U.S. Treasury Dept.

Press Releases

Press
Releases

S-2069
S-2153

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Aug. 2 - 1949
Oct - 31 - 1949

S-2069

RELEASE MORNING NEWSPAPERS,
Tuesday, August 2, 1949.

The Secretary of the Treasury announced last evening that the tenders for $1,000,000,000, or thereabouts, of 91-day Treasury bills to be dated August 4 and to mature November 3, 1949, 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 - $1,391,380,000
Total accepted - 1,000,432,000 (includes $76,911,000 entered on a noncompetitive basis and accepted in full at the average price shown below)
Average price - 99.739 Equivalent rate of discount approx. 1.032% per annum

Range of accepted competitive bids:

High - 99.751 Equivalent rate of discount approx. .985% per annum
Low - 99.735 " " " " " 1.048% " "

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

Federal Reserve District	Total Applied for	Total Accepted
Boston	$ 17,769,000	$ 17,769,000
New York	1,031,915,000	690,665,000
Philadelphia	23,688,000	13,988,000
Cleveland	21,002,000	20,062,000
Richmond	7,140,000	7,140,000
Atlanta	11,384,000	11,384,000
Chicago	137,847,000	112,337,000
St. Louis	8,290,000	8,290,000
Minneapolis	3,385,000	3,385,000
Kansas City	30,168,000	30,168,000
Dallas	22,990,000	22,602,000
San Francisco	75,802,000	62,642,000
Total	$1,391,380,000	$1,000,432,000

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TREASURY DEPARTMENT

Information Service WASHINGTON, D.C.

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purposes of taxation the amount of discount at which Treasury bills are originally sold by the United States shall be considered to be interest. Under Sections 42 and 117 (a) (1) of the Internal Revenue Code, as amended by Section 115 of the Revenue Act of 1941, the amount of discount at which bills issued hereunder are sold shall not be considered to accrue until such bills shall be sold, redeemed or otherwise disposed of, and such bills are excluded from consideration as capital assets. Accordingly, the owner of Treasury bills (other than life insurance companies) issued hereunder need include in his income tax return only the difference between the price paid for such bills, whether on original issue or on subsequent purchase, and the amount actually received either upon sale or redemption at maturity during the taxable year for which the return is made, as ordinary gain or loss.

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.

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, tenders will be opened at the Federal Reserve Banks and Branches, following which public announcement will be made by the Secretary of the Treasury of the amount and price range of accepted bids. Those submitting tenders will be advised of the acceptance or rejection thereof. The Secretary of the Treasury expressly reserves the right to accept or reject any or all tenders, in whole or in part, and his action in any such respect shall be final. Subject to these reservations, non-competitive tenders for $200,000 or less without stated price from any one bidder will be accepted in full at the average price (in three decimals) of accepted competitive bids. Settlement for accepted tenders in accordance with the bids must be made or completed at the Federal Reserve Bank on August 11, 1949, in cash or other immediately available funds or in a like face amount of Treasury bills maturing August 11, 1949. Cash and exchange tenders will receive equal treatment. Cash adjustments will be made for differences between the par value of maturing bills accepted in exchange and the issue price of the new bills.

The income derived from Treasury bills, whether interest or gain from the sale or other disposition of the bills, shall not have any exemption, as such, and loss from the sale or other disposition of Treasury bills shall not have any special treatment, as such, under the Internal Revenue Code, or laws amendatory or supplementary thereto. The bills shall be subject to estate, inheritance, gift or other excise taxes, whether Federal or State, but shall be exempt from all taxation now or hereafter imposed on the principal or interest thereof by any State, or any of the possessions of the United States, or by any local taxing authority. For

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TREASURY DEPARTMENT
Washington

S-2070

FOR RELEASE, MORNING NEWSPAPERS,
Friday, August 5, 1949.

The Secretary of the Treasury, by this public notice, invites tenders for $1,000,000,000, or thereabouts, of 91 -day Treasury bills, for cash and in exchange for Treasury bills maturing August 11, 1949, to be issued on a discount basis under competitive and non-competitive bidding as hereinafter provided. The bills of this series will be dated August 11, 1949, and will mature November 10, 1949, when the face amount will be payable without interest. They will be issued in bearer form only, and in denominations of $1,000, $5,000, $10,000, $100,000, $500,000, and $1,000,000 (maturity value).

Tenders will be received at Federal Reserve Banks and Branches up to the closing hour, two o'clock p.m., Eastern Daylight Saving/~~Standard~~ time, Monday, August 8, 1949. Tenders will not be received at the Treasury Department, Washington. Each tender must be for an even multiple of $1,000, and in the case of competitive tenders the price offered must be expressed on the basis of 100, with not more than three decimals, e. g., 99.925. Fractions may not be used. It is urged that tenders be made on the printed forms and forwarded in the special envelopes which will be supplied by Federal Reserve Banks or Branches on application therefor.

Tenders will be received without deposit from incorporated banks and trust companies and from responsible and recognized dealers in investment securities. Tenders from others must be accompanied by payment of 2 percent of the face

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essential that the authority of the Export-Import Bank be flexible and broad for only through careful study and experience can the full potentialities of guaranties be realized. Questions arising out of the actual administration of the program will have to be worked out gradually by the Export-Import Bank in consultation with the National Advisory Council.

if the situation seems to warrant it.

Before concluding I should like to emphasize the experimental nature of this guaranty program. Since there has been almost no experience with programs of this kind, it is impossible to anticipate at this time the type of risks which should be covered, the effectiveness of guaranties in stimulating investments, or the possibility of loss to the United States under the program. It is, therefore, amounts received in connection with the foreign investment, into United States dollars, (2) the expropriation of the investors' property by a foreign government without prompt and adequate compensation and (3) physical destruction of property incident to international war. Guaranties may perhaps be issued against the non-convertibility of local currencies to begin with and later be extended to cover other risks investors through the issuance of guaranties with respect to private United States investments abroad. This is the particular point to which S. 2197 is addressed. This proposed legislation would authorize the Export-Import Bank to guaranty United States private capital invested abroad against the risks peculiar to foreign investment. These risks might include (1) the inability to convert earnings in foreign currencies, or other

The United States Government can contribute to the removal of these obstacles by making a special effort to negotiate treaties designed to provide the assurances necessary to induce our investors to send their capital abroad. The negotiation of such treaties is of very great importance to the stimulation of the flow of private capital.

This Government can also help by supplementing these assurances to resorting to the exercise of that right becomes subject to an equally strong obligation to make satisfactory compensation. Foreign capital is not going to be invested freely and productively in countries where it will be in jeopardy. Accordingly, some acceptable means of compensating those whose property is expropriated must be provided if the underdeveloped countries are to obtain the capital which is required for their development remittance of the income from their investments.

Still another deterrent to the flow of American capital abroad is the tendency of some countries to nationalize some of their industries, including those belonging to foreign investors. The United States Governmen considers that the right to nationalize property within any country's borders is inherent in sovereignty but that the country dollar proceeds to their own country. This problem arises from the existence of exchange stringencies and exchange controls under conditions which make it difficult for countries to obtain all of the dollar exchange required for their needs. But, while recognizing the seriousness of this problem in many countries, private investors need the assurance that only the essential needs of a country will receive higher priority than the deterrent to prospective investors. At the same time it is recognized that our investors must afford reasonable opportunities for foreigners to participate in the management and control of their enterprises abroad.

Another very important consideration to persons making foreign investments is the right to convert the income from their investments into dollars and to transfer an appropriate share of the recognize the right of any country to institute necessary security measures, foreign governments must recognize that the right to do business in their countries on reasonable terms, including the right to control and manage one's investment, is very important to our potential investors. Legislation in foreign countries requiring that local citizens shall hold a majority of the common stock will, in general, be a significant such obstacles should be attacked both by foreign countries and by the United States. Foreign countries must, however, accept the major responsibility for clearing the existing obstruction to a broad and beneficial flow of private capital.

It is a commonplace that American private capital will flow abroad more freely and produce better results if it is encouraged than it will if it is coerced. Accordingly, although we

An additional deterrent to the investment of private capital abroad is the fear or threat of war.

As to the question of what can be done to increase the volume of investments and to distribute them more broadly, we must address ourselves primarily to the problems of eliminating the obstacles which stand in the way of the investment of American capital abroad. It is essential that the task of removing generated by the regrettable experience of some foreign countries with investments from abroad;

2. The growth of ideologies favoring state ownership and control of industry;

3. The existence of political instability and extreme nationalism; and

4. The prevalence of exchange controls stemming from economic difficulties.

foreign investments continue to exist. Investments that have been made in recent years were made largely in countries and in industries relatively free of such obstacles.

Obstacles to the investment of private capital abroad are most common in underdeveloped countries and spring from four chief causes which influence the action of foreign governments. These are:

1. The anti-foreign sentiment

geographically? and

What can be done to increase the volume of investments and broaden their distribution?

The answer to the first question relates to our own as well as to foreign conditions. An important point is the rather small difference between domestic and foreign yields on equity investments. Hence, there is little incentive to invest abroad particularly so long as formidable obstacles to industry -- petroleum. Although substantial in amount, these new investments do not therefore lead to well-rounded development. There is need for investments in other countries and in other industries.

The United States and the foreign countries seeking economic development are thus concerned with two related questions:

Why were not these investments greater in volume and better distributed new direct investments again became important, amounting to $100 million. Since that time these investments have increased rapidly, reaching $660 million in 1947 and $800 million in 1948. These latter totals exceeded the highest figures reached in the previous high years of the late 1920's, but the investments were concentrated geographically in Venezuela, the Near East, and Canada and, to a significant extent, in only one only a few offerings of foreign securities in the United States. The foreign lending that has taken place has been principally intergovernmental.

Direct investments continued to be made although the net outflow of United States capital for that purpose was also greatly reduced during the thirties. During World War II, withdrawals of capital from such investments abroad exceeded new capital put in. In 1945, however, also made in substantial volume. The depression of the early thirties and the defaults on foreign bonds which occurred at that time put a sudden stop to foreign lending through public flotations. These defaults, some of which have still not been cleared, led to a widespread distrust of the credit worthiness of foreign countries even of those whose record of payment continued good. For this and other reasons, there have been since 1930 as 1900, especially in mining enterprises in Latin America and Canada, but also in manufacturing plants in Canada and Europe. During and after World War I, American investments abroad assumed large proportions, particularly in the form of the public flotation of foreign bonds in this country. Throughout this period direct investments -- that is investments which involve a measure of control of enterprises abroad -- wer investments in the other fields. These facilitating investments in the public sphere are of the type normally expected to be financed through the public sale of local government obligations or through such institutions as the International Bank for Reconstruction and Development and the Export-Import Bank.

Investing abroad is not a new activity for investors in this country. It attained some prominence as early the manufacturing, and in the extractive and service fields of endeavor with private enterprise also having an important place in many public utility developments. Other fields, such as highway construction, irrigation and conservation projects, on the other hand, are predominantly public rather than private. In some instances public investments in these fields are desirable to facilitate private heavy demands on the foreign exchange resources of the debtor countries.

It is the policy of this Government that foreign investment for desirable purposes should be undertaken through private channels insofar as possible. This policy has particular merit in connection with economic development because investment by private enterprise carries some of its own technical assistance in the form of industrial know-how. This is notably true in cannot assume the major role in financing the program. Most of the capital for development must be provided from local sources by the foreign countries themselves. This is true even in underdeveloped countries not only because the larger part of the cost of any development program is for the purchase of local materials and the wages of labor, but also because capital obtained by borrowing abroad may result in unduly

I would like, therefore, to address myself to the particular financial considerations that make this legislation necessary.

Financial Aspects

The development of underdeveloped areas can be sound and lasting only if these areas use their own resources to the fullest advantage. On the financial side, outside capital can help to speed the process, but it before a country's standard of living can be improved. In the past few years investment has been proceeding at a very slow rate in many foreign countries because of numerous obstacles. Some of these obstacles can be removed only through action of the particular country concerned. Others, however, can be abrogated by action of the United States. This legislation is designed to carry out this action by the United States and

As you know this legislative proposal is designed to implement in part the Point IV Program the President proposed in his inaugural address. This program is intended to aid the efforts of underdeveloped areas of the world to increase their productivity and living standards.

The economic development is closely tied to the process of capital investment for it is essential that the means of production be available

I am happy to appear before your Committee today, as Chairman of the National Advisory Council, to testify on S. 2197 which would amend the Export-Import Bank Act of 1945 to vest in the Export-Import Bank the power to guaranty United States investments abroad. At the outset I should like to state that in my opinion the objectives of the proposed legislation are of the highest importance and I urge its enactment.

STATEMENT BY SECRETARY SNYDER

Before the

SENATE COMMITTEE ON BANKING AND CURRENCY

August 9, 1949

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TREASURY DEPARTMENT

Washington

Statement by Secretary Snyder Before the Senate Committee on Banking and Currency, August 9, 1949, Concerning Legislation to Authorize the Export-Import Bank to Guaranty United States Investments Abroad

S-2071

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Obstacles to the investment of private capital abroad are most common in underdeveloped countries and spring from four chief causes which influence the action of foreign governments. These are:

1. The anti-foreign sentiment generated by the regrettable experience of some foreign countries with investments from abroad;

2. The growth of ideologies favoring state ownership and control of industry;

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As to the question of what can be done to increase the volume of investments and to distribute them more broadly, we must address ourselves primarily to the problems of eliminating the obstacles which stand in the way of the investment of American capital abroad. It is essential that the task of removing such obstacles should be attacked both by foreign countries and by the United States. Foreign countries must, however, accept the major responsibility for clearing the existing obstruction to a broad and beneficial flow of private capital.

It is a commonplace that American private capital will flow abroad more freely and produce better results if it is encouraged than it will if it is coerced. Accordingly, although we recognize the right of any country to institute necessary security measures, foreign governments must recognize that the right to do business in their countries on reasonable terms, including the right to control and manage one's investment, is very important to our potential investors. Legislation in foreign countries requiring that local citizens shall hold a majority of the common stock will, in general, be a significant deterrent to prospective investors. At the same time it is recognized that our investors must afford reasonable opportunities for foreigners to participate in the management and control of their enterprises abroad.

Another very important consideration to persons making foreign investments is the right to convert the income from their investments into dollars and to transfer an appropriate share of the dollar proceeds to their own country. This problem arises from the existence of exchange stringencies and exchange controls under conditions which make it difficult for countries to obtain all of the dollar exchange required for their needs. But, while recognizing the seriousness of this problem in many countries, private investors need the assurance that only the essential needs of a country will receive higher priority than the remittance of the income from their investments.

Still another deterrent to the flow of American capital abroad is the tendency of some countries to nationalize some of their industries, including those belonging to foreign investors. The United States Government considers that the right to nationalize property within any country's borders is inherent in sovereignty but that the country resorting to the exercise of that right becomes subject to an equally strong obligation to make satisfactory compensation. Foreign capital is not going to be invested freely and productively in countries where it will be in jeopardy. Accordingly, some acceptable means of compensating those whose property is expropriated must be provided if the underdeveloped countries are to obtain the capital which is required for their development.

The United States Government can contribute to the removal of these obstacles by making a special effort to negotiate treaties designed to provide the assurances necessary to induce our investors to send their capital abroad. The negotiation of such treaties is of very great importance to the stimulation of the flow of private capital.

This Government can also help by supplementing these assurances to investors through the issuance of guaranties with respect to private United States investments abroad. This is the particular point to which S. 2197 is addressed. This proposed legislation would authorize the Export-Import Bank to guaranty United States private capital invested abroad against the risks peculiar to foreign investment. These risks might include (1) the inability to convert earnings in foreign currencies, or other amounts received in connection with the foreign investment, into United States dollars, (2) the expropriation of the investors' property by a foreign government without prompt and adequate compensation and (3) physical destruction of property incident to international war. Guaranties may perhaps be issued against the non-convertibility of local currencies to begin with and later be extended to cover other risks if the situation seems to warrant it.

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RELEASE MORNING NEWSPAPERS,
Tuesday, August 9, 1949.

S-2072

The Secretary of the Treasury announced last evening that the tenders for $1,000,000,000, or thereabouts, of 91-day Treasury bills to be dated August 11 and to mature November 10, 1949, 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 - $1,656,268,000
Total accepted - 1,001,542,000 (includes $94,617,000 entered on a non-competitive basis and accepted in full at the average price shown below)
Average price - 99.746 Equivalent rate of discount approx. 1.007% per annum

Range of accepted competitive bids:

High - 99.751 Equivalent rate of discount approx. 0.985% per annum
Low - 99.743 " " " " " 1.017% " "

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

Federal Reserve District		Total Applied for	Total Accepted
Boston		$ 20,145,000	$ 12,649,000
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Philadelphia		26,769,000	14,469,000
Cleveland		31,825,000	25,210,000
Richmond		9,098,000	7,348,000
Atlanta		19,204,000	14,054,000
Chicago		175,356,000	106,486,000
St. Louis		14,915,000	12,565,000
Minneapolis		5,775,000	5,025,000
Kansas City		38,209,000	25,034,000
Dallas		20,867,000	18,457,000
San Francisco		112,215,000	101,815,000
	Total	$1,656,268,000	$1,001,542,000

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TREASURY DEPARTMENT

Information Service WASHINGTON, D.C.

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Federal Reserve District	Total Applied for	Total Accepted
Boston	$ 20,145,000	$ 12,649,000
New York	1,181,890,000	658,430,000
Philadelphia	26,769,000	14,469,000
Cleveland	31,825,000	25,210,000
Richmond	9,098,000	7,348,000
Atlanta	19,204,000	14,054,000
Chicago	175,356,000	106,486,000
St. Louis	14,915,000	12,565,000
Minneapolis	5,775,000	5,025,000
Kansas City	38,209,000	25,034,000
Dallas	20,867,000	18,457,000
San Francisco	112,215,000	101,815,000
TOTAL	$1,656,268,000	$1,001,542,000

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~~TREASURY DEPARTMENT~~
~~Fiscal Service~~
~~Washington~~, August 9, 1949

STATUTORY DEBT LIMITATION

AS OF July 31, 1949

Section 21 of the Second Liberty Bond Act, as amended, provides that the face amount of obligations issued under authority of that Act, and the face amount of obligations guaranteed as to principal and interest by the United States (except such guaranteed obligations as may be held by the Secretary of the Treasury), "shall not exceed in the aggregate $275,000,000,000 outstanding at any one time. For purposes of this section the current redemption value of any obligation issued on a discount basis which is redeemable prior to maturity at the option of the holder shall be considered as its face amount."

The following table shows the face amount of obligations outstanding and the face amount which can still be issued under this limitation:

Total face amount that may be outstanding at any one time			$275,000,000,000
Outstanding			
Obligations issued under Second Liberty Bond Act, as amended			
Interest-bearing:			
Treasury bills	$ 11,530,550,000		
Certificates of indebtedness	29,246,053,000		
Treasury notes	9,300,994,900	$ 50,077,597,900	
Bonds -			
Treasury	110,425,522,550		
Savings (current redemp. value)	56,452,569,046		
Depositary	375,877,000		
Armed Forces Leave	384,869,575		
Investment series	953,990,000	168,592,828,171	
Special Funds -			
Certificates of indebtedness	17,504,563,000		
Treasury notes	15,544,542,000	33,049,105,000	
Total interest-bearing		251,719,531,071	
Matured, interest-ceased		232,920,473	
Bearing no interest:			
War savings stamps	51,196,176		
Excess profits tax refund bonds	4,691,157		
Special notes of the United States:			
Internat'l Bank for Reconst. and Development series	40,785,000		
Internat'l Monetary Fund series	1,063,000,000	1,159,672,333	
Total		253,112,123,877	
Guaranteed obligations (not held by Treasury):			
Interest-bearing:			
Debentures: F.H.A.	12,844,236		
Demand obligations: C.C.C.	9,352,994	22,197,230	
Matured, interest-ceased		3,315,575	
		25,512,805	
Grand total outstanding			253,137,636,682
Balance face amount of obligations issuable under above authority			21,862,363,318

Reconcilement with Statement of the Public Debt - July 31, 1949
(Daily Statement of the United States Treasury, - August 1, 1949)

Outstanding -	
Total gross public debt	253,876,874,766
Guaranteed obligations not owned by the Treasury	25,512,805
Total gross public debt and guaranteed obligations	253,902,387,571
Deduct - other outstanding public debt obligations not subject to debt limitation	764,750,889
	253,137,636,682

Ex 1-2073

Inf Service

STATUTORY DEBT LIMITATION
AS OF JULY 31, 1949

August 9, 1949

Section 21 of the Second Liberty Bond Act, as amended, provides that the face amount of obligations issued under authority of that Act, and the face amount of obligations guaranteed as to principal and interest by the United States (except such guaranteed obligations as may be held by the Secretary of the Treasury), "shall not exceed in the aggregate $275,000,000,000 outstanding at any one time. For purposes of this section the current redemption value of any obligation issued on a discount basis which is redeemable prior to maturity at the option of the holder shall be considered as its face amount."

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Obligations issued under Second Liberty Bond Act, as amended			
Interest-bearing			
Treasury bills..............	$ 11,530,550,000		
Certificates of indebtedness	29,246,053,000		
Treasury notes.............	9,300,994,900	$ 50,077,597,900	
Bonds			
Treasury..................	110,425,522,550		
Savings (current redemp.value)	56,452,569,046		
Depositary................	375,877,000		
Armed Forces Leave........	384,869,575		
Investment series.........	953,990,000	168,592,828,171	
Special Funds			
Certificates of indebtedness	17,504,563,000		
Treasury notes...........	15,544,542,000	33,049,105,000	
Total interest-bearing..................		251,719,531,071	
Matured, interest-ceased......................		232,920,473	
Bearing no interest:			
War savings stamps..........	51,196,176		
Excess profits tax refund bonds	4,691,157		
Special notes of the United States:			
Internat'l Bank for Reconst. and Development series......	40,785,000		
Internat'l Monetary Fund series	1,063,000,000	1,159,672,333	
Total..		253,112,123,877	
Guaranteed obligations (not held by Treasury):			
Interest-bearing:			
Debentures: F.H.A.	12,844,236		
Demand obligations: C.C.C. .	9,352,994	22,197,230	
Matured, interest-ceased.......................		3,315,575	
		25,512,805	
Grand total outstanding...........................			253,137,636,682
Balance face amount of obligations issuable under above authority...			21,862,363,318

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(Daily Statement of the United States Treasury, August 1, 1949)

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Deduct - other outstanding public debt obligations not subject to debt limitation..	764,750,889
	253,137,636,682

S-2073

S-2074

FOR IMMEDIATE RELEASE,
Wednesday, August ~~9~~ 10, 1949

The Bureau of Customs announced today preliminary figures showing the quantities of wheat and wheat flour entered, or withdrawn from warehouse, for consumption under the import quotas established in the President's proclamation of May 28, 1941, as modified by the President's proclamation~~s~~ of April 13, 1942, ~~and April 29, 1943~~, for the 12 months commencing May 29, 1949, as follows:

Country of Origin	Wheat: Established Quota	Wheat: Imports May 29, 1949, to July 30, 1949	Wheat flour, semolina, crushed or cracked wheat, and similar wheat products: Established Quota	Wheat flour, semolina, crushed or cracked wheat, and similar wheat products: Imports May 29, 1949, to July 30, 1949
	(Bushels)	(Bushels)	(Pounds)	(Pounds)
Canada	795,000	795,000	3,815,000	3,815,000
China	-	-	24,000	-
Hungary	-	-	13,000	-
Hong Kong	-	-	13,000	-
Japan	-	-	8,000	-
United Kingdom	100	-	75,000	-
Australia	-	-	1,000	-
Germany	100	-	5,000	-
Syria	100	-	5,000	-
New Zealand	-	-	1,000	-
Chile	-	-	1,000	-
Netherlands	100	-	1,000	-
Argentina	2,000	-	14,000	-
Italy	100	-	2,000	-
Cuba	-	-	12,000	-
France	1,000	-	1,000	-
Greece	-	-	1,000	-
Mexico	100	-	1,000	-
Panama	-	-	1,000	-
Uruguay	-	-	1,000	-
Poland and Danzig	-	-	1,000	-
Sweden	-	-	1,000	-
Yugoslavia	-	-	1,000	-
Norway	-	-	1,000	-
Canary Islands	-	-	1,000	-
Rumania	1,000	-	-	-
Guatemala	100	-	-	-
Brazil	100	-	-	-
Union of Soviet Socialist Republics	100	-	-	-
Belgium	100	-	-	-
	800,000	795,000	4,000,000	3,815,000

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TREASURY DEPARTMENT
Washington

IMMEDIATE RELEASE
Wednesday, August 10, 1949

S-2074

The Bureau of Customs announced today preliminary figures showing the quantities of wheat and wheat flour entered, or withdrawn from warehouse, for consumption under the import quotas established in the President's proclamation of May 28, 1941, as modified by the President's proclamation of April 13, 1942, for the 12 months commencing May 29, 1949, as follows:

Country of Origin	Wheat		Wheat flour, semolina, crushed or cracked wheat, and similar wheat products	
	Established Quota	Imports May 29, 1949, to July 30, 1949	Established Quota	Imports May 29, 1949, to July 30, 1949
	(Bushels)	(Bushels)	(Pounds)	(Pounds)
Canada	795,000	795,000	3,815,000	3,815,000
China	-	-	24,000	-
Hungary	-	-	13,000	-
Hong Kong	-	-	13,000	-
Japan	-	-	8,000	-
United Kingdom	100	-	75,000	-
Australia	-	-	1,000	-
Germany	100	-	5,000	-
Syria	100	-	5,000	-
New Zealand	-	-	1,000	-
Chile	-	-	1,000	-
Netherlands	100	-	1,000	-
Argentina	2,000	-	14,000	-
Italy	100	-	2,000	-
Cuba	-	-	12,000	-
France	1,000	-	1,000	-
Greece	-	-	1,000	-
Mexico	100	-	1,000	-
Panama	-	-	1,000	-
Uruguay	-	-	1,000	-
Poland and Danzig	-	-	1,000	-
Sweden	-	-	1,000	-
Yugoslavia	-	-	1,000	-
Norway	-	-	1,000	-
Canary Islands	-	-	1,000	-
Rumania	1,000	-	-	-
Guatemala	100	-	-	-
Brazil	100	-	-	-
Union of Soviet Socialist Republics	100	-	-	-
Belgium	100	-	-	-
	800,000	795,000	4,000,000	3,815,000

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Wednesday

S-2075

IMMEDIATE RELEASE
August ~~9~~ 10, 1949

The Bureau of Customs announced today preliminary figures showing the imports for consumption of commodities within quota limitations provided for under the General Agreements on Tariffs and Trade, from the beginning of the quota periods to July 30, 1949, inclusive, as follows:

Commodity	Period and Quantity		Unit of Quantity	Imports as of July 30, 1949
Whole milk, fresh or sour	Calendar year	3,000,000	Gallon	1,236
Cream, fresh or sour	Calendar year	1,500,000	Gallon	568
Butter	Quota ineffective for the period April through October			
Fish, fresh or frozen, filleted, etc., cod, haddock, hake, pollock, cusk, and rosefish	Calendar year	(1) 26,881,369	Pound	19,449,803
White or Irish Potatoes:				
certified seed	12 months from	150,000,000	Pound	Quota filled
other	Sept. 15, 1948	60,000,000	Pound	Quota filled
Walnuts	Calendar year	5,000,000	Pound	1,720,070

(1) The proviso to Item 717 (b) limits the imports for consumption at the quota rate to 20,161,026 pounds during the first nine months of the calendar year.

