been recommending since 1923, and which has during the intervening years been adopted by more than 800 American communities. Among the revisions recommended by the Board were additional safeguards for the control of automatic pasteurization, which has recently been coming into wide use, and a requirement that all Grade A pasteurized milk must hereafter be covered with hood caps,—that is, the caps must cover the pouring lip of the bottle and thus remove the chance of contamination by the fingers of the milk drivers or the tongues of cats and dogs. The Advisory Board also recommended that after a reasonable period of preparation, all Grade A raw milk be required to be produced from abortion tested herds so as to reduce the menace of undulant fever.

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TREASURY DEPARTMENT
U. S. Public Health Service
Washington

14-97

For Immediate Release.

Monday Press

Decisions reached at the 7th annual meeting of the Milk Sanitation Advisory Board to the United States Public Health Service were reported to the Surgeon General today by Leslie C. Frank, Senior Sanitary Engineer, and secretary of the Board. The Board, composed of 16 members appointed by the Surgeon General and representing State health departments, the milk industry, the United States Department of Agriculture, and the United States Public Health Service, meets each year to consider proposed amendments to the United States Public Health Standard Milk Ordinance.

The Board considered proposals for the setting up of standards for paper milk bottles and ~~to consider~~ *decided to survey* the problem at its next ~~annual~~ meeting. During the coming year the latest developments in the waterproofing of paper bottles will be studied and recommendations will be made to the Board when it meets in 1939.

"In the meantime," said Mr. Frank, "the Public Health Service will continue to advise local health authorities that each city will be justified in maintaining its status quo relative to the approval or disapproval of the use of paper milk bottles."

Another important problem debated last week by the Board was an advisory sanitary code for ice cream and other frozen products. Such a code was finally approved by the Board after three day's study of a tentative draft which had previously been prepared by the Public Health Service. The new code suggested for local adoption provides that all ice cream manufacturers are to be divided into two classes: those who meet Grade A require-

TREASURY DEPARTMENT
U. S. Public Health Service
Washington

FOR RELEASE, AFTERNOON NEWSPAPERS,
Monday, October 17, 1938.
10-15-38

Press Service
No. 14-97

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COMMISSIONER OF
ACCOUNTS AND DEPOSITS

TREASURY DEPARTMENT

OFFICE OF THE SECRETARY

WASHINGTON

October 7, 1938

TO MR. GASTON:

During the month of September, 1938, the following market transactions took place in Government securities:

Total sales	\$	None
Total purchases		38,481,000
		<hr/>
Net purchases		\$38,481,000
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McCallister

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TREASURY DEPARTMENT

Washington

FOR IMMEDIATE RELEASE,
Saturday, October 15, 1938.

Press Service
No. 14-98

Market transactions in Government securities for Treasury investment accounts in September, 1938, resulted in net purchases of \$38,481,000, Secretary Morgenthau announced today.

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IMPORTS OF DISTILLED LIQUORS AND WINES AND DUTIES COLLECTED THEREON - JULY 1939

	July 1939	June 1939	July 1938	7 Mos. (Jan.--July) 1939 1938	
DISTILLED LIQUORS (Proof Gallons):					
Stock in Customs Bonded Ware- houses at beginning	4,137,878	4,122,943	3,493,666	4,214,134	3,709,510
Total Imports (Free and Dutiable)	759,413	789,195	724,066	5,287,500	5,727,069
Available for Consumption	4,897,291	4,912,138	4,217,732	9,501,634	9,436,579
Entered into Consumption (a)	630,102	769,396	742,291	5,180,395	5,924,165
Exported from Customs Custody	1,875	4,864	8,996	55,925	45,899
Stock in Customs Bonded Ware- houses at end	4,265,314	4,137,878	3,466,515	4,265,314	3,466,515
STILL WINES (Liquid Gallons):					
Stock in Customs Bonded Ware- houses at beginning	1,151,292	1,101,341	1,320,709	1,121,505	1,430,547
Total Imports (Free and Dutiable)	237,157	256,275	133,443	1,747,322	1,297,613
Available for Consumption	1,388,449	1,357,616	1,454,152	2,868,827	2,728,160
Entered into Consumption (a)	153,116	206,282	148,283	1,629,207	1,412,169
Exported from Customs Custody	215	42	7	4,502	10,125
Stock in Customs Bonded Ware- houses at end	1,235,118	1,151,292	1,305,866	1,235,118	1,305,866
SPARKLING WINES (Liquid Gallons):					
Stock in Customs Bonded Ware- houses at beginning	321,014	306,297	294,136	257,942	271,133
Total Imports (Free and Dutiable)	31,512	50,320	17,443	255,417	172,125
Available for Consumption	352,526	356,617	311,579	513,359	443,258
Entered into Consumption (a)	20,249	35,555	18,153	180,701	148,401
Exported from Customs Custody	24	48	-	405	1,431
Stock in Customs Bonded Ware- houses at end	332,253	321,014	293,426	332,253	293,426
DUTIES COLLECTED ON:					
Distilled Liquors	\$ 1,555,592	\$ 1,906,846	\$ 1,822,574	\$ 12,839,457	\$ 14,607,297
Still Wines	126,391	170,454	125,800	1,419,244	1,227,513
Sparkling Wines	60,381	105,966	53,814	540,303	437,892
Total Duties Collected on Liquor	\$ 1,742,364	\$ 2,183,266	\$ 2,002,188	\$ 14,799,004	\$ 16,272,702
Total Duties Collected on Other Commodities	25,785,518	22,333,700	21,098,808	165,946,349	152,247,106
TOTAL DUTIES COLLECTED	\$25,527,682	\$24,516,966	\$23,100,996	\$180,745,353	\$168,519,808
Percent collected on Liquor	6.8%	8.9%	8.7%	8.2%	9.7%