Due to a provision of the President's Proclamation No. 2769 of January 30, 1948, in which the entry of a specified quantity of Cuban filler tobacco, unstemmed or stemmed (other than cigarette leaf tobacco) and scrap tobacco, affects the rate of duty on such tobacco from countries other than Cuba, a record is maintained of imports from Cuba. 15,214,306 pounds of such Cuban tobacco were imported for consumption during the period January 1 to July 30, 1949, inclusive.

TREASURY DEPARTMENT
Washington

IMMEDIATE RELEASE
Wednesday, August 10, 1949

S-2075

The Bureau of Customs announced today preliminary figures showing the imports for consumption of commodities within quota limitations provided for under the General Agreements on Tariffs and Trade, from the beginning of the quota periods to July 30, 1949, inclusive, as follows:

Commodity	Period and Quantity		Unit of Quantity	Imports as of July 30, 1949
Whole milk, fresh or sour	Calendar year	3,000,000	Gallon	1,236
Cream, fresh or sour	Calendar year	1,500,000	Gallon	568
Butter	Quota ineffective for the period April through October			
Fish, fresh or frozen, filleted, etc., cod, haddock, hake, pollock, cusk, and rosefish	Calendar year	(1) 26,881,369	Pound	19,449,803
White or Irish Potatoes:				
certified seed	12 months from	150,000,000	Pound	Quota filled
other	Sept. 15, 1948	60,000,000	Pound	Quota filled
Walnuts	Calendar year	5,000,000	Pound	1,720,070

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Wednesday

S-2076

IMMEDIATE RELEASE
August ~~9~~, 1949
10

The Bureau of Customs announced today preliminary figures showing the imports for consumption of commodities on which quotas were prescribed by the Philippine Trade Act of 1946, from January 1, 1949, to July 30, 1949, inclusive, as follows:

Products of the Philippines	Established Quota Quantity	Unit of Quantity	Imports as of July 30, 1949
Buttons	850,000	Gross	269,975
Cigars	200,000,000	Number	256,280
Coconut Oil	448,000,000	Pound	55,982,918
Cordage	6,000,000	"	868,365
Rice	1,040,000	"	-
Sugars (refined			-
Sugars	1,904,000,000	Pound	
Sugars (unrefined			588,515,122 ~~866,120,311~~
Tobacco	6,500,000	"	327,556

TREASURY DEPARTMENT
Washington

IMMEDIATE RELEASE
Wednesday, August 10, 1949

S-2076

The Bureau of Customs announced today preliminary figures showing the imports for consumption of commodities on which quotas were prescribed by the Philippine Trade Act of 1946, from January 1, 1949, to July 30, 1949, inclusive, as follows:

Products of the Philippines	Established Quota Quantity	Unit of Quantity	Imports as of July 30, 1949
Buttons...............	850,000	Gross	269,975
Cigars................	200,000,000	Number	256,280
Coconut Oil...........	448,000,000	Pound	55,982,918
Cordage...............	6,000,000	"	868,365
Rice..................	1,040,000	"	-
Sugars (refined	1,904,000,000	Pound	-
Sugars (unrefined			888,515,122
Tobacco	6,500,000	"	327,556

COTTON WASTES
(In pounds)

COTTON CARD STRIPS made from cotton having a staple of less than 1-3/16 inches in length, COMBER WASTE, LAP WASTE, SLIVER WASTE, AND ROVING WASTE, WHETHER OR NOT MANUFACTURED OR OTHERWISE ADVANCED IN VALUE: Provided, however, that not more than 33-1/3 percent of the quotas shall be filled by cotton wastes other than comber wastes made from cottons of 1-3/16 inches or more in staple length in the case of the following countries: United Kingdom, France, Netherlands, Switzerland, Belgium, Germany, and Italy:

Country of Origin	Established TOTAL QUOTA	Total imports Sept. 20, 1948, to July 30,1949	Established 33-1/3% of Total Quota	Imports Sept. 20, 1948, to July 30, 1949 1/
United Kingdom.....	4,323,457	21,845	1,441,152	21,845
Canada............	239,690	234,981	-	-
France............	227,420	-	75,807	-
British India......	69,627	64,460	-	-
Netherlands........	68,240	-	22,747	-
Switzerland........	44,388	-	14,796	-
Belgium...........	38,559	-	12,853	-
Japan.............	341,535	-	-	-
China.............	17,322	-	-	-
Egypt.............	8,135	-	-	-
Cuba..............	6,544	-	-	-
Germany...........	76,329	-	25,443	-
Italy.............	21,263	-	7,088	-
Totals	5,482,509	321,286	1,599,886	21,845

1/ Included in total imports, column 2.

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Wednesday,

IMMEDIATE RELEASE
August ~~9~~, 1949
10,

S-2077

The Bureau of Customs announced today that preliminary data on imports of cotton and cotton waste chargeable to the quotas established by the President's proclamation of September 5, 1939, as amended, for the period September 20, 1948, to July 30, 1949, inclusive, are as follows:

COTTON (other than linters)
(In pounds)

Country of Origin	Under 1-1/8" other than rough or harsh under 3/4": Established Quota	Under 1-1/8" other than rough or harsh under 3/4": Imports Sept. 20, 1948, to July 30, 1949	1-1/8" or more but less than 1-11/16" 4/: Imports Sept. 20, 1948, to July 30, 1949	Less than 3/4" harsh or rough 5/: Imports Sept. 20, 1948, to July 30, 1949
Egypt and the Anglo-Egyptian Sudan...........	783,816	-	44,117,797	-
Peru.............	247,952	247,952	932,440	-
British India....	2,003,483	292,269	-	21,797,320
China............	1,370,791	-	-	-
Mexico...........	8,883,259	8,883,259	606,183	-
Brazil...........	618,723	460,040	-	-
Union of Soviet Socialist Republics.............	475,124	285,890	-	-
Argentina........	5,203			
Haiti............	237			
Ecuador..........	9,333			
Honduras.........	752			
Paraguay.........	871			
Colombia.........	124			
Iraq.............	195			
British East Africa..........	2,240			
Netherlands East Indies..........	71,388			
Barbados.........	-			
Other British West Indies 1/...	21,321			
Nigeria..........	5,377			
Other British West Africa 2/...	16,004			
Other French Africa 3/........	689			
Algeria and Tunisia	-			
	14,516,882	10,169,410	45,656,420	21,797,320

1/ Other than Barbados, Bermuda, Jamaica, Trinidad, and Tobago.
2/ Other than Gold Coast and Nigeria.
3/ Other than Algeria, Tunisia, and Madagascar.
4/ Established Quota - 45,656,420.
5/ Established Quota - 70,000,000.

TREASURY DEPARTMENT
Washington

IMMEDIATE RELEASE
Wednesday, August 10, 1949

S-2077

The Bureau of Customs announced today that preliminary data on imports of cotton and cotton waste chargeable to the quotas established by the President's proclamation of September 5, 1939, as amended, for the period September 20, 1948 to July 30, 1949, inclusive, are as follows:

COTTON (other than linters)
(In pounds)

Country of Origin	Under 1-1/8" other than rough or harsh under 3/4"		1-1/8" or more but less than 1-11/16" 4/	Less than 3/4" harsh or rough 5/
	Established Quota	Imports Sept. 20, 1948, to July 30, 1949	Imports Sept. 20, 1948, to July 30, 1949	Imports Sept. 20, 1948, to July 30, 1949
Egypt and the Anglo-Egyptian Sudan............	783,816	-	44,117,797	-
Peru...............	247,952	247,952	932,440	-
British India....	2,003,483	292,269	-	21,797,320
China............	1,370,791	-	-	-
Mexico...........	8,883,259	8,883,259	606,183	-
Brazil...........	618,723	460,040	-	-
Union of Soviet Socialist Republics.............	475,124	285,890	-	-
Argentina........	5,203			
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Other British West Indies 1/...	21,321			
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Other British West Africa 2/...	16,004			
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4/ Established Quota - 45,656,420.
5/ Established Quota - 70,000,000.

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(In pounds)

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Country of Origin	Established TOTAL QUOTA	Total imports Sept. 20, 1948, to July 30, 1949	Established: 33-1/3% of: Total Quota	Imports Sept. 20, 1948, to July 30, 1949 1/
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Belgium.............	38,559	-	12,853	-
Japan...............	341,535	-	-	-
China...............	17,322	-	-	-
Egypt...............	8,135	-	-	-
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Italy...............	21,263	-	7,088	-
Totals	5,482,509	321,286	1,599,886	21,845

1/ Included in total imports, column 2.

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During the fiscal year 1949, the report reveals, violations of the Internal Revenue liquor laws continued to increase. The volume of nontax-paid traffic, as indicated by gallons of mash seized at illicit distilleries, increased 945,631 gallons, or 34.8 percent over that of fiscal year 1948.

For the entire country, illicit still seizures during fiscal year 1949 totaled 8,008, as compared with 6,757 in 1948; and arrests totaled 8,894, as compared with 7,640 in the previous year. Property, including cars and trucks, with a value of $2,475,188 was seized during the period in connection with violations of the Internal Revenue liquor laws.

The upward trend in liquor law violations, Secretary Snyder said, was first observed in 1947, following the abandonment of sugar rationing. The increase in violations, he pointed out, has been confined principally to the Southern States and a few metropolitan areas on the East Coast.

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RELEASE, MORNING NEWSPAPERS,
~~PROPOSED PRESS RELEASE~~
Thursday, August 11, 1949.

S- 2078

The use of a Coast Guard plane by the Alcohol Tax Unit of the Bureau of Internal Revenue resulted in the seizure of 282 illicit liquor distilleries during the past fiscal year, Commissioner George J. Schoeneman reported to Secretary Snyder today. Fifty-two persons were arrested in these coordinated land-air operations, and over 200,000 gallons of mash and 2,000 gallons of liquor were seized and destroyed.

As a part of its enforcement program, the Alcohol Tax Unit has used Coast Guard planes for a number of years in locating "moonshine" distilleries in inaccessible areas. The "spotting" plane carries an expert Alcohol Tax Unit observer, who reports finds to investigators in radio-equipped cars on the ground. When it is necessary for the ground operatives to travel by foot, they carry portable radio sets, maintaining continuous communication with the plane overhead. If the operators of a still attempt escape, the plane follows them and the observer guides the pursuing officers.

J.K.

TREASURY DEPARTMENT

Information Service WASHINGTON, D.C.

RELEASE, MORNING NEWSPAPERS,
Thursday, August 11, 1949. S-2078

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The upward trend in liquor law violations, Secretary Snyder said, was first observed in 1947, following the abandonment of sugar rationing.

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ALPHA

purposes of taxation the amount of discount at which Treasury bills are originally sold by the United States shall be considered to be interest. Under Sections 42 and 117 (a) (1) of the Internal Revenue Code, as amended by Section 115 of the Revenue Act of 1941, the amount of discount at which bills issued hereunder are sold shall not be considered to accrue until such bills shall be sold, redeemed or otherwise disposed of, and such bills are excluded from consideration as capital assets. Accordingly, the owner of Treasury bills (other than life insurance companies) issued hereunder need include in his income tax return only the difference between the price paid for such bills, whether on original issue or on subsequent purchase, and the amount actually received either upon sale or redemption at maturity during the taxable year for which the return is made, as ordinary gain or loss.

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.

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, tenders will be opened at the Federal Reserve Banks and Branches, following which public announcement will be made by the Secretary of the Treasury of the amount and price range of accepted bids. Those submitting tenders will be advised of the acceptance or rejection thereof. The Secretary of the Treasury expressly reserves the right to accept or reject any or all tenders, in whole or in part, and his action in any such respect shall be final. Subject to these reservations, non-competitive tenders for $200,000 or less without stated price from any one bidder will be accepted in full at the average price (in three decimals) of accepted competitive bids. Settlement for accepted tenders in accordance with the bids must be made or completed at the Federal Reserve Bank on **August 18, 1949**, in cash or other immediately available funds or in a like face amount of Treasury bills maturing **August 18, 1949**. Cash and exchange tenders will receive equal treatment. Cash adjustments will be made for differences between the par value of maturing bills accepted in exchange and the issue price of the new bills.

The income derived from Treasury bills, whether interest or gain from the sale or other disposition of the bills, shall not have any exemption, as such, and loss from the sale or other disposition of Treasury bills shall not have any special treatment, as such, under the Internal Revenue Code, or laws amendatory or supplementary thereto. The bills shall be subject to estate, inheritance, gift or other excise taxes, whether Federal or State, but shall be exempt from all taxation now or hereafter imposed on the principal or interest thereof by any State, or any of the possessions of the United States, or by any local taxing authority. For

TREASURY DEPARTMENT
Washington

A-2079

FOR RELEASE, MORNING NEWSPAPERS,
Friday, August 12, 1949.

The Secretary of the Treasury, by this public notice, invites tenders for $1,000,000,000, or thereabouts, of 91-day Treasury bills, for cash and in exchange for Treasury bills maturing August 18, 1949, to be issued on a discount basis under competitive and non-competitive bidding as hereinafter provided. The bills of this series will be dated August 18, 1949, and will mature November 17, 1949, when the face amount will be payable without interest. They will be issued in bearer form only, and in denominations of $1,000, $5,000, $10,000, $100,000, $500,000, and $1,000,000 (maturity value).

Tenders will be received at Federal Reserve Banks and Branches up to the closing hour, two o'clock p.m., Eastern/Daylight Saving ~~Standard~~ time, Monday, August 15, 1949. Tenders will not be received at the Treasury Department, Washington. Each tender must be for an even multiple of $1,000, and in the case of competitive tenders the price offered must be expressed on the basis of 100, with not more than three decimals, e. g., 99.925. Fractions may not be used. It is urged that tenders be made on the printed forms and forwarded in the special envelopes which will be supplied by Federal Reserve Banks or Branches on application therefor.

Tenders will be received without deposit from incorporated banks and trust companies and from responsible and recognized dealers in investment securities. Tenders from others must be accompanied by payment of 2 percent of the face

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TREASURY DEPARTMENT

Inf Service

Information Service WASHINGTON, D.C.

RELEASE, MORNING NEWSPAPERS,
Friday, August 12, 1949.

S-2079

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Tenders will be received at Federal Reserve Banks and Branches up to the closing hour, two o'clock p.m., Eastern Daylight Saving time, Monday, August 15, 1949. Tenders will not be received at the Treasury Department, Washington. Each tender must be for an even multiple of $1,000, and in the case of competitive tenders the price offered must be expressed on the basis of 100, with not more than three decimals, e. g., 99.925. Fractions may not be used. It is urged that tenders be made on the printed forms and forwarded in the special envelopes which will be supplied by Federal Reserve Banks or Branches on application therefor.

Tenders will be received without deposit from incorporated banks and trust companies and from responsible and recognized dealers in investment securities. Tenders from others must be accompanied by payment of 2 percent 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, tenders will be opened at the Federal Reserve Banks and Branches, following which public announcement will be made by the Secretary of the Treasury of the amount and price range of accepted bids. Those submitting tenders will be advised of the acceptance or rejection thereof. The Secretary of the Treasury expressly reserves the right to accept or reject any or all tenders, in whole or in part, and his action in any such respect shall be final. Subject to these reservations, non-competitive tenders for $200,000 or less without stated price from any one bidder will be accepted in full at the average price

(in three decimals) of accepted competitive bids. Settlement for accepted tenders in accordance with the bids must be made or completed at the Federal Reserve Bank on August 18, 1949, in cash or other immediately available funds or in a like face amount of Treasury bills maturing August 18, 1949. Cash and exchange tenders will receive equal treatment. Cash adjustments will be made for differences between the par value of maturing bills accepted in exchange and the issue price of the new bills.

The income derived from Treasury bills, whether interest or gain from the sale or other disposition of the bills, shall not have any exemption, as such, and loss from the sale or other disposition of Treasury bills shall not have any special treatment, as such, under the Internal Revenue Code, or laws amendatory or supplementary thereto. The bills shall be subject to estate, inheritance, gift or other excise taxes, whether Federal or State, but shall be exempt from all taxation now or hereafter imposed on the principal or interest thereof by any State, or any of the possessions of the United States, or by any local taxing authority. For purposes of taxation the amount of discount at which Treasury bills are originally sold by the United States shall be considered to be interest. Under Sections 42 and 117 (a) (1) of the Internal Revenue Code, as amended by Section 115 of the Revenue Act of 1941, the amount of discount at which bills issued hereunder are sold shall not be considered to accrue until such bills shall be sold, redeemed or otherwise disposed of, and such bills are excluded from consideration as capital assets. Accordingly, the owner of Treasury bills (other than life insurance companies) issued hereunder need include in his income tax return only the difference between the price paid for such bills, whether on original issue or on subsequent purchase, and the amount actually received either upon sale or redemption at maturity during the taxable year for which the return is made, as ordinary gain or loss.

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.

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TWO AND ONE-HALF PERCENT TREASURY BONDS OF 1949-53
(DATED DECEMBER 15, 1936)

NOTICE OF CALL FOR REDEMPTION

To Holders of 2-1/2 percent Treasury Bonds of 1949-53 (dated December 15, 1936), and Others Concerned:

1. Public notice is hereby given that all outstanding 2-1/2 percent Treasury Bonds of 1949-53, dated December 15, 1936, due December 15, 1953, are hereby called for redemption on December 15, 1949, on which date interest on such bonds will cease.

2. Holders of these bonds may, in advance of the redemption date, be offered the privilege of exchanging all or any part of their called bonds for other interest-bearing obligations of the United States, in which event public notice will hereafter be given and an official circular governing the exchange offering will be issued.

3. Full information regarding the presentation and surrender of the bonds for cash redemption under this call will be found in Department Circular No. 666, dated July 21, 1941.

John W. Snyder,
Secretary of the Treasury.

TREASURY DEPARTMENT,
Washington, August 12, 1949.

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THREE AND ONE-EIGHTH PERCENT TREASURY BONDS OF 1949-52
(DATED DECEMBER 15, 1934)

NOTICE OF CALL FOR REDEMPTION

To Holders of 3-1/8 percent Treasury Bonds of 1949-52 (dated December 15, 1934), and Others Concerned:

1. Public notice is hereby given that all outstanding 3-1/8 percent Treasury Bonds of 1949-52, dated December 15, 1934, due December 15, 1952, are hereby called for redemption on December 15, 1949, on which date interest on such bonds will cease.

2. Holders of these bonds may, in advance of the redemption date, be offered the privilege of exchanging all or any part of their called bonds for other interest-bearing obligations of the United States, in which event public notice will hereafter be given and an official circular governing the exchange offering will be issued.

3. Full information regarding the presentation and surrender of the bonds for cash redemption under this call will be found in Department Circular No. 666, dated July 21, 1941.

John W. Snyder,
Secretary of the Treasury.

TREASURY DEPARTMENT,
Washington, August 12, 1949.

TWO PERCENT TREASURY BONDS OF 1949-51
(DATED JULY 15, 1942)

NOTICE OF CALL FOR REDEMPTION

To Holders of 2 percent Treasury Bonds of 1949-51 (dated July 15, 1942), and Others Concerned:

1. Public notice is hereby given that all outstanding 2 percent Treasury Bonds of 1949-51, dated July 15, 1942, due December 15, 1951, are hereby called for redemption on December 15, 1949, on which date interest on such bonds will cease.

2. Holders of these bonds may, in advance of the redemption date, be offered the privilege of exchanging all or any part of their called bonds for other interest-bearing obligations of the United States, in which event public notice will hereafter be given and an official circular governing the exchange offering will be issued.

3. Full information regarding the presentation and surrender of the bonds for cash redemption under this call will be found in Department Circular No. 666, dated July 21, 1941.

John W. Snyder,
Secretary of the Treasury.

TREASURY DEPARTMENT,
Washington, August 12, 1949.

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RELEASE, MORNING NEWSPAPERS,
Friday, August 12, 1949.

S-2080

The Secretary of the Treasury announced today that the bonds of three outstanding issues which may be redeemed at the option of the United States on December 15, 1949, are called for redemption on that date. These issues are the 2 percent Treasury Bonds of 1949-51, dated July 15, 1942, due December 15, 1951; 3-1/8 percent Treasury Bonds of 1949-52, dated December 15, 1934, due December 15, 1952; and 2-1/2 percent Treasury Bonds of 1949-53, dated December 15, 1936, due December 15, 1953. There are now outstanding $2,097,615,100 of the 2 percent bonds, $491,375,100 of the 3-1/8 percent bonds, and $1,786,110,450 of the 2-1/2 percent bonds.

The texts of the formal notices of call are as follows:

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STANDARD FORM NO. 64

Office Memorandum • UNITED STATES GOVERNMENT

TO : MR. SAXON DATE: August 11, 1949

FROM : MR. KILBY

SUBJECT:

The Secretary has signed the attached notices of call which are to be given to the press on August 11 for release, morning newspapers, Friday, August 12, with the brief statement, which is also attached.

TREASURY DEPARTMENT

Information Service **WASHINGTON, D.C.**

RELEASE, MORNING NEWSPAPERS,
Friday, August 12, 1949. S-2080

The Secretary of the Treasury announced today that the bonds of three outstanding issues which may be redeemed at the option of the United States on December 15, 1949, are called for redemption on that date. These issues are the 2 percent Treasury Bonds of 1949-51, dated July 15, 1942, due December 15, 1951; 3-1/8 percent Treasury Bonds of 1949-52, dated December 15, 1934, due December 15, 1952; and 2-1/2 percent Treasury Bonds of 1949-53, dated December 15, 1936, due December 15, 1953. There are now outstanding $2,097,615,100 of the 2 percent bonds, $491,375,100 of the 3-1/8 percent bonds, and $1,786,110,450 of the 2-1/2 percent bonds.

The texts of the formal notices of call are as follows:

TWO PERCENT TREASURY BONDS OF 1949-51
(DATED JULY 15, 1942)

NOTICE OF CALL FOR REDEMPTION

To Holders of 2 percent Treasury Bonds of 1949-51 (dated July 15, 1942), and Others Concerned:

1. Public notice is hereby given that all outstanding 2 percent Treasury Bonds of 1949-51, dated July 15, 1942, due December 15, 1951, are hereby called for redemption on December 15, 1949, on which date interest on such bonds will cease.

2. Holders of these bonds may, in advance of the redemption date, be offered the privilege of exchanging all or any part of their called bonds for other interest-bearing obligations of the United States, in which event public notice will hereafter be given and an official circular governing the exchange offering will be issued.

3. Full information regarding the presentation and surrender of the bonds for cash redemption under this call will be found in Department Circular No. 666, dated July 21, 1941.

John W. Snyder,
Secretary of the Treasury.

TREASURY DEPARTMENT,
Washington, August 12, 1949.

THREE AND ONE-EIGHTH PERCENT TREASURY BONDS OF 1949-52
(DATED DECEMBER 15, 1934)

NOTICE OF CALL FOR REDEMPTION

To Holders of 3-1/8 percent Treasury Bonds of 1949-52 (dated December 15, 1934), and Others Concerned:

1. Public notice is hereby given that all outstanding 3-1/8 percent Treasury Bonds of 1949-52, dated December 15, 1934, due December 15, 1952, are hereby called for redemption on December 15, 1949, on which date interest on such bonds will cease.

2. Holders of these bonds may, in advance of the redemption date, be offered the privilege of exchanging all or any part of their called bonds for other interest-bearing obligations of the United States, in which event public notice will hereafter be given and an official circular governing the exchange offering will be issued.

3. Full information regarding the presentation and surrender of the bonds for cash redemption under this call will be found in Department Circular No. 666, dated July 21, 1941.

John W. Snyder,
Secretary of the Treasury.

TREASURY DEPARTMENT,
Washington, August 12, 1949.

TWO AND ONE-HALF PERCENT TREASURY BONDS OF 1949-53
(DATED DECEMBER 15, 1936)
NOTICE OF CALL FOR REDEMPTION

To Holders of 2-1/2 percent Treasury Bonds of 1949-53 (dated December 15, 1936), and Others Concerned:

1. Public notice is hereby given that all outstanding 2-1/2 percent Treasury Bonds of 1949-53, dated December 15, 1936, due December 15, 1953, are hereby called for redemption on December 15, 1949, on which date interest on such bonds will cease.

2. Holders of these bonds may, in advance of the redemption date, be offered the privilege of exchanging all or any part of their called bonds for other interest-bearing obligations of the United States, in which event public notice will hereafter be given and an official circular governing the exchange offering will be issued.

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John W. Snyder,
Secretary of the Treasury.

TREASURY DEPARTMENT,
Washington, August 12, 1949.

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RELEASE MORNING NEWSPAPERS,
Tuesday, August 16, 1949.

S-2081

The Secretary of the Treasury announced last evening that the tenders for $1,000,000,000, or thereabouts, of 91-day Treasury bills to be dated August 18 and to mature November 17, 1949, 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 - $1,585,985,000
Total accepted - 1,000,676,000 (includes $101,891,000 entered on a non-competitive basis and accepted in full at the average price shown below)
Average price - 99.743 Equivalent rate of discount approx. 1.017% per annum

Range of accepted competitive bids: (Excepting one tender of $1,075,000)

High - 99.752 Equivalent rate of discount approx. 0.981% per annum
Low - 99.740 " " " " " 1,029% " "

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

Federal Reserve District	Total Applied for	Total Accepted
Boston	$ 19,736,000	$ 19,736,000
New York	1,170,618,000	624,021,000
Philadelphia	32,724,000	27,564,000
Cleveland	29,535,000	27,935,000
Richmond	15,782,000	15,782,000
Atlanta	9,671,000	9,671,000
Chicago	170,148,000	145,348,000
St. Louis	10,875,000	9,523,000
Minneapolis	7,865,000	7,865,000
Kansas City	24,047,000	24,047,000
Dallas	23,201,000	23,201,000
San Francisco	71,783,000	65,983,000
TOTAL	$1,585,985,000	$1,000,676,000

TREASURY DEPARTMENT

Information Service WASHINGTON, D.C.

RELEASE, MORNING NEWSPAPERS,
Tuesday, August 16, 1949.

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St. Louis	10,875,000	9,523,000
Minneapolis	7,865,000	7,865,000
Kansas City	24,047,000	24,047,000
Dallas	23,201,000	23,201,000
San Francisco	71,783,000	65,983,000
TOTAL	$1,585,985,000	$1,000,676,000

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In bestowing the citations Secretary Snyder complimented the retiring employees on their long Government service, and paid tribute to the works of Albert Gallatin, in whose memory this permanent departmental award was established. to Page 1

"The name of Gallatin," Secretary Snyder said, "significantly lends itself to this testimonial of appreciation on the part of the Treasury for the exemplary work of its retiring employees. ~~A European by birth~~ Gallatin's career was long, and his works were lasting. ~~A refugee from the tyranny of his native land,~~ He was an enthusiast for American ideals, and a firm believer in the soundness of the Government and its finances. For the greater part of his long life, he devoted himself to making this ideal an actuality, and carried out his vision with honor to himself and for the enduring benefit of his country."

Secretary Snyder stated that one of the first awards, an honorary certificate, was being issued in the name of Albert Eugene Gallatin, New York artist and author, a great-grandson of the fourth Secretary of the Treasury. Mr. Gallatin resides at 655 Park Avenue, New York City.

oOo

Mrs. Cecilia Weissbaum, native of Bremen, Germany, 42 years and 4 months of service. She entered the Treasury as a printer's assistant in the Bureau of Engraving and Printing, and retired as a clerk in the Division of Loans and Currency, Bureau of the Public Debt.

Mrs. Addie S. Wathen, native of the District, 1512 U Street, Northeast, 47 years and 1 month of service. She was appointed as a printer's assistant, Bureau of Engraving and Printing, on June 21, 1902, and at the time of her retirement was an assistant section chief in the Office of the Register of the Treasury, Bureau of the Public Debt.

Mrs. Hattie M. Baden, Route 1, Culpepper, Virginia, 31 years of service. Mrs. Baden, a native of Robinson, Kentucky, was appointed to a clerkship in the Bureau of Internal Revenue in 1919, after one year of service in the War Department. She retired as an Internal Revenue accountant and auditor.

(2) Albert W. Joyce, native of the District, 3200 16th Street, Northwest, 36 years and 3 months of service, all in the Bureau of Internal Revenue. Mr. Joyce, who came to the Bureau as a clerk on November 1, 1913, was a special investigator at the time of his retirement.

2

Arthur J. Scott, 4110 Eleventh Street S. E., 35 years and 11 months of service with the Bureau of Engraving and Printing. Mr. Scott, also a native of the District of Columbia, worked on rotary presses. Until April of this year, he had never taken a day of sick leave.

The ~~seven~~ eight retiring employees who received awards today at special ceremonies in the Treasury building have combined departmental service of over ~~301~~ 343 years. They are as follows:

Edmond W. J. Healy, 1404 Buchanan Street, Northwest, with 50 years and 11 months of service. Mr. Healy, a native Washingtonian, was appointed as an apprentice plate printer, Bureau of Engraving and Printing, on June 13, 1900. After serving an apprenticeship of four years, he was promoted to plate printer on June 16, 1904. His entire half-century in the Bureau has been on currency presses, and ~~it is estimated that the product of his work had a face value of over 600 million dollars~~ ~~one billion~~.

(1?)

Charles C. Freer, native of Washington, 4411 13th Place, Northeast, 49 years and 3 months of service. He was appointed to the Bureau of Engraving and Printing as a laborer on April 5, 1900. At the time of his retirement Mr. Freer occupied the position of Bureau vault-keeper.

Marden B. King, Washington native, 4110 Branch Avenue, Silver Spring, Maryland, 51 years and 1 month of service, all in the Bureau of Engraving and Printing. Mr. King was first appointed as a Bureau laborer on July 1, 1898. He retired as a public debt clerk.

(1) it is estimated that the face value of the money he printed was over one billion dollars. If in [redacted] $1 bills, this sum would ~~form~~ make a [redacted] stack over sixty miles high, and if laid end to end would ~~form~~ form a ribbon extending approximately 97,000 miles.

S-20 82

PROPOSED PRESS RELEASE

Secretary's action commemorates

~~Commemorating~~ the one hundredth anniversary of the death of Albert Gallatin, fourth Secretary of the Treasury, which occurred on August 12, 1849, Secretary Snyder today officially established the "Albert Gallatin Award" for long and exemplary Treasury service, and presented initial citations to eighty ~~[illegible]~~ retiring departmental employees. The

Pick up paragraph from page 4

Gallatin, a native of Switzerland, served longer as Secretary of the Treasury than any other man, his tenure covering the period from 1801 to 1813. He originated many accounting practices still in use in the Treasury, but perhaps his greatest contribution to the Government lay in the establishment of reporting procedures through which Congress could, for the first time, receive detailed information on the Nation's fiscal situation. Following his long Treasury service, Gallatin entered the field of diplomacy, and served as American minister to both France and England. In retirement he became president of the National Bank of the City of New York, now the Central Hanover Bank and Trust Company. He was also a founder of New York University, and of the American Ethnological Society.

(3)

TREASURY DEPARTMENT

Information Service WASHINGTON, D.C.

82

IMMEDIATE RELEASE,
Friday, August 12, 1949.

S-2082

Secretary Snyder today officially established the "Albert Gallatin Award" for long and exemplary Treasury service, and presented initial citations to eight retiring departmental employees. The Secretary's action commemorates the one hundredth anniversary of the death of Albert Gallatin, fourth Secretary of the Treasury, which occurred on August 12, 1849.

In bestowing the citations Secretary Snyder complimented the retiring employees on their long Government service, and paid tribute to the works of Albert Gallatin, in whose memory this permanent departmental award was established.

Gallatin, ~~a native of Switzerland~~, served longer as Secretary of the Treasury than any other man, his tenure covering the period from 1801 to 1813. He originated many accounting practices still in use in the Treasury, but perhaps his greatest contribution to the Government lay in the establishment of reporting procedures through which Congress could, for the first time, receive detailed information on the Nation's fiscal situation. Following his long Treasury service, Gallatin entered the field of diplomacy, and served as American Minister to both France and England. In retirement he became president of the National Bank of the City of New York, now the Central Hanover Bank and Trust Company. He was also a founder of New York University, and of the American Ethnological Society.

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After serving an apprenticeship of four years, he was
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and it is estimated that the face value of the money he
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Marden B. King, Washington native, 4110 Branch Avenue,
Silver Spring, Maryland, 51 years and 1 month of service,
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He retired as a public debt clerk.

Mrs. Cecilia Weissbaum, native of Bremen, Germany,
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5 Treasury as a printer's assistant in the Bureau of
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"The name of Gallatin," Secretary Snyder said, "significantly lends itself to this testimonial of appreciation on the part of the Treasury for the exemplary work of its retiring employees. Gallatin's career was long, and his works were lasting. He was an enthusiast for American ideals, and a firm believer in the soundness of the Government and its finances. For the greater part of his long life, he devoted himself to making this ideal an actuality, and carried out his vision with honor to himself and for the enduring benefit of his country."

Secretary Snyder stated that one of the first awards, an honorary certificate, was being issued in the name of Albert Eugene Gallatin, New York artist and author, a great-grandson of the fourth Secretary of the Treasury. Mr. Gallatin resides at 655 Park Avenue, New York City.

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ALBERT GALLATIN
January 29, 1761 - August 12, 1849

Before the Thirteen Colonies became the United States, there was born in Geneva, Switzerland, a future American citizen who was to play a vital part in establishing the financial soundness of the new nation. Albert Gallatin came of an old and noble family; he graduated with honor from the Geneva Academy, but in 1780 he gave up fortune and social position because of "a love for independence in the freest country of the universe." Offered a commission as Lieutenant Colonel by the Landgrave of Hesse, whose hated "Hessians" were mercenaries with the British forces, he refused saying "he would never serve a tyrant," and escaped the resulting family indignation by secretly leaving home. With a friend he took passage for America. His first business venture was launched in Boston, and he later taught French at Harvard, but soon went southward. In October 1785 he took the Oath of Allegiance in Virginia. Settling finally in Pennsylvania, he was a member of the State Legislature before being sent to the United States Senate. His citizenship being in debate, he was rejected by that body, but not before calling upon the Secretary of the Treasury for a statement of the debt as of January 1, 1794, distinguishing the monies received under each branch of the revenue, and expended under each appropriation. When Gallatin was again returned, this time to the House, he immediately became a member of the new Standing Committee of Finance, the forerunner of the Ways and Means Committee.

In July, 1800, he prepared a report entitled, "Views of the Public Debt, Receipts and Expenditures of the United States." This report, analyzing the fiscal operations of the Government under the Constitution, is still regarded as a classic. In Congress, he struggled successfully to keep down appropriations, particularly those for warlike purposes. The opposition party attacked him personally, as well as politically, because of his foreign birth, and Jefferson believed the Sedition Bill was framed to drive Gallatin from office. However, as soon as Jefferson was elected President, early in 1801, he tendered Gallatin the post of Secretary of the Treasury.

Gallatin took his oath on a "platform" of debt reduction, the necessity for specific appropriations, and strict and immediate accountability for disbursements. Eight years after assuming office, his estimates on revenues and debt reduction had been proven uncannily accurate. He had succeeded in reducing the public debt by fourteen millions, and had built up a surplus. At the same time, fifteen millions had gone for the purchase of the Louisiana Territory, an acquisition which established the United States as a great Continental power.

A meticulous bookkeeper and originator of many accounting practices still in use in the Department, Gallatin also sponsored the establishment of Naval hospitals, the forerunner of our present Public Health Service; while in 1807 he submitted to Congress an extensive plan for internal improvements, particularly the construction of highways and canals. His greatest contribution, however, was that for the first time Congress received a detailed report of the country's fiscal situation. Earlier Secretaries had conscientiously reported disbursements, but Gallatin gave a breakdown of receipts, a concise statement of the public debt, and an estimate of expected revenues.

Gallatin served in the Treasury until 1813, and was offered the post again by President Madison in 1816, declining because he thought its responsibilities demanded "an active young man." He felt this even more strongly in 1843, when President Tyler offered him the post, but must have recognized this as a striking tribute to his past achievements.

His public service was by no means over when he left the Treasury. The Treaty of Ghent, ending the War of 1812, was considered largely Gallatin's personal triumph, for he was the most effective of the American Commissioners. Thereafter he negotiated a commercial convention with England, by which discriminating duties were abolished. He served as Minister both to France and to England, concluding his years in the field of diplomacy in 1827, when he returned to take up his residence in New York.

Here he became the President of the National Bank of the City of New York, later the Gallatin National Bank of the City of New York, and now the Central Hanover Bank and Trust Company. Here, too, he participated in the community's cultural activities. He was a founder of New York University, and of the American Ethnological Society, making valuable contributions on languages of the Indian tribes. When, as President of the New York Historical Society, he presided at an anniversary celebration in 1844, John Quincy Adams, long his political opponent, paid high tribute to Gallatin as a patriot and citizen.

Albert Gallatin died on Long Island, August 12, 1849, at the age of eighty-eight.

Always an enthusiast for American ideals on liberty, he was a firm believer in the essential soundness of the Government and its finances. "If I have not wholly misunderstood America," he wrote, "I am not wrong in the belief that its public funds are more secure than those of all the European powers." For the greater part of his long life, he devoted himself to making this ideal an actuality, and carried out his vision with honor to himself and for the lasting benefit of his country and fellow citizens.

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August 3, 1949

TO MR. BARTELT:

The following transactions were made in direct and guaranteed securities of the Government for Treasury investment and other accounts during the month of July, 1949:

Sales	$2,083,450
Purchases	2,022,750
Net Sales	$ 60,700

use this figure

(Sgd.) E. O. Barnes

Chief, Division of Investments

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TREASURY DEPARTMENT

Information Service

WASHINGTON, D.C.

IMMEDIATE RELEASE,
~~Monday~~, ~~June 18,~~ 1949.
Tues — Aug 16, 1949

S-2083
~~S-2055~~

During the month of ~~June~~, July,
1949 market transactions in direct and guaranteed securities of the Government for Treasury investment and other accounts resulted in net sales of 260,700 ~~$88,353,050,~~ Secretary Snyder announced today.

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TREASURY DEPARTMENT

Information Service WASHINGTON, D.C.

IMMEDIATE RELEASE,
Tuesday, August 16, 1949. S-2083

During the month of July, 1949 market transactions in direct and guaranteed securities of the Government for Treasury investment and other accounts resulted in net sales of $60,700, Secretary Snyder announced today.

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~~SUGGESTED RELEASE~~ Release morning newspapers Wed, Aug 17, 1949

S-2084

~~Secretary of~~ The Treasury ~~John W. Snyder~~ announced today that James M. Rountree, the Director of the Banking and Investment Section of the U~~nited States~~ Savings Bonds Division, has been appointed State Director of Tennessee for the Savings Bonds Division.

Prior to joining the Savings Bonds Division in 1948, Mr. Rountree was with the U.S. Department of Commerce and served for three years as chief of ~~its~~ the Finance and Tax Division of the Office of Small Business.

Mr. Rountree~~, widely known throughout the country in financial circles,~~ began his career as a messenger for the American National Bank of Nashville, Tennessee, in 1910, and rose to the post of assistant cashier. Later he became assistant vice president of the First National Bank of Tampa, Florida, ~~from 1925 to 1927~~; manager and director of the Savings and Loan Associations of Nashville, Tennessee, from 1927 to 1932, and secretary-comptroller of the Federal Home Loan Bank of Cincinnati, Ohio, from 1932 to 1933. For the next nine years he was ~~prominent in the activities of~~ connected with the Federal Home Loan Bank Board in Washington.

As General Manager of the Federal Savings and Loan Division and Deputy to the Vice Chairman of the Federal Home Loan Bank, Mr. Rountree organized and supervised the first 1,100 Federal Savings and Loan Associations in the United States.

From 1944 to 1946 he was special assistant to the chairman and General Manager of the smaller war plants corporations in Washington, D.C.

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TREASURY DEPARTMENT

Information Service WASHINGTON, D.C.

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Wednesday, August 17, 1949. S-2084

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United States under the program. It is, therefore, essential that the authority of the Export-Import Bank be flexible and broad for only through careful study and experience can the full potentialities of guaranties be realized. Questions arising out of the actual administration of the program will have to be worked out gradually by the Export-Import Bank in consultation with the National Advisory Council.

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Another very important consideration to persons making foreign investments is the right to convert the income from their investments into dollars and to transfer an appropriate share of the dollar proceeds to their own country. This problem arises from the existence of exchange stringencies and exchange controls under conditions which make it difficult for countries to obtain all of the dollar exchange required for their needs. But, while recognizing the seriousness of this problem in many countries, private investors need the assurance that only the essential needs of a country will receive higher priority than the remittance of the income from their investments.

Still another deterrent to the flow of American capital abroad is the tendency of some countries to nationalize some of their industries, including those belonging to foreign investors. The United States Government considers that the right to nationalize property within any country's borders is inherent in sovereignty but that the country resorting to the exercise of that right becomes subject to an equally strong obligation to make satisfactory compensation. Foreign capital is not going to be invested freely and productively in countries where it will be in jeopardy. Accordingly, some acceptable means of compensating those whose property is expropriated must be provided if the underdeveloped countries are to obtain the capital which is required for their development.

The United States Government can contribute to the removal of these obstacles by making a special effort to negotiate treaties designed to provide the assurances necessary to induce our investors to send their capital abroad. The negotiation of such treaties is of very great importance to the stimulation of the flow of private capital.

This Government can also help by supplementing these assurances to investors through the issuance of guaranties with respect to private United States investments abroad. This is the particular point to which H.R 5594 ~~S. 2197~~ is addressed. This proposed legislation would authorize the Export-Import Bank to guaranty United States private capital invested abroad against the risks peculiar to foreign investment. These risks might include (1) the inability to convert earnings in foreign currencies, or other amounts received in connection with the foreign investment, into United States dollars, (2) the expropriation of the investors' property by a foreign government without prompt and adequate compensation and (3) physical destruction of property incident to international war. Guaranties may perhaps be issued against the non-convertibility of local currencies to begin with and later be extended to cover other risks if the situation seems to warrant it.

Before concluding I should like to emphasize the experimental nature of this guaranty program. Since there has been almost no experience with programs of this kind, it is impossible to anticipate at this time the type of risks which should be covered, the effectiveness of guaranties in stimulating investments, or the possibility of loss to the

The answer to the first question relates to our own as well as to foreign conditions. An important point is the rather small difference between domestic and foreign yields on equity investments. Hence, there is little incentive to invest abroad particularly so long as formidable obstacles to foreign investments continue to exist. Investments that have been made in recent years were made largely in countries and in industries relatively free of such obstacles.

Obstacles to the investment of private capital abroad are most common in underdeveloped countries and spring from four chief causes which influence the action of foreign governments. These are:

1. The anti-foreign sentiment generated by the regrettable experience of some foreign countries with investments from abroad;

2. The growth of ideologies favoring state ownership and control of industry;

3. The existence of political instability and extreme nationalism; and

4. The prevalence of exchange controls stemming from economic difficulties.

An additional deterrent to the investment of private capital abroad is the fear or threat of war.

As to the question of what can be done to increase the volume of investments and to distribute them more broadly, we must address ourselves primarily to the problems of eliminating the obstacles which stand in the way of the investment of American capital abroad. It is essential that the task of removing such obstacles should be attacked both by foreign countries and by the United States. Foreign countries must, however, accept the major responsibility for clearing the existing obstruction to a broad and beneficial flow of private capital.

It is a commonplace that American private capital will flow abroad more freely and produce better results if it is encouraged than it will if it is coerced. Accordingly, although we recognize the right of any country to institute necessary security measures, foreign governments must recognize that the right to do business in their countries on reasonable terms, including the right to control and manage one's investment, is very important to our potential investors. Legislation in foreign countries requiring that local citizens shall hold a majority of the common stock will, in general, be a significant deterrent to prospective investors. At the same time it is recognized that our investors must afford reasonable opportunities for foreigners to participate in the management and control of their enterprises abroad.

notably true in the manufacturing, and in the extractive and service fields of endeavor with private enterprise also having an important place in many public utility developments. Other fields, such as highway construction, irrigation and conservation projects, on the other hand, are predominantly public rather than private. In some instances public investments in these fields are desirable to facilitate private investments in the other fields. These facilitating investments in the public sphere are of the type normally expected to be financed through the public sale of local government obligations or through such institutions as the International Bank for Reconstruction and Development and the Export-Import Bank.

Investing abroad is not a new activity for investors in this country. It attained some prominence as early as 1900, especially in mining enterprises in Latin America and Canada, but also in manufacturing plants in Canada and Europe. During and after World War I, American investments abroad assumed large proportions, particularly in the form of the public flotation of foreign bonds in this country. Throughout this period direct investments -- that is investments which involve a measure of control of enterprises abroad -- were also made in substantial volume. The depression of the early thirties and the defaults on foreign bonds which occurred at that time put a sudden stop to foreign lending through public flotations. These defaults, some of which have still not been cleared, led to a widespread distrust of the credit worthiness of foreign countries even of those whose record of payment continued good. For this and other reasons, there have been since 1930 only a few offerings of foreign securities in the United States. The foreign lending that has taken place has been principally intergovernmental.

Direct investments continued to be made although the net outflow of United States capital for that purpose was also greatly reduced during the thirties. During World War II, withdrawals of capital from such investments abroad exceeded new capital put in. In 1945, however, new direct investments again became important, amounting to $100 million. Since that time these investments have increased rapidly, reaching $660 million in 1947 and $800 million in 1948. These latter totals exceeded the highest figures reached in the previous high years of the late 1920's, but the investments were concentrated geographically in Venezuela, the Near East, and Canada and, to a significant extent, in only one industry -- petroleum. Although substantial in amount, these new investments do not therefore lead to well-rounded development. There is need for investments in other countries and in other industries.

The United States and the foreign countries seeking economic development are thus concerned with two related questions:

> Why were not these investments greater in volume and better distributed geographically? and
>
> What can be done to increase the volume of investments and broaden their distribution?

TREASURY DEPARTMENT

Washington

Statement by Secretary Snyder Before the ~~Senate~~ House
Committee on Banking and Currency, August ~~9~~, 17
1949, Concerning Legislation to Authorize
the Export-Import Bank to Guaranty
United States Investments Abroad.