(a) Including withdrawals for ship supplies and diplomatic use.

(prepared by Division of Statistics and Research, Bureau of Customs)

OFFICE OF THE COMMISSIONER OF CUSTOMS

Sta.

September 12, 1939.

TO MR. DUFFIELD

FROM THE ACTING COMMISSIONER OF CUSTOMS:

There is transmitted herewith a statement showing imports of distilled liquors and wines, and duties collected thereon, covering the month of July 1939, with comparative figures for the months of July 1938 and June 1939, and the first seven months of the calendar years 1938 and 1939, which may be suitable for press release.

W. R. Johnson

Enclosure.

TREASURY DEPARTMENT
Washington

FOR RELEASE, MORNING NEWSPAPERS,
Tuesday, October 18, 1938.
10-17-38

Press Service
No. 14-99

Commissioner of Customs James H. Moyle today issued the following statement showing imports of distilled liquors and wines, and duties collected thereon, covering the month of August, 1938, with comparative figures for the months of August, 1937 and July, 1938, and the first eight months of the calendar years 1937 and 1938:

	August 1938	July 1938	August 1937	8 Mos. (Jan.-Aug.) 1938 1937	
DISTILLED LIQUORS					
(Proof Gallons)					
Stock in Customs Bonded Warehouses at beginning	3,466,515	3,493,666	3,869,246	3,709,510	3,426,042
Total Imports (Free and Dutiable)	630,482	724,066	1,024,942	6,357,551	9,699,017
Available for Consumption	4,096,997	4,217,732	4,894,188	10,067,061	13,125,059
Entered into Consumption (a)	640,181	742,291	1,016,167	6,564,346	9,222,938
Stock in Customs Bonded Warehouses at end	3,456,732	3,466,515	3,870,882	3,456,732	3,814,869
STILL WINES					
(Liquid Gallons)					
Stock in Customs Bonded Warehouses at beginning	1,305,866	1,320,709	1,335,965	1,430,547	1,085,347
Total Imports (Free and Dutiable)	161,726	133,443	246,874	1,459,339	2,173,055
Available for Consumption	1,467,592	1,454,152	1,582,839	2,889,886	3,258,402
Entered into Consumption (a)	145,258	148,283	160,988	1,557,427	1,828,468
Stock in Customs Bonded Warehouses at end	1,319,640	1,305,866	1,421,838	1,319,640	1,425,304
SPARKLING WINES					
(Liquid Gallons)					
Stock in Customs Bonded Warehouses at beginning	293,426	294,136	217,490	271,133	137,455
Total Imports (Free and Dutiable)	12,844	17,443	45,552	184,969	318,693
Available for Consumption	306,270	311,579	263,042	456,102	456,148
Entered into Consumption (a)	16,368	18,153	35,114	164,769	233,692
Stock in Customs Bonded Warehouses at end	289,902	293,426	227,871	289,902	222,066
DUTIES COLLECTED ON:					
Distilled Liquors	\$ 1,569,694	\$ 1,822,574	\$2,474,633	\$16,177,464	\$22,474,318
Still Wines	120,942	125,800	139,487	1,348,317	1,621,030
Sparkling Wines	48,915	53,814	105,054	486,807	689,979
Total Duties Collected on Liquors	\$ 1,739,551	\$ 2,002,188	\$2,719,174	\$18,012,588	\$24,785,327

(a) Including withdrawals for ship supplies and diplomatic use.