I am happy to appear before your Committee today, as Chairman of the National Advisory Council, to testify on ~~S. 2197~~ H. R5594 which would amend the Export-Import Bank Act of 1945 to vest in the Export-Import Bank the power to guaranty United States investments abroad. At the outset I should like to state that in my opinion the objectives of the proposed legislation are of the highest importance and I urge its enactment.

As you know this legislative proposal is designed to implement in part the Point IV Program the President proposed in his inaugural address. This program is intended to aid the efforts of underdeveloped areas of the world to increase their productivity and living standards.

The economic development is closely tied to the process of capital investment for it is essential that the means of production be available before a country's standard of living can be improved. In the past few years investment has been proceeding at a very slow rate in many foreign countries because of numerous obstacles. Some of these obstacles can be removed only through action of the particular country concerned. Others, however, can be abrogated by action of the United States. This legislation is designed to carry out this action by the United States and I would like, therefore, to address myself to the particular financial considerations that make this legislation necessary.

Financial Aspects

The development of underdeveloped areas can be sound and lasting only if these areas use their own resources to the fullest advantage. On the financial side, outside capital can help to speed the process, but it cannot assume the major role in financing the program. Most of the capital for development must be provided from local sources by the foreign countries themselves. This is true even in underdeveloped countries not only because the larger part of the cost of any development program is for the purchase of local materials and the wages of labor, but also because capital obtained by borrowing abroad may result in unduly heavy demands on the foreign exchange resources of the debtor countries.

It is the policy of this Government that foreign investment for desirable purposes should be undertaken through private channels insofar as possible. This policy has particular merit in connection with economic development because investment by private enterprise carries some of its own technical assistance in the form of industrial know-how. This is

~~S-2071~~
S-2085

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This Government can also help by supplementing these assurances to investors through the issuance of guaranties with respect to private United States investments abroad. This is the particular point to which H. R. 5594 is addressed. This proposed legislation would authorize the Export-Import Bank to guaranty United States private capital invested abroad against the risks peculiar to foreign investment. These risks might include (1) the inability to convert earnings in foreign currencies, or other amounts received in connection with the foreign investment, into United States dollars, (2) the expropriation of the investors' property by a foreign government without prompt and adequate compensation and (3) physical destruction of property incident to international war. Guaranties may perhaps be issued against the non-convertibility of local currencies to begin with and later be extended to cover other risks if the situation seems to warrant it.

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purposes of taxation the amount of discount at which Treasury bills are originally sold by the United States shall be considered to be interest. Under Sections 42 and 117 (a) (1) of the Internal Revenue Code, as amended by Section 115 of the Revenue Act of 1941, the amount of discount at which bills issued hereunder are sold shall not be considered to accrue until such bills shall be sold, redeemed or otherwise disposed of, and such bills are excluded from consideration as capital assets. Accordingly, the owner of Treasury bills (other than life insurance companies) issued hereunder need include in his income tax return only the difference between the price paid for such bills, whether on original issue or on subsequent purchase, and the amount actually received either upon sale or redemption at maturity during the taxable year for which the return is made, as ordinary gain or loss.

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.

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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, tenders will be opened at the Federal Reserve Banks and Branches, following which public announcement will be made by the Secretary of the Treasury of the amount and price range of accepted bids. Those submitting tenders will be advised of the acceptance or rejection thereof. The Secretary of the Treasury expressly reserves the right to accept or reject any or all tenders, in whole or in part, and his action in any such respect shall be final. Subject to these reservations, non-competitive tenders for $200,000 or less without stated price from any one bidder will be accepted in full at the average price (in three decimals) of accepted competitive bids. Settlement for accepted tenders in accordance with the bids must be made or completed at the Federal Reserve Bank on August 25, 1949, in cash or other immediately available funds or in a like face amount of Treasury bills maturing August 25, 1949. Cash and exchange tenders will receive equal treatment. Cash adjustments will be made for differences between the par value of maturing bills accepted in exchange and the issue price of the new bills.

The income derived from Treasury bills, whether interest or gain from the sale or other disposition of the bills, shall not have any exemption, as such, and loss from the sale or other disposition of Treasury bills shall not have any special treatment, as such, under the Internal Revenue Code, or laws amendatory or supplementary thereto. The bills shall be subject to estate, inheritance, gift or other excise taxes, whether Federal or State, but shall be exempt from all taxation now or hereafter imposed on the principal or interest thereof by any State, or any of the possessions of the United States, or by any local taxing authority. For

5-2086

TREASURY DEPARTMENT
Washington

FOR RELEASE, MORNING NEWSPAPERS,
Friday, August 19, 1949.

The Secretary of the Treasury, by this public notice, invites tenders for $1,000,000,000, or thereabouts, of 92-day Treasury bills, for cash and in exchange for Treasury bills maturing August 25, 1949, to be issued on a discount basis under competitive and non-competitive bidding as hereinafter provided. The bills of this series will be dated August 25, 1949, and will mature November 25, 1949, when the face amount will be payable without interest. They will be issued in bearer form only, and in denominations of $1,000, $5,000, $10,000, $100,000, $500,000, and $1,000,000 (maturity value).

Tenders will be received at Federal Reserve Banks and Branches up to the closing hour, two o'clock p.m., Eastern Daylight Saving ~~Standard~~ time, Monday, August 22, 1949. Tenders will not be received at the Treasury Department, Washington. Each tender must be for an even multiple of $1,000, and in the case of competitive tenders the price offered must be expressed on the basis of 100, with not more than three decimals, e. g., 99.925. Fractions may not be used. It is urged that tenders be made on the printed forms and forwarded in the special envelopes which will be supplied by Federal Reserve Banks or Branches on application therefor.

Tenders will be received without deposit from incorporated banks and trust companies and from responsible and recognized dealers in investment securities. Tenders from others must be accompanied by payment of 2 percent of the face

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Information Service WASHINGTON, D.C.

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S-2086

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felt it necessary to take to meet the immediate situation.

A number of supplementary measures were suggested which could be taken by the Governments either individually or in concert to strengthen the present position. It was agreed that they should be the subject of further consideration. In this connection no suggestion was made that sterling be devalued.

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for further ministerial discussions which it is hoped can be held in Washington early in September.

As regards immediate problems, there was a comprehensive examination of the influences which had brought about the recent acceleration in the drain on the reserves of the sterling areas. This led to a general discussion in which the United Kingdom representatives outlined the preliminary steps which they

The aim must be the achievement of a pattern of world trade in which the dollar and non-dollar countries can operate together within one single multilateral system. The parties concerned must be prepared to review their policies with this objective in view.

As the next step, it is proposed that technical and fact-finding discussions should take place between the three Governments in preparation past few months were no more than an aggravation of deep-seated maladjustments. All agreed that remedies other than financial assistance such as that provided by the United States of America and Canada must be explored.

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It was agreed that the general approach to existing problems must be based upon full recognition of their profound and long-term character. The difficulties of the between the two areas, both in the long and the short term.

It was reaffirmed that the objectives of the economic policy of all three Governments remained those which are set out in the articles of agreement of the International Monetary Fund and the Havana Charter for an International Trade Organization.

Particular stress was laid on the necessity of finding solutions

COPY OF BRITISH TREASURY COMMUNIQUE
ISSUED IN LONDON JULY 10,1949

During their visit to London, Mr. John Snyder, Secretary of the United States Treasury, and Mr. Douglas Abbott, Canadian Minister of Finance, have had a general exchange of views with the Chancellor of the Exchequer and the President of the Board of Trade on the balance of payments difficulties between the dollar and sterling areas and on the measures which could be taken to right the existing disequilibrium

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A number of supplementary measures were suggested which could be taken by the Governments either individually or in concert to strengthen the present position. It was agreed that they should be the subject of further consideration. In this connection no suggestion was made that sterling be devalued.

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A steering committee consisting of Assistant Secretary of the Treasury Martin, Assistant Secretary of State Thorp, Assistant Administrator of E.C.A. Bissell, and representatives of the Department of Commerce, the Department of Agriculture, and the Federal Reserve Board have been working for the past several weeks to coordinate the factual material required for the meetings.

The National Advisory Council and other interested Department heads will advise with the U.S. participants during the course of the talks.

It is hoped to conclude before the beginning of the International Bank and Monetary Fund meetings, September 13.

ums
ok'd by Mr Martin

~~Treasury Department~~

S2087

~~August 17, 1949~~

Immediate Aug 19 (10 AM)

The State and Treasury Departments in a joint statement announced today that at the request of President Truman and Secretary of State Acheson, Secretary of the Treasury Snyder, the Chairman of the National Advisory Council, will preside as Host Chairman at meetings beginning September 6, which will carry forward the discussions which Secretary Snyder held in London in July with Sir Stafford Cripps, British Chancellor of the Exchequer, and Mr. Douglas Abbott, Canadian Minister of Finance.

The British Foreign Minister, Mr. Ernest Bevin, and the Canadian Minister ~~of~~ External Affairs, Mr. Lester Pearson, will be in ~~washington~~ ~~come to~~ Washington ~~for discussions with Secretary of State Acheson. Both plan to remain through the financial~~ throughout the talks and, together with Secretary Acheson, will ~~participate~~ take part in ~~the ministry conferences~~ them.

Technical and fact-finding discussions among representatives of the three Governments are scheduled to begin August 27. Under Secretary of State, James ~~E.~~ Webb, will head the United States delegation. ~~It is anticipated that an agenda for the ministerial meetings may be arrived at through these talks~~. The purpose of the meeting, as previously stated in the London communique, is to discuss the balance of payments difficulties

TREASURY DEPARTMENT

Information Service WASHINGTON, D.C.

IMMEDIATE RELEASE,
Friday, August 19, 1949. S-2087

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The National Advisory Council and other interested Department heads will advise with the U. S. participants during the course of the talks.

It is hoped to conclude before the beginning of the International Bank and Monetary Fund meetings, September 13,

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RELEASE MORNING NEWSPAPERS,
Tuesday, August 23, 1949.

S-2088

The Secretary of the Treasury announced last evening that the tenders for $1,000,000,000, or thereabouts, of 92-day Treasury bills to be dated August 25 and to mature November 25, 1949, 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 - $1,625,308,000
Total accepted - 1,000,510,000 (includes $84,070,000 entered on a non-competitive basis and accepted in full at the average price shown below)
Average price - 99.737 Equivalent rate of discount approx. 1.031% per annum

Range of accepted competitive bids: (Excepting two tenders totaling $400,000)

High - 99.750 Equivalent rate of discount approx. 0.978% per annum
Low - 99.734 " " " " " 1.041% " "

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

Federal Reserve District		Total Applied for	Total Accepted
Boston		$ 14,035,000	$ 13,275,000
New York		1,231,523,000	625,505,000
Philadelphia		28,094,000	26,194,000
Cleveland		44,756,000	44,756,000
Richmond		8,580,000	8,580,000
Atlanta		10,594,000	10,594,000
Chicago		158,653,000	154,853,000
St. Louis		9,296,000	9,296,000
Minneapolis		6,811,000	6,811,000
Kansas City		15,780,000	15,780,000
Dallas		16,300,000	13,540,000
San Francisco		80,886,000	71,326,000
	TOTAL	$1,625,308,000	$1,000,510,000

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TREASURY DEPARTMENT

Information Service

WASHINGTON, D.C.

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Tuesday, August 23, 1949.

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Dallas	16,300,000	15,780,000
San Francisco	80,886,000	13,540,000
		71,326,000
TOTAL	$1,625,308,000	$1,000,510,000

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IMMEDIATE RELEASE
Monday, August 22, 1949

S-2089

Secretary Snyder announced today that the Treasury will offer on Wednesday, August 31, a 1-1/8% one-year certificate to refund the 2% bonds called for redemption on September 15, 1949. He also said that a new certificate of indebtedness would be offered to refund the certificates maturing on October 1, 1949; and that a Treasury note would be offered in connection with the refunding of the Treasury bonds called for redemption on December 15, 1949.

TREASURY DEPARTMENT

Information Service

WASHINGTON, D.C.

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IMMEDIATE RELEASE,
Tuesday, August 23, 1949.
~~PROPOSED PRESS RELEASE~~

S-2090

The Treasury today announced the appointment of John K. Carlock as Assistant General Counsel, succeeding Karl R. Price, who has been named head of the Interpretative Division, Office of the Chief Counsel, Bureau of Internal Revenue.

Hugo A. Ranta becomes ~~Special~~ Assistant to the General Counsel, and Donald A. Hansen, a member of the legal staff, has been designated ~~Assistant to~~ Head of the Legislative Section, Office of the General Counsel.

After receiving his law degree from the University of Arizona, Mr. Carlock, a native of Globe, Arizona, entered Treasury service in 1941 as a law clerk in the Office of the General Counsel. During World War II he served for three years in the United States Coast Guard, returning to the Treasury following his release from military service in 1945.

Mr. Price was born and reared in Middlesboro, Kentucky. Following his formal education at Yale, Vanderbilt and Oxford, he ~~served as~~ was a law clerk to Judge Charles E. Clark, U. S. Court of Appeals for the Second Circuit, and was briefly associated with a Washington law firm. He entered the Army in 1942 and served in the Mediterranean and European theatres with the 82nd Airborne Division until 1946, when he came to the Treasury as an assistant to the late Under Secretary O. Max Gardner. He subsequently served for a year as law clerk to Chief Justice Vinson, returning to the Treasury in 1947, where he was assigned to the staff of the Chief Counsel, Bureau of Internal Revenue, before becoming Assistant General Counsel.

Mr. Ranta is a native of Superior, Wisconsin, and a graduate of the University of Wisconsin Law School. He was first appointed an attorney in the Treasury Department in 1941, and has served continuously in the General Counsel's Office since that time.

Mr. Hansen holds degrees from the College of Emporia (Kansas), Kansas University, and Minnesota University. He came to the Bureau of the Budget as an intern in 1939, and in 1940 was appointed an attorney in the Office of the General Counsel, Treasury Department. He served in the United States Army from October 21, 1941, to January 9, 1946. Mr. Hanson is a native of Caney, Kansas.

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O.K. with changes noted, H.O.T.

TREASURY DEPARTMENT

Information Service WASHINGTON, D.C.

IMMEDIATE RELEASE S-2090
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purposes of taxation the amount of discount at which Treasury bills are originally sold by the United States shall be considered to be interest. Under Sections 42 and 117 (a) (1) of the Internal Revenue Code, as amended by Section 115 of the Revenue Act of 1941, the amount of discount at which bills issued hereunder are sold shall not be considered to accrue until such bills shall be sold, redeemed or otherwise disposed of, and such bills are excluded from consideration as capital assets. Accordingly, the owner of Treasury bills (other than life insurance companies) issued hereunder need include in his income tax return only the difference between the price paid for such bills, whether on original issue or on subsequent purchase, and the amount actually received either upon sale or redemption at maturity during the taxable year for which the return is made, as ordinary gain or loss.

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.

ALPHAX

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, tenders will be opened at the Federal Reserve Banks and Branches, following which public announcement will be made by the Secretary of the Treasury of the amount and price range of accepted bids. Those submitting tenders will be advised of the acceptance or rejection thereof. The Secretary of the Treasury expressly reserves the right to accept or reject any or all tenders, in whole or in part, and his action in any such respect shall be final. Subject to these reservations, non-competitive tenders for $200,000 or less without stated price from any one bidder will be accepted in full at the average price (in three decimals) of accepted competitive bids. Settlement for accepted tenders in accordance with the bids must be made or completed at the Federal Reserve Bank on **September 1, 1949**, in cash or other immediately available funds or in a like face amount of Treasury bills maturing **September 1, 1949**. Cash and exchange tenders will receive equal treatment. Cash adjustments will be made for differences between the par value of maturing bills accepted in exchange and the issue price of the new bills.

The income derived from Treasury bills, whether interest or gain from the sale or other disposition of the bills, shall not have any exemption, as such, and loss from the sale or other disposition of Treasury bills shall not have any special treatment, as such, under the Internal Revenue Code, or laws amendatory or supplementary thereto. The bills shall be subject to estate, inheritance, gift or other excise taxes, whether Federal or State, but shall be exempt from all taxation now or hereafter imposed on the principal or interest thereof by any State, or any of the possessions of the United States, or by any local taxing authority. For

TREASURY DEPARTMENT
Washington

S-2091

FOR RELEASE, MORNING NEWSPAPERS,
Friday, August 26, 1949.

The Secretary of the Treasury, by this public notice, invites tenders for $1,000,000,000, or thereabouts, of 91-day Treasury bills, for cash and in exchange for Treasury bills maturing September 1, 1949, to be issued on a discount basis under competitive and non-competitive bidding as hereinafter provided. The bills of this series will be dated September 1, 1949, and will mature December 1, 1949, when the face amount will be payable without interest. They will be issued in bearer form only, and in denominations of $1,000, $5,000, $10,000, $100,000, $500,000, and $1,000,000 (maturity value).

Tenders will be received at Federal Reserve Banks and Branches up to the closing hour, two o'clock p.m., Eastern Daylight Saving ~~Standard~~ time, Monday, August 29, 1949. Tenders will not be received at the Treasury Department, Washington. Each tender must be for an even multiple of $1,000, and in the case of competitive tenders the price offered must be expressed on the basis of 100, with not more than three decimals, e. g., 99.925. Fractions may not be used. It is urged that tenders be made on the printed forms and forwarded in the special envelopes which will be supplied by Federal Reserve Banks or Branches on application therefor.

Tenders will be received without deposit from incorporated banks and trust companies and from responsible and recognized dealers in investment securities. Tenders from others must be accompanied by payment of 2 percent of the face

TREASURY DEPARTMENT

Information Service WASHINGTON, D.C.

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Friday, August 26, 1949. S-2091

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Tenders will be received without deposit from incorporated banks and trust companies and from responsible and recognized dealers in investment securities. Tenders from others must be accompanied by payment of 2 percent 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, tenders will be opened at the Federal Reserve Banks and Branches, following which public announcement will be made by the Secretary of the Treasury of the amount and price range of accepted bids. Those submitting tenders will be advised of the acceptance or rejection thereof. The Secretary of the Treasury expressly reserves the right to accept or reject any or all tenders, in whole or in part, and his action in any such respect shall be final. Subject to these reservations, non-competitive tenders for $200,000 or less without stated price from any one bidder will be accepted in full at the average price

(in three decimals) of accepted competitive bids. Settlement for accepted tenders in accordance with the bids must be made or completed at the Federal Reserve Bank on September 1, 1949, in cash or other immediately available funds or in a like face amount of Treasury bills maturing September 1, 1949. Cash and exchange tenders will receive equal treatment. Cash adjustments will be made for differences between the par value of maturing bills accepted in exchange and the issue price of the new bills.

The income derived from Treasury bills, whether interest or gain from the sale or other disposition of the bills, shall not have any exemption, as such, and loss from the sale or other disposition of Treasury bills shall not have any special treatment, as such, under the Internal Revenue Code, or laws amendatory or supplementary thereto. The bills shall be subject to estate, inheritance, gift or other excise taxes, whether Federal or State, but shall be exempt from all taxation now or hereafter imposed on the principal or interest thereof by any State, or any of the possessions of the United States, or by any local taxing authority. For purposes of taxation the amount of discount at which Treasury bills are originally sold by the United States shall be considered to be interest. Under Sections 42 and 117 (a) (1) of the Internal Revenue Code, as amended by Section 115 of the Revenue Act of 1941, the amount of discount at which bills issued hereunder are sold shall not be considered to accrue until such bills shall be sold, redeemed or otherwise disposed of, and such bills are excluded from consideration as capital assets. Accordingly, the owner of Treasury bills (other than life insurance companies) issued hereunder need include in his income tax return only the difference between the price paid for such bills, whether on original issue or on subsequent purchase, and the amount actually received either upon sale or redemption at maturity during the taxable year for which the return is made, as ordinary gain or loss.

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.

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RELEASE MORNING NEWSPAPERS,
Tuesday, August 30, 1949.

1-2092

The Secretary of the Treasury announced last evening that the tenders for $1,000,000,000, or thereabouts, of 91-day Treasury bills to be dated September 1 and to mature December 1, 1949, 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 - $1,620,353,000
Total accepted - 1,001,578,000 (includes $80,053,000 entered on a non-competitive basis and accepted in full at the average price shown below)
Average price - 99.734 Equivalent rate of discount approx. 1.054% per annum

Range of accepted competitive bids:

High - 99.747 Equivalent rate of discount approx. 1.001% per annum
Low - 99.732 " " " " " 1.060% " "

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

Federal Reserve District	Total Applied for	Total Accepted
Boston	$ 23,245,000	$ 21,315,000
New York	1,259,734,000	742,619,000
Philadelphia	23,555,000	10,385,000
Cleveland	29,147,000	25,741,000
Richmond	8,420,000	8,420,000
Atlanta	11,530,000	11,480,000
Chicago	132,242,000	82,902,000
St. Louis	11,369,000	11,238,000
Minneapolis	8,205,000	8,174,000
Kansas City	20,497,000	18,567,000
Dallas	19,514,000	14,019,000
San Francisco	72,895,000	46,718,000
	$1,620,353,000	$1,001,578,000

TREASURY DEPARTMENT

Information Service WASHINGTON, D.C.

RELEASE, MORNING NEWSPAPERS,
Tueday, August 30, 1949. S-2092

The Secretary of the Treasury announced last evening that the tenders for $1,000,000,000, or thereabouts, of 91-day Treasury bills to be dated September 1 and to mature December 1, 1949, which were offered on August 26, were opened at the Federal Reserve Banks on August 29.

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Kansas City	20,497,000	18,567,000
Dallas	19,514,000	14,019,000
San Francisco	72,895,000	46,718,000
TOTAL	$1,620,353,000	$1,001,578,000

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ALPHA

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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.

~~ALPHA~~

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Immediately after the closing hour, tenders will be opened at the Federal Reserve Banks and Branches, following which public announcement will be made by the Secretary of the Treasury of the amount and price range of accepted bids. Those submitting tenders will be advised of the acceptance or rejection thereof. The Secretary of the Treasury expressly reserves the right to accept or reject any or all tenders, in whole or in part, and his action in any such respect shall be final. Subject to these reservations, non-competitive tenders for $200,000 or less without stated price from any one bidder will be accepted in full at the average price (in three decimals) of accepted competitive bids. Settlement for accepted tenders in accordance with the bids must be made or completed at the Federal Reserve Bank on **September 8, 1949**, in cash or other immediately available funds or in a like face amount of Treasury bills maturing **September 8, 1949**. Cash and exchange tenders will receive equal treatment. Cash adjustments will be made for differences between the par value of maturing bills accepted in exchange and the issue price of the new bills.

The income derived from Treasury bills, whether interest or gain from the sale or other disposition of the bills, shall not have any exemption, as such, and loss from the sale or other disposition of Treasury bills shall not have any special treatment, as such, under the Internal Revenue Code, or laws amendatory or supplementary thereto. The bills shall be subject to estate, inheritance, gift or other excise taxes, whether Federal or State, but shall be exempt from all taxation now or hereafter imposed on the principal or interest thereof by any State, or any of the possessions of the United States, or by any local taxing authority. For

~~Exhibit 1~~

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TREASURY DEPARTMENT
~~Washington~~

S-2093

FOR RELEASE, MORNING NEWSPAPERS,
Tuesday, August 30, 1949.
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The Secretary of the Treasury, by this public notice, invites tenders for $ 1,000,000,000 (2), or thereabouts, of 91 (3) -day Treasury bills, for cash and in exchange for Treasury bills maturing September 8, 1949 (4), to be issued on a discount basis under competitive and non-competitive bidding as hereinafter provided. The bills of this series will be dated September 8, 1949 (5), and will mature December 8, 1949 (6), when the face amount will be payable without interest. They will be issued in bearer form only, and in denominations of $1,000, $5,000, $10,000, $100,000, $500,000, and $1,000,000 (maturity value).

Tenders will be received at Federal Reserve Banks and Branches up to the closing hour, two o'clock p.m., Eastern Daylight Saving ~~Standard~~ time, Friday, September 2, 1949 (7). Tenders will not be received at the Treasury Department, Washington. Each tender must be for an even multiple of $1,000, and in the case of competitive tenders the price offered must be expressed on the basis of 100, with not more than three decimals, e. g., 99.925. Fractions may not be used. It is urged that tenders be made on the printed forms and forwarded in the special envelopes which will be supplied by Federal Reserve Banks or Branches on application therefor.

Tenders will be received without deposit from incorporated banks and trust companies and from responsible and recognized dealers in investment securities. Tenders from others must be accompanied by payment of 2 percent of the face

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TREASURY DEPARTMENT

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Information Service WASHINGTON, D.C.

RELEASE, MORNING NEWSPAPERS,
Tuesday, August 30, 1949. S-2093

The Secretary of the Treasury, by this public notice, invites tenders for $1,000,000,000, or thereabouts, of 91-day Treasury bills, for cash and in exchange for Treasury bills maturing September 8, 1949, to be issued on a discount basis under competitive and non-competitive bidding as hereinafter provided. The bills of this series will be dated September 8, 1949, and will mature December 8, 1949, when the face amount will be payable without interest. They will be issued in bearer form only, and in denominations of $1,000, $5,000, $10,000, $100,000, $500,000, and $1,000,000 (maturity value).

Tenders will be received at Federal Reserve Banks and Branches up to the closing hour, two o'clock p.m., Eastern Daylight Saving time, Friday, September 2, 1949. Tenders will not be received at the Treasury Department, Washington. Each tender must be for an even multiple of $1,000, and in the case of competitive tenders the price offered must be expressed on the basis of 100, with not more than three decimals, e. g., 99.925. Fractions may not be used. It is urged that tenders be made on the printed forms and forwarded in the special envelopes which will be supplied by Federal Reserve Banks or Branches on application therefor.

Tenders will be received without deposit from incorporated banks and trust companies and from responsible and recognized dealers in investment securities. Tenders from others must be accompanied by payment of 2 percent 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, tenders will be opened at the Federal Reserve Banks and Branches, following which public announcement will be made by the Secretary of the Treasury of the amount and price range of accepted bids. Those submitting tenders will be advised of the acceptance or rejection thereof. The Secretary of the Treasury expressly reserves the right to accept or reject any or all tenders, in whole or in part, and his action in any such respect shall be final. Subject to these reservations, non-competitive tenders for $200,000 or less without stated price from any one bidder will be accepted in full at the average price

(in three decimals) of accepted competitive bids. Settlement for accepted tenders in accordance with the bids must be made or completed at the Federal Reserve Bank on September 8, 1949, in cash or other immediately available funds or in a like face amount of Treasury bills maturing September 8, 1949. Cash and exchange tenders will receive equal treatment. Cash adjustments will be made for differences between the par value of maturing bills accepted in exchange and the issue price of the new bills.

The income derived from Treasury bills, whether interest or gain from the sale or other disposition of the bills, shall not have any exemption, as such, and loss from the sale or other disposition of Treasury bills shall not have any special treatment, as such, under the Internal Revenue Code, or laws amendatory or supplementary thereto. The bills shall be subject to estate, inheritance, gift or other excise taxes, whether Federal or State, but shall be exempt from all taxation now or hereafter imposed on the principal or interest thereof by any State, or any of the possessions of the United States, or by any local taxing authority. For purposes of taxation the amount of discount at which Treasury bills are originally sold by the United States shall be considered to be interest. Under Sections 42 and 117 (a) (1) of the Internal Revenue Code, as amended by Section 115 of the Revenue Act of 1941, the amount of discount at which bills issued hereunder are sold shall not be considered to accrue until such bills shall be sold, redeemed or otherwise disposed of, and such bills are excluded from consideration as capital assets. Accordingly, the owner of Treasury bills (other than life insurance companies) issued hereunder need include in his income tax return only the difference between the price paid for such bills, whether on original issue or on subsequent purchase, and the amount actually received either upon sale or redemption at maturity during the taxable year for which the return is made, as ordinary gain or loss.

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.

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TREASURY DEPARTMENT Info.

Information Service WASHINGTON, D.C.

RELEASE, MORNING NEWSPAPERS,
Wednesday, August 31, 1949. S-2094

Secretary of the Treasury Snyder today announced the offering, through the Federal Reserve Banks, of 1-1/8 percent Treasury Certificates of Indebtedness of Series G-1950, open on an exchange basis, par for par, in authorized denominations, to holders of 2 percent Treasury Bonds of 1949-51 (dated May 15, 1942), called for redemption on September 15, 1949, in the amount of $1,292,443,600. Cash subscriptions will not be received.

The certificates now offered will be dated September 15, 1949, and will bear interest from that date at the rate of one and one-eighth percent per annum, payable with the principal at maturity on September 15, 1950. They will be issued in bearer form only, in denominations of $1,000, $5,000, $10,000, $100,000 and $1,000,000.

Pursuant to the provisions of the Public Debt Act of 1941, as amended, interest upon the certificates now offered shall not have any exemption, as such, under the Internal Revenue Code, or laws amendatory or supplementary thereto. The full provisions relating to taxability are set forth in the official circular released today.

Subscriptions will be received at the Federal Reserve Banks and Branches, and at the Treasury Department, Washington, and should be accompanied by a like face amount of the called bonds. Subject to the usual reservations, all subscriptions will be allotted in full.

The subscription books will close for the receipt of all subscriptions at the close of business Saturday, September 3.

Subscriptions addressed to a Federal Reserve Bank or Branch or to the Treasury Department, and placed in the mail before midnight September 3, will be considered as having been entered before the close of the subscription books.

The text of the official circular follows:

UNITED STATES OF AMERICA

1-1/8 PERCENT TREASURY CERTIFICATES OF INDEBTEDNESS OF SERIES G-1950

Dated and bearing interest from September 15, 1949   Due September 15, 1950

1949
Department Circular No. 849

Fiscal Service
Bureau of the Public Debt

TREASURY DEPARTMENT,
Office of the Secretary,
Washington, August 31, 1949.

I. OFFERING OF CERTIFICATES

1. The Secretary of the Treasury, pursuant to the authority of the Second Liberty Bond Act, as amended, invites subscriptions, at par, from the people of the United States for certificates of indebtedness of the United States, designated 1-1/8 percent Treasury Certificates of Indebtedness of Series G-1950, in exchange for 2 percent Treasury Bonds of 1949-51, dated May 15, 1942, called for redemption on September 15, 1949.

II. DESCRIPTION OF CERTIFICATES

1. The certificates will be dated September 15, 1949, and will bear interest from that date at the rate of 1-1/8 percent per annum, payable with the principal at maturity on September 15, 1950. They will not be subject to call for redemption prior to maturity.

2. The income derived from the certificates shall be subject to all taxes, now or hereafter imposed under the Internal Revenue Code, or laws amendatory or supplementary thereto. The certificates shall be subject to estate, inheritance, gift or other excise taxes, whether Federal or State, but shall be exempt from all taxation now or hereafter imposed on the principal or interest thereof by any State, or any of the possessions of the United States, or by any local taxing authority.

3. The certificates will be acceptable to secure deposits of public moneys. They will not be acceptable in payment of taxes.

4. Bearer certificates will be issued in denominations of $1,000, $5,000, $10,000, $100,000 and $1,000,000. The certificates will not be issued in registered form.

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

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.

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 certificates applied for, and to close the books as to any or all subscriptions at any time without notice; and any action he may take in these respects shall be final. Subject to these reservations, all subscriptions will be allotted in full. Allotment notices will be sent out promptly upon allotment.

IV. PAYMENT

1. Payment at par for certificates allotted hereunder must be made on or before September 15, 1949, or on later allotment, and may be made only in Treasury Bonds of 1949-51, called for redemption on September 15, 1949, which will be accepted at par, and should accompany the subscription. Payment of final interest due September 15 on bonds surrendered will be paid, in the case of coupon bonds, by payment of September 15, 1949, coupons, which should be detached by holders before presentation of the bonds, and in the case of registered bonds, by checks drawn in accordance with the assignments on the bonds surrendered.

V. ASSIGNMENT OF REGISTERED BONDS

1. Treasury Bonds of 1949-51 in registered form tendered in payment for certificates offered hereunder should be assigned by the registered payees or assignees thereof to "The Secretary of the Treasury for exchange for Treasury Certificates of Indebtedness of Series G-1950 to be delivered to ____________________," in accordance with the general regulations of the Treasury Department governing assignments for transfer or exchange, and thereafter should be presented and surrendered with the subscription to a Federal Reserve Bank or Branch or to the Treasury Department, Division of Loans and Currency, Washington, D. C. The bonds must be delivered at the expense and risk of the holders.

VI. GENERAL PROVISIONS

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

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.

JOHN W. SNYDER,
Secretary of the Treasury.

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~~August 31,~~ 1949

The Treasury Department today issued the following statement:

"Public hearings will be held on October 3, 1949, on new proposals for labelling of traditional American type whiskies, such as bourbon and rye.

"The October 3 hearing will consider two new proposals, as follows:

"1. American type whisky (other than corn) must be aged at least 18 months in new charred oak barrels.

"2. Such American type whisky, which has been aged at least 18 months in new charred oak barrels, may claim age for any combined period of storage in new and used barrels, provided the label specifically includes a statement of the age acquired in used charred oak barrels.

"After study of the hearings held on July 11 and 12 on the proposals ~~as to~~ for labelling and advertising of distilled spirits as published in the Federal Register on June 4, the Department has concluded that such proposals would not be in the interest of consumers and therefore will not be adopted.

"A. T. Circular No. 1037, dated April 7, 1949, has been revoked."

D.R.S.
JSG 8/31/49

TREASURY DEPARTMENT

Information Service WASHINGTON, D.C.

IMMEDIATE RELEASE
Wednesday, August 31, 1949 S-2095

The Treasury Department today issued the following statement:

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"The October 3 hearing will consider two new proposals, as follows:

"1. American type whisky (other than corn) must be aged at least 18 months in new charred oak barrels.

"2. Such American type whisky, which has been aged at least 18 months in new charred oak barrels, may claim age for any combined period of storage in new and used barrels, provided the label specifically includes a statement of the age acquired in used charred oak barrels.

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"A. T. Circular No. 1037, dated April 7, 1949, has been revoked."

~~Proposed press release.~~
~~August 31, 1949.~~

Release Morning Newspapers
Saturday, September 3, 1949

S-2096

George J. Schoeneman, Commissioner of Internal Revenue, advised veterans today that the forthcoming special dividend to be paid by the Veterans Administration on National Service Life Insurance will not be subject to income tax.

In response to numerous inquiries, the Commissioner explained that the so-called dividends are in reality only adjustments of the premiums paid by the veterans on their insurance, and therefore do not constitute "income" under the tax laws.

Accordingly, veterans who receive these dividends should not include them in their income tax returns.

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TREASURY DEPARTMENT

Information Service WASHINGTON, D.C.

RELEASE MORNING NEWSPAPERS,
Saturday, September 3, 1949. S-2096

George J. Schoeneman, Commissioner of Internal Revenue, advised veterans today that the forthcoming special dividend to be paid by the Veterans Administration on National Service Life Insurance will not be subject to income tax.

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Accordingly, veterans who receive these dividends should not include them in their income tax returns.

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Comparison of principal items of assets and liabilities of national banks - continued
(In thousands of dollars)

	June 30, 1949	April 11, 1949	June 30, 1948	Increase or decrease since April 11, 1949		Increase or decrease since June 30, 1948	
				Amount	Percent	Amount	Percent
LIABILITIES							
Deposits of individuals, partnerships and corporations:							
Demand	$44,470,804	$44,318,284	$45,203,667	$152,520	.34	-$732,863	-1.62
Time	19,008,719	18,907,230	18,830,881	101,489	.54	177,838	.94
Deposits of U. S. Government	1,448,172	1,812,611	1,365,053	-364,439	-20.11	83,119	6.09
Postal savings deposits	3,306	3,346	2,809	-40	-1.20	497	17.69
Deposits of States and political subdivisions	5,398,970	5,294,587	5,175,811	104,383	1,97	223,159	4.31
Deposits of banks	6,946,245	6,887,424	7,305,787	58,821	.85	-359,542	-4.92
Other deposits (certified and cashiers' checks, etc.)	1,175,252	887,431	1,115,980	287,821	32.43	59,272	5.31
Total deposits	78,451,468	78,110,913	78,999,988	340,555	.44	-548,520	-.69
Bills payable, rediscounts, and other liabilities for borrowed money	14,123	89,553	42,871	-75,430	-84.23	-28,748	-67.06
Other liabilities	805,956	787,200	752,485	18,756	2.38	53,471	7.11
Total liabilities, excluding capital accounts	79,271,547	78,987,666	79,795,344	283,881	.36	-523,797	-.66
CAPITAL ACCOUNTS							
Capital stock:							
Preferred	22,325	22,169	23,898	156	.70	-1,573	-6.58
Common	1,885,633	1,882,857	1,780,905	2,776	.15	104,728	5.88
Total	1,907,958	1,905,026	1,804,803	2,932	.15	103,155	5.72
Surplus	2,506,653	2,478,494	2,451,488	28,159	1.14	55,165	2.25
Undivided profits	1,084,283	1,068,755	971,091	15,528	1.45	113,192	11.66
Reserves	329,009	325,119	318,386	3,890	1.20	10,623	3.34
Total surplus, profits, and reserves	3,919,945	3,872,368	3,740,965	47,577	1.23	178,980	4.78
Total capital accounts	5,827,903	5,777,394	5,545,768	50,509	.87	282,135	5.09
Total liabilities and capital accounts	85,099,450	84,765,060	85,341,112	334,390	.39	-241,662	-.28
Ratios:	Percent	Percent	Percent				
U.S.Gov't securities to total assets	41.83	40.80	42.45				
Loans and discounts to total assets	26.53	27.06	26.13				
Capital accounts to total deposits	7.43	7.40	7.02				

NOTE: Minus sign denotes decrease.

Statement showing comparison of principal items of assets and liabilities of active national banks
as of June 30, 1949, April 11, 1949, and June 30, 1948
(In thousands of dollars)

	June 30, 1949	April 11, 1949	June 30, 1948	Increase or decrease since April 11, 1949		Increase or decrease since June 30, 1948	
				Amount	Percent	Amount	Percent
Number of banks	4,993	4,996	5,004	-3	-.06	-11	-.22
ASSETS							
Commercial and industrial loans	$10,009,460		$10,967,053			-$957,593	-8.73
Loans on real estate	5,709,790		5,268,421			441,369	8.38
Consumer loans to individuals	3,988,158		3,536,607			451,551	12.77
All other loans, including overdrafts	3,132,207		2,728,779			403,428	14.78
Total gross loans	22,839,615		22,500,860			338,755	1.51
Less valuation reserves	261,495		197,818			63,677	32.19
Net loans	22,578,120	$22,941,026	22,303,042	-$362,906	-1.58	275,078	1.23
U. S. Government securities:							
Direct obligations	35,595,411)		(36,226,156)			(-630,745	-1.74
Obligations fully guaranteed	2,087)	34,582,806	(5,251)	1,014,692	2.93	(-3,164	-60.26
Total U. S. securities	35,597,498	34,582,806	36,231,407	1,014,692	2.93	-633,909	-1.75
Obligations of States and political subdivisions	3,410,267	3,289,963	3,207,888	120,304	3.66	202,379	6.31
Other bonds, notes, and debentures	1,959,419	1,901,718	1,943,659	57,701	3.03	15,760	.81
Corporate stocks, including stocks of Federal Reserve banks	162,609	161,062	158,271	1,547	.96	4,338	2.74
Total securities	41,129,793	39,935,549	41,541,225	1,194,244	2.99	-411,432	-.99
Total loans and securities	63,707,913	62,876,575	63,844,267	831,338	1.32	-136,354	-.21
Currency and coin	1,093,053	1,116,002	1,120,314	-22,949	-2.06	-27,261	-2.43
Reserve with Federal Reserve banks	11,727,165	12,550,367	11,325,863	-823,202	-6.56	401,302	3.54
Balances with other banks	7,555,963	7,189,537	8,019,321	366,426	5.10	-463,358	-5.78
Total cash, balances with other banks, including reserve balances and cash items in process of collection	20,376,181	20,855,906	20,465,498	-479,725	-2.30	-89,317	-.44
Other assets	1,015,356	1,032,579	1,031,347	-17,223	-1.67	-15,991	-1.55
Total assets	85,099,450	84,765,060	85,341,112	334,390	.39	-241,662	-.28

to brokers and dealers and others for the purpose of purchasing or carrying securities, and loans to banks, etc., increased nearly 15 percent in the year. The percentage of loans and discounts to total assets on June 30, 1949 was 26.53, in comparison with 27.06 on April 11 and 26.13 on June 30, 1948.

Investments of banks in United States Government obligations (including $2,000,000 guaranteed obligations) on June 30, 1949 aggregated $35,598,000,000, which was an increase of $1,015,000,000, or nearly 3 percent, since April this year, but a decrease of $633,000,000, or nearly 2 percent in the year. These investments were 41.83 percent of total assets, compared to 42.45 percent in June 1948. Other bonds, stocks and securities of $5,532,000,000, which included obligations of States and political subdivisions of $3,410,000,000, were $222,000,000 more than in June last year.

Cash of $1,093,000,000, reserves with Federal Reserve banks of $11,727,000,000 and balances with other banks (including cash items in process of collection) of $7,556,000,000, a total of $20,376,000,000, showed a decrease of $89,000,000 in the year.

The unimpaired capital stock of the banks at the end of June 1949 was $1,908,000,000, including $22,000,000 of preferred stock. Surplus was $2,507,000,000, undivided profits $1,084,000,000 and reserves $329,000,000, or a total of $3,920,000,000. Total capital accounts of $5,828,000,000, which were 7.43 percent of total deposits, were $282,000,000 more than in June last year when they were 7.02 percent of total deposits.

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TREASURY DEPARTMENT

Washington

FOR RELEASE, MORNING NEWSPAPERS
Tuesday, August 30, 1949

~~Press Service~~
~~No. 2097~~
S-2097

The total assets of national banks as of June 30, 1949 amounted to more than $85,000,000,000, it was announced today by Comptroller of the Currency Preston Delano. The returns covered the 4,993 active national banks in the United States and possessions. The assets were $334,000,000 more than reported by the 4,996 national banks as of April 11, 1949, the date of the previous call, but $242,000,000 less than reported by the 5,004 active banks as of June 30, 1948.

The deposits of the banks on June 30, 1949 were more than $78,000,000,000, an increase of $340,000,000 since April, but a decrease of $549,000,000 in the year. Included in the recent deposit figures are demand deposits of individuals, partnerships and corporations of $44,471,000,000, which increased $153,000,000 since April, and time deposits of individuals, partnerships and corporations of $19,009,000,000, which increased $102,000,000. Deposits of the United States Government of $1,448,000,000 were $365,000,000 less than in April; deposits of States and political subdivisions of $5,399,000,000 showed an increase of $104,000,000; and deposits of banks of $6,946,000,000 were $59,000,000 more than in April. Postal savings deposits exceeded $3,000,000 and certified and cashiers' checks were $1,175,000,000.

Loans and discounts at the end of June 1949 were $22,578,000,000 after deducting reserves of $261,000,000 for possible future losses. The net loans were $363,000,000, or about 1½ percent, less than the amount reported as of April 11 this year, but $275,000,000, or more than 1 percent, over the net amount reported as of the end of June 1948. Commercial and industrial loans as of the recent call date totaled $10,009,000,000 and were nearly 9 percent less than the amount reported in June of last year, loans on real estate of $5,710,000,000 were up more than 8 percent and consumer loans to individuals of $3,988,000,000 were up nearly 13 percent, while all other loans of $3,132,000,000, which included loans to farmers, advances

TREASURY DEPARTMENT

Information Service WASHINGTON, D.C.

FOR RELEASE, MORNING NEWSPAPERS,
Tuesday, August 30, 1949.

S-2097

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Investments of banks in United States Government obligations (including $2,000,000 guaranteed obligations) on June 30, 1949 aggregated $35,598,000,000, which was an increase of $1,015,000,000, or nearly 3 percent, since April this year, but a decrease of $633,000,000, or nearly 2 percent in the year. These investments were 41.83 percent of total assets, compared to 42.45 percent in June 1948. Other bonds, stocks and securities of $5,532,000,000, which included obligations of States and political subdivisions of $3,410,000,000, were $222,000,000 more than in June last year.

Cash of $1,093,000,000, reserves with Federal Reserve banks of $11,727,000,000 and balances with other banks (including cash items in process of collection) of $7,556,000,000, a total of $20,376,000,000, showed a decrease of $89,000,000 in the year.

The unimpaired capital stock of the banks at the end of June 1949 was $1,908,000,000, including $22,000,000 of preferred stock. Surplus was $2,507,000,000, undivided profits $1,084,000,000 and reserves $329,000,000, or a total of $3,920,000,000. Total capital accounts of $5,828,000,000, which were 7.43 percent of total deposits, were $282,000,000 more than in June last year when they were 7.02 percent of total deposits.

Statement showing comparison of principal items of assets and liabilities of active national banks as of June 30, 1949, April 11, 1949, and June 30, 1948
(In thousands of dollars)

	June 30, 1949	April 11, 1949	June 30, 1948	Increase or decrease since April 11, 1949: Amount	Increase or decrease since April 11, 1949: Percent	Increase or decrease since June 30, 1948: Amount	Increase or decrease since June 30, 1948: Percent
Number of banks	4,993	4,996	5,004	-3	-.06	-11	-.22
ASSETS							
Commercial and industrial loans	$10,009,460		$10,967,053			-$957,593	-8.73
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Less valuation reserves	261,495		197,818			63,677	32.19
Net loans	22,578,120	$22,941,026	22,303,042	-$362,906	-1.58	275,078	1.23
U. S. Government securities:							
Direct obligations	35,595,411)	34,582,806	(36,226,156)	1,014,692	2.93	(-630,745	-1.74
Obligations fully guaranteed	2,087)		(5,251)			(-3,164	-60.26
Total U. S. securities	35,597,498	34,582,806	36,231,407	1,014,692	2.93	-633,909	-1.75
Obligations of States and political subdivisions	3,410,267	3,289,963	3,207,888	120,304	3.66	202,379	6.31
Other bonds, notes, and debentures	1,959,419	1,901,718	1,943,659	57,701	3.03	15,760	.81
Corporate stocks, including stocks of Federal Reserve banks	162,609	161,062	158,271	1,547	.96	4,338	2.74
Total securities	41,129,793	39,935,549	41,541,225	1,194,244	2.99	-411,432	-.99
Total loans and securities	63,707,913	62,876,575	63,844,267	831,338	1.32	-136,354	-.21
Currency and coin	1,093,053	1,116,002	1,120,314	-22,949	-2.06	-27,261	-2.43
Reserve with Federal Reserve banks	11,727,165	12,550,367	11,325,863	-823,202	-6.56	401,302	3.54
Balances with other banks	7,555,963	7,189,537	8,019,321	366,426	5.10	-463,358	-5.78
Total cash, balances with other banks, including reserve balances and cash items in process of collection	20,376,181	20,855,906	20,465,498	-479,725	-2.30	-89,317	-.44
Other assets	1,015,356	1,032,579	1,031,347	-17,223	-1.67	-15,991	-1.55
Total assets	85,099,450	84,765,060	85,341,112	334,390	.39	-241,662	-.28

Comparison of principal items of assets and liabilities of national banks - continued
(In thousands of dollars)

	June 30, 1949	April 11, 1949	June 30, 1948	Increase or decrease since April 11, 1949: Amount	Increase or decrease since April 11, 1949: Percent	Increase or decrease since June 30, 1948: Amount	Increase or decrease since June 30, 1948: Percent
LIABILITIES							
Deposits of individuals, partnerships and corporations:							
Demand	$44,470,804	$44,318,284	$45,203,667	$152,520	.34	-$732,863	-1.62
Time	19,008,719	18,907,230	18,830,881	101,489	.54	177,838	.94
Deposits of U. S. Government	1,448,172	1,812,611	1,365,053	-364,439	-20.11	83,119	6.09
Postal savings deposits	3,306	3,346	2,809	-40	-1.20	497	17.69
Deposits of States and political subdivisions	5,398,970	5,294,587	5,175,811	104,383	1.97	223,159	4.31
Deposits of banks	6,946,245	6,887,424	7,305,787	58,821	.85	-359,542	-4.92
Other deposits (certified and cashiers' checks, etc.)	1,175,252	887,431	1,115,980	287,821	32.43	59,272	5.31
Total deposits	78,451,468	78,110,913	78,999,988	340,555	.44	-548,520	-.69
Bills payable, rediscounts, and other liabilities for borrowed money	14,123	89,553	42,871	-75,430	-84.23	-28,748	-67.06
Other liabilities	805,956	787,200	752,485	18,756	2.38	53,471	7.11
Total liabilities, excluding capital accounts	79,271,547	78,987,666	79,795,344	283,881	.36	-523,797	-.66
CAPITAL ACCOUNTS							
Capital stock:							
Preferred	22,325	22,169	23,898	156	.70	-1,573	-6.58
Common	1,885,633	1,882,857	1,780,905	2,776	.15	104,728	5.88
Total	1,907,958	1,905,026	1,804,803	2,932	.15	103,155	5.72
Surplus	2,506,653	2,478,494	2,451,488	28,159	1.14	55,165	2.25
Undivided profits	1,084,283	1,068,755	971,091	15,528	1.45	113,192	11.66
Reserves	329,009	325,119	318,386	3,890	1.20	10,623	3.34
Total surplus, profits, and reserves	3,919,945	3,872,368	3,740,965	47,577	1.23	178,980	4.78
Total capital accounts	5,827,903	5,777,394	5,545,768	50,509	.87	282,135	5.09
Total liabilities and capital accounts	85,099,450	84,765,060	85,341,112	334,390	.39	-241,662	-.28
Ratios:	Percent	Percent	Percent				
U.S. Gov't securities to total assets	41.83	40.80	42.45				
Loans and discounts to total assets	26.53	27.06	26.13				
Capital accounts to total deposits	7.43	7.40	7.02				

NOTE: Minus sign denotes decrease.

combined endeavor. We are hopeful that the sincere desire for international cooperation which this country has evidenced may serve as an inspiration to all the peoples of the human community.

That spirit is the key to growth and development in the affairs of this increasingly complex world. It signifies an exploratory and a venturous attitude which is traditional in this country; one that has been nowhere better expressed than in the States of Michigan and Wisconsin.

The fruits of our national efforts have proved that far greater achievements may be obtained through want development, not exploitation. Foreign countries do not like to see their resources exploited with no return to them other than perhaps a subsistence wage for the workers employed. As the President has stated, "The old imperialism -- exploitation for profit -- has no place in our plans. What we envisage is a program of development based on the concepts of democratic fair dealing."

The Point IV Program is one of boldness, imagination and initiative.

It is important to note here that the ordinary business risks are not to be covered by this guaranty.

investment. These risks peculiar to foreign investment might, however, include: (1) the inability to convert earnings in foreign countries, or other amounts received in connection with the foreign investment, into United States dollars; (2) the expropriation of the investors' property by a foreign government without prompt and adequate compensation; and (3) physical destruction of property incident to international war.

Fortunately, investors have come to realize that foreign countries certain inducements for our investors to send their capital abroad. We can help also by supplementing these efforts through the issuance of guaranties with respect to private American investments abroad.

The legislation which we now have before Congress would authorize the Export-Import Bank to guaranty United States private capital invested abroad against the risks peculiar to foreign dollar proceeds to their own country. Finally, although the right to nationalize property within any country's border is inherent in sovereignty, the country resorting to the exercise of that right should recognize an equally strong obligation to make satisfactory compensation.

We, on our part, can contribute to the removal of these obstacles by making a special effort to provide must recognize that the right to do business in their countries on reasonable terms is considered of paramount importance by our potential investors. It also requires that foreign countries recognize the right of persons making foreign investments to convert their income from such investments into dollars and to transfer an appropriate share of the

American capital abroad. We also know that private capital will flow abroad more freely and produce better results where it is encouraged locally.

The underdeveloped areas must accept the major responsibility for clearing away obstructions which exist to a broad and beneficial flow of private capital. This requires that foreign governments thereby aids general advancement toward better living.

The cooperation of private enterprise on both the technical and financial sides of the Point IV Program is essential. Foreign investment for desirable purposes should be undertaken through private channels so far as possible.

We all know that there are certain well-defined obstacles which have stood in the way of the investment of workmen and better citizens.

These and other results of technical aid are helpful to capital in producing goods, and so encourage the investment of new capital. Investments in machinery and new enterprises permit the perfecting of skills that have been acquired. Additional production means an increase in national incomes, permits greater local savings, and

and technical knowledge to participate in the effort. It is important to enlist American business know-how because the ingenuity and resourcefulness of the American businessman is generally unsurpassed.

By relating technical assistance to the international flow of capital, there should be an increase in the effectiveness of both. Better health and educational standards can be expected which will result in better answer to these and many related questions is part of the job which is cut out for the technical assistance phase of the program.

The second part of the Point IV Program is financial in character. Under this part of the plan the Administration already has proposed legislation to authorize the Export-Import Bank to guaranty (e) American
against certain risks pertaining to such investments
investments abroad. By this means it is hoped to encourage American capital

country has some untapped resources. Much of the potential wealth and natural resources of the underdeveloped areas is unknown. One of the first steps is to discover what are these resources. With knowledge of their nature, location, and potentialities, it can be determined how best they can be economically developed -- for instance, whether appropriate transportation is available, and whether necessary power can be supplied. The production; and generally to obtain more effective results from both private and public undertakings. The accomplishment of these objectives is of the highest importance. It is our earnest hope through them to further the development of countries desiring our aid, and to assist in the fulfillment of their aspirations.

The possibilities for development in these areas capture the imagination of us all. Every provide their own technical experts in the fields in which they excel, and in general that they will use their own resources to the fullest advantage.

Supplying technical assistance is the first of the two parts in which the Point IV plan is divided. It is hoped, through this form of aid, to lay the foundation for improving the health of the peoples of many areas; to provide the basis for training in many types of agricultural and industria help themselves. Cooperation is the program's cardinal principle. The spirit of our own contribution in this field is evidenced by the legislation already before Congress.

The cooperation which we expect to come from the countries to be benefited will take many forms. Thus it is anticipated that they will be willing to contribute to the cost of the assistance program, that they will underdeveloped areas improve(5), these areas will supply the world with needed products and will offer an expanded market for our products as well as for those of other countries.

Our program for improving the lot of the underdeveloped countries was initiated by President Truman in his inaugural address. It has become known everywhere as Point IV. It is intended to help underdeveloped areas we are concentrating our attention on helping these countries to support themselves. At the same time, we are studying the means of improving the welfare of the economically underdeveloped areas of the globe. For, higher standards of living in the underdeveloped countries will by the very nature of things benefit not only the countries themselves but all free nations. As the economic life of the

There is evidence nearly everywhere in Europe of resourcefulness, courage and skill on the part of European leaders in making use of this aid. And, generally, we can say that the first stage in the struggle to repair the shattered fabric of European economic life has been successful.

Now, however, we are entering upon a new phase of this struggle of rehabilitation. In this second phase, and depletion of the soil and other agricultural resources during the course of the war, made impossible a rapid revival of production comparable to our own. The morale of the civilian population, which had long suffered under the shadow of war and occupation, was at a low ebb. Outside aid was urgently required. We responded to this need through our foreign aid programs.

Taken all in all, the major indicators of economic activity point toward sustained prosperity for our country.

But the time has passed when we can confine our economic considerations to this country. Today, most Americans realize how closely our prosperity at home is bound up with the economic progress of our neighbors here and across the seas.

In Europe, widespread destruction of plant and equipment.

American free enterprise system. Today, conditions of plenty are returning. And in other respects, also, the business environment is favorable. Business investment in plant and equipment, which was higher in the first quarter of 1949 than a year earlier, continues at a high level. Business credit is amply available on favorable terms. Private debt is low, compared with the volume of business being done.

to a buyers' market. Some downturn in prices has occurred. But with consumer incomes continuing at close to record levels and with large untapped resources of purchasing power in the hands of both business firms and the consuming public, adjustments have not proved severe.

It is important to remember that plentiful supplies lead to improved products and lower costs and prices. These have been the hallmarks of the vacuum cleaners and washing machines, and over 50 million new radios and television sets. New cars have sold as fast as they could be turned out, yet the demand for new passenger automobiles is continuing at a very high level. In other important areas of the economy also -- notably housing -- supplies have not yet been sufficient to meet the needs of purchasers.

Where shortages have been overcome, there have been readjustments country for civilian products which had been in short supply during the war. At the same time, nearly every other nation in the world sought to draw upon our production to meet their own requirements.

Some of the backlog demand which accumulated in this country during the war years has been met. For example, since VJ-Day, Americans have bought close to 15 million new cars and trucks, 32 million new refrigerators, strong in their views. Vigorous intellects and inquiring minds of a free society produce occasional controversy. But Americans know how to achieve as well as to debate.

Look at the record of the past few years. Our productive machinery was converted almost overnight to meet the vast requirements of war. Almost as quickly, we turned to peace. Our factories and farms had to strive to satisfy the pent-up demand in this

this Nation as a world leader.

To be sure we have our problems and conflicts and crises -- ever recurring -- never completely missing from the American scene. For there is no growth without struggle.

Today, almost 150 million people inhabit the United States. The great majority of them are people who have known how to benefit by expanding knowledge and the advancement of independent ideas. Americans are the Brady Guards fought to suppress disorders along the border. It was in these Guard units that Company A had its birth.

Ours is a stronger Nation by reason of the courage and the sacrifice of men such as those of the Thirty-second Division. It is a more confident Nation. It is more advanced in spiritual and material welfare. What is more important, it retains, I believe, that dynamic spirit which built of brave conduct. I recommend to any enthusiast of research in military matters the story of the evolution of what might be termed the Thirty-second Division's first company of foot soldiers -- Company A of the old 125th Infantry Regiment.

This Nation was young, and the Great Lakes country was a field for rugged pioneering when the Detroit City Guard shouldered arms in the Black Hawk War, and again when your comrades who helped establish

the record of combat in the streets

~~(See-érg)~~ (~~Feem)~~ (~~Ju-vée-ny)~~
of Cierges and Fismes and Juvigny.

~~(Réd-dee)~~
across the fields of Reddy and

~~(Mauriné)~~
Bellevue farms, in Morine and

(~~Băn-tay-véel~~)
Bantheville woods, and along the

(~~Ră-măn)~~
roads to Romagne.

The history of those campaigns

on opposite sides of the world is

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on which to draw for its traditions

~~(Vill-a)~~

those who won the battle of Villa

~~(Ver-de)~~

Verde Trail, and cleared the enemy

~~(Ba-lay-te)~~

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The Thirty-second Division's World War II record of 13,000 hours of combat in New Guinea, in the Southern Philippines and in Luzon is one of which every Red Arrow veteran will be eternally proud. And no one shares that pride more sincerely than

All veterans of the Thirty-second consider themselves comrades, whether they fought in World War I, World War II -- or in both. Comradeship of service in arms draws no fine distinctions concerning years and areas in which that service is performed.

With many of you veterans, I am meeting for the first time. I refer to those of you who fought at Buna ~~(Bóo-na)~~ and Morotai ~~(Már-a-tie)~~ and Leyte ~~(Láy-t)~~ and Luzon ~~(Lóo-zon)~~;

OK
For
Mimeograph

ADDRESS BY SECRETARY SNYDER

before the

NATIONAL RED ARROW REUNION

of the

32nd DIVISION ASSOCIATION

Pantlind Hotel

Sunday, September 4, 1949
Grand Rapids, Michigan

S-2098

~~The following address by Secretary Snyder before the Thirty-second Division Association at the Pantlind Hotel, Grand Rapids, Mich., is scheduled for delivery at 8:30 p.m. xxxxSundayxxSept EST on Sunday, September 4, 1949, and is for release at that time.~~

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S-2098

TREASURY DEPARTMENT

Washington

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The possibilities for development in these areas capture the imagination of us all. Every country has some untapped resources. Much of the potential wealth and natural resources of the underdeveloped areas is unknown. One of the first steps is to discover what are these resources. With knowledge of their nature, location, and potentialities, it can be determined how best they can be economically developed — for instance, whether appropriate transportation is available, and whether necessary power can be supplied. The answer to these and many related questions is part of the job which is cut out for the technical assistance phase of the program.

The second part of the Point IV Program is financial in character. Under this part of the plan the Administration already has proposed legislation to authorize the Export-Import Bank to guaranty American investments abroad against certain risks pertaining to such investments. By this means it is hoped to encourage American capital and technical knowledge to participate in the effort. It is important to enlist American business know-how because the ingenuity and resourcefulness of the American businessman is generally unsurpassed.

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The legislation which we now have before Congress would authorize the Export-Import Bank to guaranty United States private capital invested abroad against the risks peculiar to foreign investment. It is important to note here that the ordinary business risks are not to be covered by this guaranty. The risks peculiar to foreign investment might, however, include: (1) the inability to convert earnings in foreign countries, or other amounts received in connection with the foreign investment, into United States dollars; (2) the expropriation of the investors' property by a foreign government without prompt and adequate compensation; and (3) physical destruction of property incident to international war.

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The fruits of our national efforts have proved that far greater achievements may be obtained through combined endeavor. We are hopeful that the sincere desire for international cooperation which this country has evidenced may serve as an inspiration to all the peoples of the human community.

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S-2099

RELEASE MORNING NEWSPAPERS,
Saturday, September 3, 1949.

The Secretary of the Treasury announced last evening that the tenders for $1,000,000,000, or thereabouts, of 91-day Treasury bills to be dated September 8 and to mature December 8, 1949, which were offered on August 30, were opened at the Federal Reserve Banks on September 2.

The details of this issue are as follows:

Total applied for - $1,580,140,000
Total accepted - 1,000,438,000 (includes $75,863,000 entered on a noncompetitive basis and accepted in full at the average price shown below)
Average price - 99.733 Equivalent rate of discount approx. 1.055% per annum

Range of accepted competitive bids:

High - 99.746 Equivalent rate of discount approx. 1.005% per annum
Low - 99.732 " " " " " 1.060% " "

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

Federal Reserve District		Total Applied for	Total Accepted
Boston		$ 14,935,000	$ 14,935,000
New York		1,211,817,000	743,407,000
Philadelphia		38,689,000	31,339,000
Cleveland		16,668,000	16,419,000
Richmond		4,423,000	4,423,000
Atlanta		5,102,000	5,078,000
Chicago		175,396,000	103,859,000
St. Louis		6,021,000	5,972,000
Minneapolis		6,300,000	6,300,000
Kansas City		17,859,000	17,859,000
Dallas		7,805,000	7,707,000
San Francisco		75,125,000	43,140,000
	TOTAL	$1,580,140,000	$1,000,438,000

TREASURY DEPARTMENT

Information Service WASHINGTON, D.C.

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Atlanta	5,102,000	5,078,000
Chicago	175,396,000	103,859,000
St. Louis	6,021,000	5,972,000
Minneapolis	6,300,000	6,300,000
Kansas City	17,859,000	17,859,000
Dallas	7,805,000	7,707,000
San Francisco	75,125,000	43,140,000
TOTAL	$1,580,140,000	$1,000,438,000

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~~Proposed press release.~~
~~September 2, 1949.~~

IMMEDIATE RELEASE
Friday, September 2, 1949.

S- 2100

George J. Schoeneman, Commissioner of Internal Revenue, announced today that the 15 percent tax on passenger tickets bought in the United States ~~will apply hereafter~~ applies to the sending of funds outside the country for the purchase of tickets ordinarily subject to the United States tax.

This ~~ruling~~ means that the tax ~~will be~~ is due even if persons mail or telegraph or send cash, checks, money orders, or other funds to ticket offices, travel agents, etc., in other countries (such as Canada or Mexico) for such tickets, or if persons arrange with travel or transportation offices in this country for the furnishing of such tickets from a foreign address.

The U. S. tax on transportation of persons applies to "payments" made in the United States, and such actions as described above constitute "payment" in this country.

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TREASURY DEPARTMENT

Information Service WASHINGTON, D.C.

IMMEDIATE RELEASE,
Friday, September 2, 1949. S-2100

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S-2101

Sept 7

September ~~5~~ 6, 1949

Secretary of the Treasury John W. Snyder, Chairman of the U.S.~~-~~ British~~-~~ Canadian Dollar Conferences, announced today that the first meeting of the Ministers would be held at 12.00 noon ~~11:00 a.m.~~, Wednesday, ~~in a conference room~~ at the New State ~~D~~ Department Building, at which time a preliminary Conference, limited to the Ministers, ~~would be held to~~ [illegible] chart the program of the talks.

The British ~~Sec~~ Secretary of State for Foreign Affairs Ernest Bevin, the Chancellor of the Exchequer Sir Stafford Cripps, the British Ambassador Sir Oliver Franks, the Canadian Secretary of State for External Affairs Lester Pearson, the Canadian Minister of Finance Douglas C. Abbott, the Canadian Ambassador Hume Wrong, Secretary of State Dean Acheson, Administrator of the ECA Paul Hoffman, and Secretary Snyder will be the conferees in the first session.

Arrangements are being made for photographs just prior to the Conference at ~~11~~:45 a.m., in Room 5106 ~~5106~~, New State Department. Bldg

Secretary of State Acheson and Secretary Snyder this morning went to the Hill to consult with Congressional leaders in order to keep them fully informed as to the Conferences.

Secretary Snyder stated that immediately following the initial Conference tomorrow, he would meet with the Press at the New State Dept Bldg to advise ~~brief~~ them on plans for the Conference. ~~the time~~

Arrangements will be made for ~~daily~~ briefing ~~of~~ of the Press from time to time.

TREASURY DEPARTMENT

Information Service WASHINGTON, D.C.

FOR IMMEDIATE RELEASE
Tuesday, September 6, 1949. Press Service No. 2101

Secretary of the Treasury John W. Snyder, Chairman of the U.S.-British-Canadian Dollar Conferences, announced today that the first meeting of the Ministers would be held at 12:00 noon, Wednesday, September 7, at the New State Department Building at which time a preliminary Conference, limited to the Ministers, would chart the program of the talks.

The British Secretary of State for Foreign Affairs Ernest Bevin, the Chancellor of the Exchequer Sir Stafford Cripps, the British Ambassador Sir Oliver Franks, the Canadian Secretary of State for External Affairs Lester Pearson, the Canadian Minister of Finance Douglas C. Abbott, the Canadian Ambassador Hume Wrong, Secretary of State Dean Acheson, Administrator of the ECA Paul Hoffman, and Secretary Snyder will be the conferees in the first session.

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Arrangements will be made for briefing of the Press from time to time.

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~~ALPHA~~

purposes of taxation the amount of discount at which Treasury bills are originally sold by the United States shall be considered to be interest. Under Sections 42 and 117 (a) (1) of the Internal Revenue Code, as amended by Section 115 of the Revenue Act of 1941, the amount of discount at which bills issued hereunder are sold shall not be considered to accrue until such bills shall be sold, redeemed or otherwise disposed of, and such bills are excluded from consideration as capital assets. Accordingly, the owner of Treasury bills (other than life insurance companies) issued hereunder need include in his income tax return only the difference between the price paid for such bills, whether on original issue or on subsequent purchase, and the amount actually received either upon sale or redemption at maturity during the taxable year for which the return is made, as ordinary gain or loss.

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.

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, tenders will be opened at the Federal Reserve Banks and Branches, following which public announcement will be made by the Secretary of the Treasury of the amount and price range of accepted bids. Those submitting tenders will be advised of the acceptance or rejection thereof. The Secretary of the Treasury expressly reserves the right to accept or reject any or all tenders, in whole or in part, and his action in any such respect shall be final. Subject to these reservations, non-competitive tenders for $200,000 or less without stated price from any one bidder will be accepted in full at the average price (in three decimals) of accepted competitive bids. Settlement for accepted tenders in accordance with the bids must be made or completed at the Federal Reserve Bank on September 15, 1949, in cash or other immediately available funds or in a like face amount of Treasury bills maturing September 15, 1949. Cash and exchange tenders will receive equal treatment. Cash adjustments will be made for differences between the par value of maturing bills accepted in exchange and the issue price of the new bills.

The income derived from Treasury bills, whether interest or gain from the sale or other disposition of the bills, shall not have any exemption, as such, and loss from the sale or other disposition of Treasury bills shall not have any special treatment, as such, under the Internal Revenue Code, or laws amendatory or supplementary thereto. The bills shall be subject to estate, inheritance, gift or other excise taxes, whether Federal or State, but shall be exempt from all taxation now or hereafter imposed on the principal or interest thereof by any State, or any of the possessions of the United States, or by any local taxing authority. For

~~Exhibit I~~

~~ALPHA~~

TREASURY DEPARTMENT
Washington

S-2102

FOR RELEASE, MORNING NEWSPAPERS,
Friday, September 9, 1949.
~~(1)~~

The Secretary of the Treasury, by this public notice, invites tenders for $900,000,000 ~~(2)~~, or thereabouts, of 91 ~~(3)~~ -day Treasury bills, for cash and in exchange for Treasury bills maturing September 15, 1949 ~~(4)~~, to be issued on a discount basis under competitive and non-competitive bidding as hereinafter provided. The bills of this series will be dated September 15, 1949 ~~(5)~~, and will mature December 15, 1949 ~~(6)~~, when the face amount will be payable without interest. They will be issued in bearer form only, and in denominations of $1,000, $5,000, $10,000, $100,000, $500,000, and $1,000,000 (maturity value).

Tenders will be received at Federal Reserve Banks and Branches up to the closing hour, two o'clock p.m., Eastern Daylight Saving/~~Standard~~ time, Monday, September 12, 1949 ~~(7)~~. Tenders will not be received at the Treasury Department, Washington. Each tender must be for an even multiple of $1,000, and in the case of competitive tenders the price offered must be expressed on the basis of 100, with not more than three decimals, e. g., 99.925. Fractions may not be used. It is urged that tenders be made on the printed forms and forwarded in the special envelopes which will be supplied by Federal Reserve Banks or Branches on application therefor.

Tenders will be received without deposit from incorporated banks and trust companies and from responsible and recognized dealers in investment securities. Tenders from others must be accompanied by payment of 2 percent of the face

TREASURY DEPARTMENT

Information Service WASHINGTON, D.C.

RELEASE, MORNING NEWSPAPERS,
Friday, September 9, 1949.

S-2102

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Immediately after the closing hour, tenders will be opened at the Federal Reserve Banks and Branches, following which public announcement will be made by the Secretary of the Treasury of the amount and price range of accepted bids. Those submitting tenders will be advised of the acceptance or rejection thereof. The Secretary of the Treasury expressly reserves the right to accept or reject any or all tenders, in whole or in part, and his action in any such respect shall be final. Subject to these reservations, non-competitive tenders for $200,000 or less without stated price from any one bidder will be accepted in full at the average price

(in three decimals) of accepted competitive bids. Settlement for accepted tenders in accordance with the bids must be made or completed at the Federal Reserve Bank on September 15, 1949, in cash or other immediately available funds or in a like face amount of Treasury bills maturing September 15, 1949. Cash and exchange tenders will receive equal treatment. Cash adjustments will be made for differences between the par value of maturing bills accepted in exchange and the issue price of the new bills.

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TREASURY DEPARTMENT
Fiscal Service
Washington, September ~~8~~ 9, 1949

STATUTORY DEBT LIMITATION

AS OF August 31, 1949

Section 21 of the Second Liberty Bond Act, as amended, provides that the face amount of obligations issued under authority of that Act, and the face amount of obligations guaranteed as to principal and interest by the United States (except such guaranteed obligations as may be held by the Secretary of the Treasury), "shall not exceed in the aggregate $275,000,000,000 outstanding at any one time. For purposes of this section the current redemption value of any obligation issued on a discount basis which is redeemable prior to maturity at the option of the holder shall be considered as its face amount."

The following table shows the face amount of obligations outstanding and the face amount which can still be issued under this limitation:

Total face amount that may be outstanding at any one time			$275,000,000,000
Outstanding			
Obligations issued under Second Liberty Bond Act, as amended			
Interest-bearing:			
Treasury bills	$ 12,123,613,000		
Certificates of indebtedness	29,246,053,000		
Treasury notes	10,363,711,600	$ 51,733,377,600	
Bonds -			
Treasury	110,425,516,550		
Savings (current redemp. value)	56,537,368,134		
Depositary	375,805,500		
Armed Forces Leave	376,088,950		
Investment series	953,940,000	168,668,719,134	
Special Funds -			
Certificates of indebtedness	17,509,522,000		
Treasury notes	15,848,131,728	33,357,653,728	
Total interest-bearing		253,759,750,462	
Matured, interest-ceased		213,446,780	
Bearing no interest:			
War savings stamps	50,638,670		
Excess profits tax refund bonds	4,523,805		
Special notes of the United States:			
Internat'l Bank for Reconst. and Development series	---		
Internat'l Monetary Fund series	1,063,000,000	1,118,162,475	
Total		255,091,359,717	
Guaranteed obligations (not held by Treasury):			
Interest-bearing:			
Debentures: F.H.A.	13,284,436		
Demand obligations: C.C.C.	10,742,748	24,027,184	
Matured, interest-ceased		3,164,225	
		27,191,409	
Grand total outstanding			255,118,551,126
Balance face amount of obligations issuable under above authority			19,881,448,874

Reconcilement with Statement of the Public Debt -
(Daily Statement of the United States Treasury,

Outstanding -	
Total gross public debt	255,851,851,585
Guaranteed obligations not owned by the Treasury	27,191,409
Total gross public debt and guaranteed obligations	255,879,042,994
Deduct - other outstanding public debt obligations not subject to debt limitation	760,491,868
	255,118,551,126

Maturity Value	$65,543,402,775
Unearned discount	9,006,034,641
Current Redemption Value	56,537,368,134

2103

STATUTORY DEBT LIMITATION
AS OF AUGUST 31, 1949

September 13, 1949

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Grand total outstanding			255,118,551,126
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(more)

Reconcilement with Statement of the Public Debt - August 31, 1949
(Daily Statement of the United States Treasury, September 1, 1949)

Outstanding -	
Total gross public debt	255,851,851,585
Guaranteed obligations not owned by the Treasury	27,191,409
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Deduct - other outstanding public debt obligations not subject to debt limitation	760,491,868
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Maturity Value	$65,543,402,775
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S-2103

will meet the challenges of each day with the same high efficiency and honor which it has always displayed in the past.

to collect large amounts of revenue in order to fulfill the fiscal responsibilities of the United States Government. At the present time, the costs of past wars, the costs of preventing future wars,and the costs of those international programs which are necessary to establish stability in the postwar world, all are factors in the continuing need for large revenues.

Whatever the year holds in store, I am sure that the Revenue Service of his lifetime. I do not doubt that the fine record of the Revenue Service today is due in important measure to his inspired leadership, and to the confidence which both you and I place in his judgment.

Your Assistant Commissioners, Deputy Commissioners, and many others, are also well deserving of praise.

Next year, and perhaps for several years to come, we shall have to depend on the men and women of the Internal Revenue Service to continue administrative heads of the Bureau. The Commissioner himself devotes considerable time and effort to the management phase of the Bureau's operations. George Schoeneman had been borrowed to devote his abilities to the White House staff before I became Secretary of the Treasury, and it gave me, as it must have given you, great satisfaction when I was able to reclaim him for the Revenue Service, to which he has given a major portion practice it regularly. I again urge you to remember its importance, and to further it whenever possible.

The internal studies by the Bureau's administrators to seek and perfect improvements are continuing in many fields. Each of the proposals is, as you know, worked out with extreme care before changes are made in the tax collection system. None of these programs was introduced without long and careful deliberation by the future by the same taxpayer, and reduces the audit work which would then become necessary in subsequent years. Those of you who work in the offices have a somewhat similar opportunity when taxpayers come or write to the office to ask questions or to discuss problems. In administering our voluntar self-assessment system of taxation it is vital that fair dealing on all sides be the bedrock foundation. I know that you agree with this policy and with the taxpayer. This reputation is enjoyed by the Bureau's entire personnel.

Those of you who audit and investigate returns have a particular opportunity to help the taxpayers by explaining to them the applicable tax provisions which seem, in such cases, to be misunderstood. Such helpfulness is constructive in nature. It minimizes the mistakes which might be made in the statutory requirements in the tax laws which we administer. But we know that taxpayers are nevertheless entitled to courteous, patient, intelligent explanations of both their obligations and their rights under these laws. And we know that the exercise of these qualities strengthens and does not diminish the efficiency of our work. We must continue to give every effort to preserving and enhancing the excellent reputation in our dealings important and difficult phase of our relations with taxpayers is in the day to day contacts that you men and women in the field service have with the individual taxpayers. I know how much all of you strive for a courteous and helpful relationship, and I urge you to continue your efforts in this direction.

We have stern duties to perform, and we cannot deviate from the

265,000 copies of this booklet were sold last year, and we look forward to its continued success in the next edition.

The Bureau has also done yeoman work in simplifying forms and other material -- making new strides in this field every year.

But without detracting from the value of these achievements, I would like to say that the most appeal procedures which are available to them in case of disputes.

Another publication shared honors with the 16-page instruction pamphlet. This publication was an improved edition of the booklet, "Your Federal Income Tax," which, although available to the public only by purchase, has been exceptionally helpful. More than designed to acquaint the taxpayer, in more readily understandable language, with the necessary facts about reporting his income. It gave equal emphasis to proper deductions and credits to which he was entitled.

This new instruction form received, and continues to receive, much favorable comment from the public. The document has been further improved, especially by the inclusion of a new section informing taxpayers of the are just a few examples of operational improvements.

Good work has been done in areas other than procedures and equipment. I refer especially to our efforts to create better understanding and relations with the taxpayers. One good example within the last year was the remarkable success of the Bureau in revising the instructions for the individual income tax return form into a clearer and more helpful statement. The new form was

The new audit procedures, including the Audit Control Program, the new combined form for reporting income tax withholding and social security taxes, the new depositary receipt system which will go into effect next January, the plans for quarterly returns on many of the excise taxes, the testing programs for machine equipment, and the experimental program for centralized mailing of blank income tax returns, appreciation of the initiative of our fine Revenue personnel, and an important investment in the proper operation of the revenue collections system.

As field employees of Internal Revenue, you understand the long and tedious hours which the Bureau's administrative heads spend in devising and evaluating the many vital projects which are daily contributing to the Bureau's record of efficiency.

are still under consideration. The adopted suggestions have saved an estimated $250,000 of time and materials in those cases where there was a specific basis for measuring the savings. Further savings may be anticipated from hundreds of other suggestions which have been adopted.

We have paid, as of June 30, 1949, $16,375 in awards to employees who submitted these suggestions. We regard these payments as a token of

Suggestion programs.

Since its inception, the Work Simplification Program has resulted in the installation of more than 2,000 separate improvements, which are expected to release for other productive work over 500,000 man-hours per year. Similarly, the Cash Awards for Suggestions Program has resulted in the adoption of more than 800 valuable suggestions from employees. Several thousand other suggestions accommodating themselves to many new tasks and procedures resulting from decentralization of former Washington activities, and from improvements suggested for use or testing by various management study committees and by your own immediate associates.

Many of the improvements which are under way have resulted from ideas which you have developed on your own initiative under the Work Simplification and our long-range program for protecting the revenue. In this connection it is gratifying to learn that the percentage of front line enforcement personnel in the Bureau increased from 41.1 percent of the total payroll on June 30, 1948, to 43.9 percent on June 30 this year, and is expected to increase further to 45.1 percent by June 30 next.

I am informed that the collectors' offices are doing a fine job in clerical work that must be done in revenue administration. We want these machines to free a considerable number of personnel for other fruitful and necessary tasks, especially the further strengthening of the enforcement arm.

The transfer, when feasible, of personnel from clerical activities to enforcement activities is almost as important as the recruitment of additional enforcement personnel in during the last year. The list of these improvements is too long for me to include in this talk. But for purposes of illustration, I would like to mention a few.

I know you are as intensely interested as I am in the various types of new machine equipment which are being tried out in different districts. It is our hope that some of these machines will prove adaptable to facilitating the huge volume of programs of the Bureau of Internal Revenue. Not the least of these is the initiative of the Bureau's administrators in simultaneously maintaining the high efficiency of the existing procedures and at the same time studying and installing the improvements which inevitably become necessary from time to time. Many of you are personally familiar with some of the changes which have been installed and tested in various field offices the year is nearly gone. Because of the necessary time for training and experience, it will be some time before the full impact of their work is felt. However, it is encouraging to all of us to note that there was no basic disagreement between the two branches of Congress about the importance and necessity of expanding and strengthening our tax enforcement activities.

There are many other sources of satisfaction concerning the work and to be trained and gain experience, we can expect further good results in this field.

We were all gratified that the Treasury appropriation for the current year provides for 4,022 additional personnel, of which 3,343 will be front line enforcement. Of course, we should bear in mind that the funds for hiring these new people were limited in such a way that most of the new recruits will not appear on the rolls until improve. Additional assessments of tax as the result of audits and investigations remained at the level of nearly $1,900,000,000, and collections on warrants for distraint increased about 24 percent to nearly $350,000,000.

We were able, as you know, to employ 1,900 additional personnel to strengthen further enforcement activities during the year, and now that this new personnel has had time aggregated nearly forty and a half billion dollars. In some categories, such as the corporation income tax and many excise taxes, collections were in fact higher than the year before, partly offsetting the reduced collections of individual income tax which resulted from the provisions of the Revenue Act of 1948.

In another important field -- enforcement activities -- the Revenue Service continued to expand and to

Mr. Chairman, distinguished guests, and fellow workers of the Treasury Department:

It was a real pleasure for me to attend your convention in Oklahoma City last year, and I have looked forward to meeting you once again and bringing you my personal greetings.

I am proud of the splendid achievement record of the Internal Revenue personnel. Internal Revenue collections in the last fiscal year

6p

Remarks of Secretary John W. Snyder at the Annual Convention of the National Association of Employees of Collectors of Internal Revenue, at York Harbor, Maine, September 10, 1949.

The following address by Secretary Snyder before the national convention of the National Association of Employees of Collectors of Internal Revenue at York Harbor, Maine, is scheduled for delivery at 9 p.m. EDT Saturday, September 10, and is for release at that time.

September 9, 1949

NOTE TO THE PRESS: Secretary Snyder will be unable to go to York Harbor on Saturday. He will be represented by Assistant Secretary Graham, who will read the attached address.

TREASURY DEPARTMENT

Washington

The following address by Secretary Snyder before the national convention of the National Association of Employees of Collectors of Internal Revenue at York Harbor, Maine, is scheduled for delivery at 9 p.m., E.D.T., Saturday, September 10, and is for release at that time.

Mr. Chairman, distinguished guests, and fellow workers of the Treasury Department:

It was a real pleasure for me to attend your convention in Oklahoma City last year, and I have looked forward to meeting you once again and bringing you my personal greetings.

I am proud of the splendid achievement record of the Internal Revenue personnel. Internal Revenue collections in the last fiscal year aggregated nearly forty and a half billion dollars. In some categories, such as the corporation income tax and many excise taxes, collections were in fact higher than the year before, partly offsetting the reduced collections of individual income tax which resulted from the provisions of the Revenue Act of 1948.

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There are many other sources of satisfaction concerning the work and programs of the Bureau of Internal Revenue. Not the least of these is the initiative of the Bureau's administrators in simultaneously maintaining the high efficiency of the existing procedures and at the same time studying and installing the improvements which inevitably become necessary from time to time. Many of you are personally familiar with some of the changes which have been installed and tested in various field offices during the last year. The list of these improvements is too long for me to include in this talk. But for purposes of illustration, I would like to mention a few.

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The transfer, when feasible, of personnel from clerical activities to enforcement activities is almost as important as the recruitment of additional enforcement personnel in our long-range program for protecting the revenue. In this connection it is gratifying to learn that the percentage of front line enforcement personnel in the Bureau increased from 41.1 percent of the total payroll on June 30, 1948, to 43.9 percent on June 30 this year, and is expected to increase further to 45.1 percent by June 30 next.

I am informed that the collectors' offices are doing a fine job in accommodating themselves to many new tasks and procedures resulting from decentralization of former Washington activities, and from improvements suggested for use or testing by various management study committees and by your own immediate associates.

Many of the improvements which are under way have resulted from ideas which you have developed on your own initiative under the Work Simplification and Suggestion programs.

Since its inception, the Work Simplification Program has resulted in the installation of more than 2,000 separate improvements, which are expected to release for other productive work over 500,000 man-hours per year. Similarly, the Cash Awards for Suggestions Program has resulted in the adoption of more than 800 valuable suggestions from employees. Several thousand other suggestions are still under consideration. The adopted suggestions have saved an estimated $250,000 of time and materials in those cases where there was a specific basis for measuring the savings. Further savings may be anticipated from hundreds of other suggestions which have been adopted.

We have paid, as of June 30, 1949, $16,375 in awards to employees who submitted these suggestions. We regard these payments as a token of appreciation of the initiative of our fine Revenue personnel, and an important investment in the proper operation of the revenue collections system.

As field employees of Internal Revenue, you understand the long and tedious hours which the Bureau's administrative heads spend in devising and evaluating the many vital projects which are daily contributing to the Bureau's record of efficiency.

The new audit procedures, including the Audit Control Program, the new combined form for reporting income tax withholding and social security taxes, the new depositary receipt system which will go into effect next January, the plans for quarterly returns on many of the excise taxes, the testing programs for machine equipment, and the experimental program for centralized mailing of blank income tax returns, are just a few examples of operational improvements.

Good work has been done in areas other than procedures and equipment. I refer especially to our efforts to create better understanding and relations with the taxpayers. One good example within the last year was the remarkable success of the Bureau in revising the instructions for the individual income tax return form into a clearer and more helpful statement. The new form was designed to acquaint the taxpayer, in more readily understandable language, with the necessary facts about reporting his income. It gave equal emphasis to proper deductions and credits to which he was entitled.

This new instruction form received, and continues to receive, much favorable comment from the public. The document has been further improved, especially by the inclusion of a new section informing taxpayers of the appeal procedures which are available to them in case of disputes.

Another publication shared honors with the 16-page instruction pamphlet. This publication was an improved edition of the booklet, "Your Federal Income Tax," which, although available to the public only by purchase, has been exceptionally helpful. More than 265,000 copies of this booklet were sold last year, and we look forward to its continued success in the next edition.

The Bureau has also done yeoman work in simplifying forms and other material -- making new strides in this field every year.

But without detracting from the value of these achievements, I would like to say that the most important and difficult phase of our relations with taxpayers is in the day to day contacts that you men and women in the field service have with the individual taxpayers. I know how much all of you strive for a courteous and helpful relationship, and I urge you to continue your efforts in this direction.

We have stern duties to perform, and we cannot deviate from the statutory requirements in the tax laws which we administer. But we know that taxpayers are nevertheless entitled to courteous, patient, intelligent explanations of both their obligations and their rights under these laws. And we know that the exercise of these qualities strengthens and does not diminish the efficiency of our work. We must continue to give every effort to preserving and enhancing the excellent reputation in our dealings with the taxpayer. This reputation is enjoyed by the Bureau's entire personnel.

Those of you who audit and investigate returns have a particular opportunity to help the taxpayers by explaining to them the applicable tax provisions which seem, in such cases, to be misunderstood. Such helpfulness is constructive in nature. It minimizes the mistakes which might be made in the future by the same taxpayer, and reduces the audit work which would then become necessary in subsequent years. Those of you who work in the offices have a somewhat similar opportunity when taxpayers come or write to the office to ask questions or to discuss problems. In administering our voluntary self-assessment system of taxation it is vital that fair dealing on all sides be the bedrock foundation. I know that you agree with this policy and practice it regularly. I again urge you to remember its importance, and to further it whenever possible.

The internal studies by the Bureau's administrators to seek and perfect improvements are continuing in many fields. Each of the proposals is, as you know, worked out with extreme care before changes are made in the tax collection system. None of these programs was introduced without long and careful deliberation by the administrative heads of the Bureau. The Commissioner himself devotes considerable time and effort to the management phase of the Bureau's operations. George Schoeneman had been borrowed to devote his abilities to the White House staff before I became Secretary of the Treasury, and it gave me, as it must have given you, great satisfaction when I was able to reclaim him for the Revenue Service, to which he has given a major portion of his lifetime. I do not doubt that the fine record of the Revenue Service today is due in important measure to his inspired leadership, and to the confidence which both you and I place in his judgment.

Your Assistant Commissioners, Deputy Commissioners, and many others, are also well deserving of praise.

Next year, and perhaps for several years to come, we shall have to depend on the men and women of the Internal Revenue Service to continue to collect large amounts of revenue in order to fulfill the fiscal responsibilities of the United States Government. At the present time, the costs of past wars, the costs of preventing future wars, and the costs of those international programs which are necessary to establish stability in the postwar world, all are factors in the continuing need for large revenues.

Whatever the year holds in store, I am sure that the Revenue Service will meet the challenges of each day with the same high efficiency and honor which it has always displayed in the past.

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S-2105

RELEASE MORNING NEWSPAPERS,
Tuesday, September 13, 1949.

The Secretary of the Treasury announced last evening that the tenders for $900,000,000, or thereabouts, of 91-day Treasury bills to be dated September 15 and to mature December 15, 1949, 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 - $1,472,193,000
Total accepted - 904,707,000 (includes $103,961,000 entered on a non-competitive basis and accepted in full at the average price shown below)
Average price - 99.732/ Equivalent rate of discount approx. 1.058% per annum

Range of accepted competitive bids:

High - 99.746 Equivalent rate of discount approx. 1.005% per annum
Low - 99.732 " " " " " 1.060% " "

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

Federal Reserve District		Total Applied for	Total Accepted
Boston		$ 22,524,000	$ 22,396,000
New York		1,110,166,000	633,170,000
Philadelphia		24,713,000	9,713,000
Cleveland		13,677,000	13,443,000
Richmond		12,771,000	12,691,000
Atlanta		9,083,000	9,083,000
Chicago		115,735,000	60,882,000
St. Louis		6,124,000	6,101,000
Minneapolis		10,757,000	10,504,000
Kansas City		39,536,000	35,666,000
Dallas		14,010,000	13,941,000
San Francisco		93,097,000	77,117,000
	TOTAL	$1,472,193,000	$904,707,000

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TREASURY DEPARTMENT

Information Service WASHINGTON, D.C.

RELEASE, MORNING NEWSPAPERS,
Tuesday, September 13, 1949.

S-2105

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San Francisco	93,097,000	77,117,000
TOTAL	$1,472,193,000	$904,707,000

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TREASURY DEPARTMENT

Information Service WASHINGTON, D.C.

IMMEDIATE RELEASE,
Tuesday, September 13, 1949. S-2106

Secretary Snyder, in his capacity as United States Governor of the International Monetary Fund and the International Bank for Reconstruction and Development, today made public the composition of the United States delegation to the Fourth Annual Meeting of the Boards of Governors of the Bank and Fund, scheduled to be held at the Shoreham Hotel in Washington, D. C., commencing on Tuesday, September 13, 1949. Membership of the delegation is as follows:

John W. Snyder, United States Governor of the International Bank and the International Monetary Fund; Burnet R. Maybank, United States Senate, Adviser; Charles William Tobey, United States Senate, Adviser; Brent Spence, United States House of Representatives, Adviser; Jesse Paine Wolcott, United States House of Representatives, Adviser; Paul G. Hoffman, Administrator of the Economic Cooperation Administration, Adviser; Thomas B. McCabe, Chairman of the Board of Governors of the Federal Reserve System, Adviser; Edmond M. Hanrahan, Chairman of the United States Securities and Exchange Commission, Adviser; Allan Sproul, President of the Federal Reserve Bank of New York, Adviser; Willard L. Thorp, Assistant Secretary for Economic Affairs, Department of State, Adviser;

Thomas C. Blaisdell, Jr., Assistant Secretary of Commerce, Adviser; Hawthorne Arey, Vice Chairman of the Board of Directors, Export-Import Bank of Washington, Adviser; William McC. Martin, Jr., Assistant Secretary, Treasury Department, Adviser; Preston Delano, Comptroller of the Currency, Treasury Department, Adviser; Frank A. Southard, Jr., United States Executive Director, International Monetary Fund, Adviser; John S. Hooker, Alternate United States Executive Director, International Bank for Reconstruction and Development, Adviser; Henry J. Tasca, Alternate United States Executive Director, International Monetary Fund, Adviser; Thomas J. Lynch, General Counsel, Treasury Department, Adviser; James J. Saxon, Assistant to the Secretary, Treasury Department, Adviser.

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Thomas J. Lynch, General Counsel, Treasury Department, Adviser
James J. Saxon, Assistant to the Secretary, Treasury Department, Adviser

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UNITED STATES DELEGATION

TO THE

FOURTH ANNUAL MEETING OF THE BOARDS OF GOVERNORS

OF THE

INTERNATIONAL BANK AND THE INTERNATIONAL MONETARY FUND

John W. Snyder, United States Governor of the International Bank and the International Monetary Fund

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JOINT COMMUNIQUE

1. Representatives of the United States, the United Kingdom, and Canada have met during the past week to examine the trade and financial relationships between the sterling area and the dollar area. The pound and the dollar are the two principal world trading currencies. While the development of a satisfactory balance of payments between the two areas is a matter of fundamental concern to the democratic world, it involves many problems which concern in the first instance the governments which are the centers of these two currency systems. The present discussions were held to examine these problems. It was recognized that the task of working out conditions under which world trade can develop steadily and in increasing freedom will require a strenuous and sustained effort, not only on the part of the United States, the United Kingdom and Canada, but also by all other countries desiring the same objectives.

2. It was agreed that the common aim is to work toward an ultimate solution which will maintain employment and establish equilibrium of international trade on a mutually profitable basis at high levels. These objectives and general course of action have already been set forth in the United Nations Charter, the Bretton Woods Agreements, and the Havana Charter for an International Trade Organization. It was the broad purpose of the present meetings to explore, within this general framework, various specific measures which the three governments might take to prevent a serious breakdown

in the dollar-sterling relationships which would have led to a crippling limitation of dollar imports into the sterling area and to hasten the achievement of those objectives.

3. These conversations have carried forward the consultations initiated in London during July 8-10. They have resulted in a clear understanding of the character of the difficulties to be faced and an increasing realization that a fully satisfactory solution will necessitate continuing efforts in many directions. In the course of these conversations it has become possible to discuss with complete frankness specific problems and the types of measures which will have to be taken if the three countries are to achieve their common purpose.

4. In the early stages of the discussion, attention was given to the immediate problem confronting the United Kingdom and the rest of the sterling area as a result of the rapid decline of gold and dollar reserves. Note was taken by the three governments of the emergency action which sterling area countries have decided to take to meet this situation. These measures are not pleasant ones; they will cause difficulties and sacrifices for everyone concerned. Nevertheless, they are a temporary necessity, and are recognized as such by all three governments.

5. The Ministers were in complete agreement that no permanent solution to the problem could be found in the emergency steps contemplated. A more fundamental attempt would have to be made by all concerned to expand the dollar earnings of the sterling area and to increase the flow of investment from the North American Continent to the rest of the world, including the sterling area.

6. This more fundamental attempt would involve both separate actions of the three countries operating individually, and joint action by the three acting in cooperation with each other. In approaching these possibilities of individual and joint action on the sterling-dollar problem, there was common agreement that this action should be based on the assumption that extraordinary aid from the North American Continent would have come to an end by the middle of 1952. This would require that the sterling area increase its dollar earnings so as to pay its way by 1952. This would require in the sterling area the creation of appropriate incentives to exporters to the dollar area and a vigorous attack upon costs of production to enhance the competitive position of sterling area products. Maximum efforts would be made to direct exports to the dollar area and build up earnings from tourism and other services. As a part of this export campaign by the sterling area countries, it was recognized that an essential element was the creation of a feeling of confidence on the part of sterling area exporters. They must feel that they will be afforded the opportunity to remain in the markets of the United States and Canada in which they will have gained a place, and that the minimum of difficulties will be placed in their way in entering those markets.

On their part the creditor countries undertook to facilitate, to the greatest extent feasible, an expansion of dollar earnings by debtor countries, including the sterling area. It was agreed that the United States and Canada should reduce obstacles to the entry of goods and services from debtor countries, in order to provide as wide an opportunity as possible for those countries to earn dollars through the export of goods and the provision of services, including tourism. It was recognized that such a policy would be in the interest of producers in the United States and Canada, for only in this way can the future level of trade provide adequately for those sectors of the American and Canadian economies which depend in considerable part upon foreign markets.

7. The discussion of possible individual and joint actions, both long-run and short-run, ranged over a wide field. In addition to the question of dollar earnings of the United Kingdom and the rest of the sterling area, mentioned above, the Ministers gave special attention to the following subjects:

1. Overseas investment
2. Commodity arrangements and stockpiling
3. Limitations on items which may be financed under present ECA procedures
4. Customs procedures
5. Tariff policy
6. Liberalization of intra-European trade and payments
7. Sterling balances
8. Petroleum
9. Shipping
10. Provisions for continuing consultation

8. A working group on overseas investment reviewed both recent experience and future prospects for the flow of productive investment, both private and public, from North America to overseas areas, especially underdeveloped countries. It was agreed that a high level of such investment could make an important contribution toward reducing the sterling-dollar disequilibrium and that every aspect of this problem should be explored on a continuing basis. In order to initiate this work, the President's Committee for Financing Foreign Trade will be asked immediately to explore possible lines of action in cooperation with corresponding groups of British and Canadian financial and business representatives. While dealing with all aspects of private and public investment, the Committee will be expected to address itself especially to the problem of incentives and of providing a suitable environment for a high level of private investment.

9. A working group on commodity arrangements and stockpiling gave special attention to rubber and tin. The Canadian representatives stated that the Canadian Government was prepared to take steps to increase reserve stocks of tin and rubber in Canada. The United States representatives reported that the United States Government was prepared to open to natural rubber a substantial additional area of competition, including a modification of the Government order relating to the consumption of synthetic rubber. The United States would review its stockpiling program, with particular reference to rubber and tin.

10. Special attention was given by another group to the practical difficulty being experienced by the United Kingdom in making fully effective use of its ECA aid to cover its dollar deficit. This difficulty arises out of the fact that, although the United Kingdom needs dollars to pay for goods in the United States, to make settlements with other countries, to pay for services, and for other purposes, the types of transactions which may be financed by ECA dollars have been definitely limited. It has been agreed that, in order to carry out the basic purposes of the Economic Cooperation Act, it will be necessary for the United Kingdom to finance with its share of ECA funds a wider range of dollar expenditures than has hitherto been eligible, both within and outside of the United States. After careful examination of the dollar expenditures proposed to be made or authorized by the United Kingdom, it appears that eligibility requirements can be broadened to the extent required within the limits set by the Economic Cooperation Act. This would broaden the use but not increase the amount of ECA funds allocated to the United Kingdom.

11. In the consideration of measures which creditor countries might take to reduce barriers to trade, it was recognized that customs procedures may create obstacles, psychological as well as actual. Technical discussions of this subject disclosed that the United States, through administrative action and proposed legislation, was already contemplating constructive steps in this field. Canadian representatives stated that the Canadian Government would undertake a further review of the administrative operation of its Customs Act in the light of these discussions. As to tariff rates, it was noted that high tariffs were clearly inconsistent with the position of creditor countries. There had already been significant

and substantial reductions in U.S. tariffs during the last fifteen years. The policy of the United States Government was to seek further negotiation of trade agreements through which additional reductions might be made, within the framework of the Reciprocal Trade Agreements Act.

12. There was agreement that one of the ways in which the competitive position of United Kingdom products might be improved was by a widening of the area in which such products competed freely with those of other countries. In this connection as an initial step toward a more general liberalization the United Kingdom delegation outlined its proposals for liberalizing trade with countries with which it did not have balance of payments difficulties, and raised the question whether the provisions of Section 9 of the Anglo-American Financial Agreement, and Article 5 of the Anglo-Canadian Financial Agreement presented an obstacle to such a plan. It was the view of the United States and Canadian delegations that such liberalization of United Kingdom import regulations should be considered since the United Kingdom shortage of dollars should not in itself force the United Kingdom to reduce its purchases from areas with which it does not have a shortage of means of payment. It was agreed that any United Kingdom import regulations as they affect United States and Canadian products would be the subject of continuing review by representatives of the three governments through continuing facilities for consultation.

13. (a) A further subject which was discussed was the United Kingdom liability represented by the sterling balances of other countries. A large number of countries has been accustomed to

hold either all or a part of their foreign exchange reserves in the form of sterling. The existence and availability of such holdings is an integral feature of the widespread multilateral use of sterling for the purpose of financing international trade. One of the problems of the postwar period has been the existence of exceptionally large accumulations of sterling which were built up, mainly during the war, as the result of payments by the United Kingdom for goods and services purchased overseas in furtherance of the common war effort. In June 1945 these balances amounted to $13½ billion. Since then there have been considerable fluctuations both in the total and in the holdings of individual countries, though the amount outstanding at the end of 1948 was approximately the same as at June 1945.

(b) In principle the whole of these balances represents a charge on United Kingdom production of goods and services. In practice, however, a substantial proportion will continue to be held as reserves by the countries concerned. To the extent that the balances are liquidated, some proportion of United Kingdom production of goods and services is used to discharge this liability instead of to pay for current imports of goods and services.

(c) This whole problem in its various aspects, including the necessity to provide capital goods for development, was discussed in a preliminary way on the basis of prior technical examination by the experts of the three governments. It was agreed that this was one of the subjects which concerned other countries and would require further study.

14. Investigation of the ways in which the sterling area could move toward a position in which it could earn its own way led to the discussion of other special problems, including petroleum and shipping -- two important elements in the sterling area balance of payments picture. The United Kingdom representatives set forth the facts of the very large dollar deficit which the sterling area presently incurs because of oil transactions, and their desire to reduce this deficit to the minimum possible level. It was mutually recognized that the question of oil production and refining, and geographical distribution raised problems of extreme complexity involving the protection of legitimate interests of the major producing countries and companies. The Ministers recognized that these two questions of petroleum and shipping could not be resolved in the short time available to them, and that further study would be required. In the case of petroleum they agreed to appoint representatives to analyze the facts and to provide the basis for subsequent discussions.

15. There has been agreement on the objective toward which policies should be directed and agreement on certain immediate steps which will be taken to bring that objective nearer. There are, however, as has been emphasized, a number of questions requiring closer examination than this short conference has allowed. It is proposed, therefore, to continue the examinations, initiated during the conference, of questions on which it is hoped that useful understanding can be reached under the direction of the present Ministerial group. These arrangements for continuing consultation --

supplementing the usual channels of communication between governments -- will be used to keep under review the effectiveness of actions already agreed upon and to prepare, for governmental consideration, measures which could carry further those adjustments which are considered to be necessary. In establishing these arrangements for continuing consultation, the three Governments wish to emphasize that these arrangements underline rather than diminish their interest in the development of economic cooperation within the entire community of western nations. The tripartite arrangements will not in any way encroach upon, or detract from, the area of competence of the OEEC and other existing organs of international economic collaboration. On the contrary, these arrangements for continuing consultation, by contributing materially to the solution of problems which today adversely affect the working of the entire OEEC group and yet are not susceptible of solution within that group, will facilitate the progress of economic collaboration in the wider field.

16. In summary the Ministers of the three countries concerned are satisfied that a real contribution to the solution of the sterling-dollar difficulties has been made by the conclusions recorded above. They are confident that, with sustained efforts on all sides and with the seizure of every opportunity by sterling area exporters to enter into and remain in dollar markets which are open to them, there is the prospect of reaching a satisfactory equilibrium between the sterling and dollar areas by the time exceptional dollar aid comes to an end.

S-2108

Wed, FOR IMMEDIATE RELEASE,
~~September 13, 1949~~ 14

The Bureau of Customs announced today preliminary figures showing the quantities of wheat and wheat flour entered, or withdrawn from warehouse, for consumption under the import quotas established in the President's proclamation of May 28, 1941, as modified by the President's proclamation of April 13, 1942, for the 12 months commencing May 29, 1949, as follows:

Country of Origin	Wheat: Established Quota	Wheat: Imports May 29, 1949, to Sept. 3, 1949	Wheat flour, semolina, crushed or cracked wheat, and similar wheat products: Established Quota	Wheat flour, semolina, crushed or cracked wheat, and similar wheat products: Imports May 29, 1949, to Sept. 3, 1949
	(Bushels)	(Bushels)	(Pounds)	(Pounds)
Canada	795,000	795,000	3,815,000	3,815,000
China	-	-	24,000	1,280
Hungary	-	-	13,000	-
Hong Kong	-	-	13,000	1,200
Japan	-	-	8,000	-
United Kingdom	100	-	75,000	-
Australia	-	-	1,000	200
Germany	100	-	5,000	-
Syria	100	-	5,000	-
New Zealand	-	-	1,000	-
Chile	-	-	1,000	-
Netherlands	100	-	1,000	-
Argentina	2,000	-	14,000	-
Italy	100	-	2,000	-
Cuba	-	-	12,000	-
France	1,000	-	1,000	-
Greece	-	-	1,000	-
Mexico	100	-	1,000	-
Panama	-	-	1,000	-
Uruguay	-	-	1,000	-
Poland and Danzig	-	-	1,000	-
Sweden	-	-	1,000	-
Yugoslavia	-	-	1,000	-
Norway	-	-	1,000	-
Canary Islands	-	-	1,000	-
Rumania	1,000	-	-	-
Guatemala	100	-	-	-
Brazil	100	-	-	-
Union of Soviet Socialist Republics	100	-	-	-
Belgium	100		-	-
	800,000	795,000	4,000,000	3,817,680

TREASURY DEPARTMENT
Washington

IMMEDIATE RELEASE
Wednesday, September 14, 1949

S-2108

The Bureau of Customs announced today preliminary figures showing the quantities of wheat and wheat flour entered, or withdrawn from warehouse, for consumption under the import quotas established in the President's proclamation of May 28, 1941, as modified by the President's proclamation of April 13, 1942, for the 12 months commencing May 29, 1949, as follows:

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	Established Quota	Imports May 29, 1949, to Sept. 3, 1949	Established Quota	Imports May 29, 1949, to Sept. 3, 1949
	(Bushels)	(Bushels)	(Pounds)	(Pounds)
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China	-	-	24,000	1,280
Hungary	-	-	13,000	-
Hong Kong	-	-	13,000	1,200
Japan	-	-	8,000	-
United Kingdom	100	-	75,000	-
Australia	-	-	1,000	200
Germany	100	-	5,000	-
Syria	100	-	5,000	-
New Zealand	-	-	1,000	-
Chile	-	-	1,000	-
Netherlands	100	-	1,000	-
Argentina	2,000	-	14,000	-
Italy	100	-	2,000	-
Cuba	-	-	12,000	-
France	1,000	-	1,000	-
Greece	-	-	1,000	-
Mexico	100	-	1,000	-
Panama	-	-	1,000	-
Uruguay	-	-	1,000	-
Poland and Danzig	-	-	1,000	-
Sweden	-	-	1,000	-
Yugoslavia	-	-	1,000	-
Norway	-	-	1,000	-
Canary Islands	-	-	1,000	-
Rumania	1,000	-	-	-
Guatemala	100	-	-	-
Brazil	100	-	-	-
Union of Soviet Socialist Republics	100	-	-	-
Belgium	100	-	-	-
	800,000	795,000	4,000,000	3,817,680

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S-2109

IMMEDIATE RELEASE
Wed ~~September 13~~ 14, 1949

The Bureau of Customs announced today preliminary figures showing the imports for consumption of commodities within quota limitations provided for under the General Agreement on Tariffs and Trade, from the beginning of the quota periods to September 3, 1949, inclusive, as follows:

Commodity	Period and Quantity		Unit of Quantity	Imports as of September 3, 1949
Whole milk, fresh or sour	Calendar year	3,000,000	Gallon	1,684
Cream, fresh or sour	Calendar year	1,500,000	Gallon	781
Butter	Quota ineffective for the period April through October			
Fish, fresh or frozen, filleted, etc., cod, haddock, hake, pollock, cusk, and rosefish	Calendar year	(1) 26,881,369	Pound	Quota filled
White or Irish Potatoes:				
certified seed	12 months from	150,000,000	Pound	Quota filled
other	Sept. 15, 1948	60,000,000	Pound	Quota filled
Walnuts	Calendar year	5,000,000	Pound	1,921,733

(1) The proviso to Item 717 (b) limits the imports for consumption at the quota rate to 20,161,026 pounds during the first nine months of the calendar year.

Due to a provision of the President's Proclamation No. 2769 of January 30, 1948, in which the entry of a specified quantity of Cuban filler tobacco, unstemmed or stemmed (other than cigarette leaf tobacco) and scrap tobacco, affects the rate of duty on such tobacco from countries other than Cuba, a record is maintained of imports from Cuba. 18,250,108 pounds of such Cuban tobacco were imported for consumption during the period January 1 to September 3, 1949, inclusive.

TREASURY DEPARTMENT
Washington

IMMEDIATE RELEASE
Wednesday, September 14, 1949

S-2109

The Bureau of Customs announced today preliminary figures showing the imports for consumption of commodities within quota limitations provided for under the General Agreement on Tariffs and Trade, from the beginning of the quota periods to September 3, 1949, inclusive, as follows:

Commodity	Period and Quantity		Unit of Quantity	Imports as of September 3, 1949
Whole milk, fresh or sour	Calendar year	3,000,000	Gallon	1,684
Cream, fresh or sour	Calendar year	1,500,000	Gallon	781
Butter	Quota ineffective for the period April through October			
Fish, fresh or frozen, filleted, etc., cod, haddock, hake, pollock, cusk, and rosefish	Calendar year	(1) 26,881,369	Pound	Quota filled
White or Irish Potatoes:				
certified seed	12 months from	150,000,000	Pound	Quota filled
other	Sept. 15, 1948	60,000,000	Pound	Quota filled
Walnuts	Calendar year	5,000,000	Pound	1,921,733

(1) The proviso to Item 717 (b) limits the imports for consumption at the quota rate to 20,161,026 pounds during the first nine months of the calendar year.

Due to a provision of the President's Proclamation No. 2769 of January 30, 1948, in which the entry of a specified quantity of Cuban filler tobacco, unstemmed or stemmed (other than cigarette leaf tobacco) and scrap tobacco, affects the rate of duty on such tobacco from countries other than Cuba, a record is maintained of imports from Cuba. 18,250,108 pounds of such Cuban tobacco were imported for consumption during the period January 1 to September 3, 1949, inclusive.

S-2110

Wed. IMMEDIATE RELEASE
September 13, 1949
14

The Bureau of Customs announced today preliminary figures showing the imports for consumption of commodities on which quotas were prescribed by the Philippine Trade Act of 1946, from January 1, 1949, to September 3, 1949, inclusive, as follows:

Products of the Philippines		Established Quota Quantity	Unit of Quantity	Imports as of Sept. 3, 1949
Buttons		850,000	Gross	281,794
Cigars		200,000,000	Number	267,300
Coconut Oil		448,000,000	Pound	71,068,231
Cordage		6,000,000	"	1,181,001
Rice		1,040,000	"	-
Sugars	(refined	1,904,000,000	Pound	26,155
	(unrefined			997,026,784
Tobacco		6,500,000	"	329,974

TREASURY DEPARTMENT
Washington

IMMEDIATE RELEASE
Wednesday, September 14, 1949

S-2110

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Products of the Philippines	Established Quota Quantity	Unit of Quantity	Imports as of Sept. 3, 1949
Buttons	850,000	Gross	281,794
Cigars	200,000,000	Number	267,300
Coconut Oil	448,000,000	Pound	71,068,231
Cordage	6,000,000	"	1,181,001
Rice	1,040,000	"	-
Sugars (refined	1,904,000,000	Pound	26,155
Sugars (unrefined			997,026,784
Tobacco	6,500,000	"	329,974

COTTON WASTES
(In pounds)

COTTON CARD STRIPS made from cotton having a staple of less than 1-3/16 inches in length, COMBER WASTE, LAP WASTE, SLIVER WASTE, AND ROVING WASTE, WHETHER OR NOT MANUFACTURED OR OTHERWISE ADVANCED IN VALUE: Provided, however, that not more than 33-1/3 percent of the quotas shall be filled by cotton wastes other than comber wastes made from cottons of 1-3/16 inches or more in staple length in the case of the following countries: United Kingdom, France, Netherlands, Switzerland, Belgium, Germany, and Italy:

Country of Origin	Established TOTAL QUOTA	Total imports Sept. 20, 1948, to Sept. 3, 1949	Established 33-1/3% of Total Quota	Imports Sept. 20, 1948, to Sep. 3, 1949 1/
United Kingdom.....	4,323,457	21,845	1,441,152	21,845
Canada............	239,690	234,981	-	-
France............	227,420	-	75,807	-
British India......	69,627	64,460	-	-
Netherlands........	68,240	-	22,747	-
Switzerland........	44,388	-	14,796	-
Belgium............	38,559	-	12,853	-
Japan..............	341,535	-	-	-
China..............	17,322	-	-	-
Egypt..............	8,135	-	-	-
Cuba...............	6,544	-	-	-
Germany............	76,329	-	25,443	-
Italy..............	21,263	-	7,088	-
Totals	5,482,509	321,286	1,599,886	21,845

1/ Included in total imports, column 2.

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S-2111

IMMEDIATE RELEASE
September 13, 1949 14

The Bureau of Customs announced today that preliminary data on imports of cotton and cotton waste chargeable to the quotas established by the President's proclamation of September 5, 1939, as amended, for the period September 20, 1948, to September 3, 1949, inclusive, are as follows:

COTTON (other than linters)
(In pounds)

Country of Origin	Under 1-1/8" other than rough or harsh under 3/4"		1-1/8" or more but less than 1-11/16" 4/	Less than 3/4" harsh or rough 5/
	Established Quota	Imports Sept. 20, 1948, to Sept. 3, 1949	Imports Sept. 20, 1948, to Sept. 3, 1949	Imports Sept. 20, 1948, to Sept. 3, 1949
Egypt and the Anglo-Egyptian Sudan	783,816	-	44,117,797	-
Peru	247,952	247,952	932,440	-
British India	2,003,483	292,269	-	23,905,164
China	1,370,791	-	-	-
Mexico	8,883,259	8,883,259	606,183	-
Brazil	618,723	460,040	-	-
Union of Soviet Socialist Republics	475,124	285,890	-	-
Argentina	5,203	-	-	-
Haiti	237	-	-	-
Ecuador	9,333	-	-	-
Honduras	752	-	-	-
Paraguay	871	-	-	-
Colombia	124	-	-	-
Iraq	195	-	-	-
British East Africa	2,240	-	-	-
Netherlands East Indies	71,388	-	-	-
Barbados	-	-	-	-
Other British West Indies 1/	21,321	-	-	-
Nigeria	5,377	-	-	-
Other British West Africa 2/	16,004	-	-	-
Other French Africa 3/	689	-	-	-
Algeria and Tunisia	-	-	-	-
	14,516,882	10,169,410	45,656,420	23,905,164

1/ Other than Barbados, Bermuda, Jamaica, Trinidad, and Tobago.
2/ Other than Gold Coast and Nigeria.
3/ Other than Algeria, Tunisia, and Madagascar.
4/ Established Quota - 45,656,420.
5/ Established Quota - 70,000,000.

TREASURY DEPARTMENT
Washington

IMMEDIATE RELEASE
Wednesday, September 14, 1949 S-2111

The Bureau of Customs announced today that preliminary data on imports of cotton and cotton waste chargeable to the quotas established by the President's proclamation of September 5, 1939, as amended, for the period September 20, 1948, to September 3, 1949, inclusive, are as follows:

COTTON (other than linters)
(In pounds)

Country of Origin	Under 1-1/8" other than rough or harsh under 3/4"		1-1/8" or more but less than 1-11/16" 4/	Less than 3/4" harsh or rough 5/
	Established Quota	Imports Sept. 20, 1948, to Sept. 3, 1949	Imports Sept. 20, 1948, to Sept. 3, 1949	Imports Sept. 20, 1948 to Sept. 3, 1949
Egypt and the Anglo-Egyptian Sudan............	738,816	-	44,117,797	-
Peru.............	247,952	247,952	932,440	-
British India....	2,003,483	292,269	-	23,905,164
China............	1,370,791	-	-	-
Mexico...........	8,883,259	8,883,259	606,183	-
Brazil...........	618,723	460,040	-	-
Union of Soviet Socialist Republics.............	475,124	285,890	-	-
Argentina........	5,203	-	-	-
Haiti............	237	-	-	-
Ecuador..........	9,333	-	-	-
Honduras.........	752	-	-	-
Paraguay.........	871	-	-	-
Colombia.........	124	-	-	-
Iraq.............	195	-	-	-
British East Africa...........	2,240	-	-	-
Netherlands East Indies...........	71,388	-	-	-
Barbados.........	-	-	-	-
Other British West Indies 1/...	21,321	-	-	-
Nigeria..........	5,377	-	-	-
Other British West Africa 2/...	16,004	-	-	-
Other French Africa 3/........	689	-	-	-
Algeria and Tunisia	-	-	-	-
	14,516,882	10,169,410	45,656,420	23,905,164

1/ Other than Barbados, Bermuda, Jamaica, Trinidad, and Tobago.
2/ Other than Gold Coast and Nigeria.
3/ Other than Algeria, Tunisia, and Madagascar.
4/ Established Quota - 45,656,420.
5/ Established Quota - 70,000,000.

COTTON WASTES
(In pounds)

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Country of Origin	Established TOTAL QUOTA	Total imports Sept. 20, 1948, to Sept. 3, 1949	Established: 33-1/3% of: Total Quota	Imports Sept. 20, 1948, to Sept. 3, 1949 1/
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Canada.............	239,690	234,981	-	-
France.............	227,420	-	75,807	-
British India......	69,627	64,460	-	-
Netherlands........	68,240	-	22,747	-
Switzerland........	44,388	-	14,796	-
Belgium............	38,559	-	12,853	-
Japan..............	341,535	-	-	-
China..............	17,322	-	-	-
Egypt..............	8,135	-	-	-
Cuba...............	6,544	-	-	-
Germany............	76,329	-	25,443	-
Italy..............	21,263	-	7,088	-
Totals	5,482,509	321,286	1,599,886	21,845

1/ Included in total imports, column 2.

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S-2112

IMMEDIATE RELEASE,
Wednesday, September 14, 1949.

The Secretary of the Treasury today announced the subscription and allotment figures with respect to the current offering of 1-1/8 percent Treasury Certificates of Indebtedness of Series G-1950, to be dated September 15, 1949.

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

Federal Reserve District	Total Subscriptions Received and Allotted
Boston	$ 74,693,000
New York	670,842,000
Philadelphia	40,308,000
Cleveland	38,473,000
Richmond	13,360,000
Atlanta	21,667,000
Chicago	158,358,000
St. Louis	19,578,000
Minneapolis	29,036,000
Kansas City	32,803,000
Dallas	21,648,000
San Francisco	73,516,000
Treasury	2,522,000
TOTAL	$1,196,804,000

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TREASURY DEPARTMENT

Information Service WASHINGTON, D.C.

IMMEDIATE RELEASE,
Wednesday, September 14, 1949. S-2112

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

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Philadelphia	40,308,000
Cleveland	38,473,000
Richmond	13,360,000
Atlanta	21,667,000
Chicago	158,358,000
St. Louis	19,578,000
Minneapolis	29,036,000
Kansas City	32,803,000
Dallas	21,648,000
San Francisco	73,516,000
Treasury	2,522,000
TOTAL	$1,196,804,000

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purposes of taxation the amount of discount at which Treasury bills are originally sold by the United States shall be considered to be interest. Under Sections 42 and 117 (a) (1) of the Internal Revenue Code, as amended by Section 115 of the Revenue Act of 1941, the amount of discount at which bills issued hereunder are sold shall not be considered to accrue until such bills shall be sold, redeemed or otherwise disposed of, and such bills are excluded from consideration as capital assets. Accordingly, the owner of Treasury bills (other than life insurance companies) issued hereunder need include in his income tax return only the difference between the price paid for such bills, whether on original issue or on subsequent purchase, and the amount actually received either upon sale or redemption at maturity during the taxable year for which the return is made, as ordinary gain or loss.

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.

~~ALPHA~~

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, tenders will be opened at the Federal Reserve Banks and Branches, following which public announcement will be made by the Secretary of the Treasury of the amount and price range of accepted bids. Those submitting tenders will be advised of the acceptance or rejection thereof. The Secretary of the Treasury expressly reserves the right to accept or reject any or all tenders, in whole or in part, and his action in any such respect shall be final. Subject to these reservations, non-competitive tenders for $200,000 or less without stated price from any one bidder will be accepted in full at the average price (in three decimals) of accepted competitive bids. Settlement for accepted tenders in accordance with the bids must be made or completed at the Federal Reserve Bank on September 22, 1949 (8), in cash or other immediately available funds or in a like face amount of Treasury bills maturing September 22, 1949 (9). Cash and exchange tenders will receive equal treatment. Cash adjustments will be made for differences between the par value of maturing bills accepted in exchange and the issue price of the new bills.

The income derived from Treasury bills, whether interest or gain from the sale or other disposition of the bills, shall not have any exemption, as such, and loss from the sale or other disposition of Treasury bills shall not have any special treatment, as such, under the Internal Revenue Code, or laws amendatory or supplementary thereto. The bills shall be subject to estate, inheritance, gift or other excise taxes, whether Federal or State, but shall be exempt from all taxation now or hereafter imposed on the principal or interest thereof by any State, or any of the possessions of the United States, or by any local taxing authority. For

~~Exhibit~~

~~ALPHA~~

~~TREASURY DEPARTMENT~~
~~Washington~~

~~FOR~~ RELEASE, MORNING NEWSPAPERS,
Friday, September 16, 1949.
(1)

S-2113

The Secretary of the Treasury, by this public notice, invites tenders for $ 900,000,000 (2), or thereabouts, of 91 (3)-day Treasury bills, for cash and in exchange for Treasury bills maturing September 22, 1949 (4), to be issued on a discount basis under competitive and non-competitive bidding as hereinafter provided. The bills of this series will be dated September 22, 1949 (5), and will mature December 22, 1949 (6), when the face amount will be payable without interest. They will be issued in bearer form only, and in denominations of $1,000, $5,000, $10,000, $100,000, $500,000, and $1,000,000 (maturity value).

Tenders will be received at Federal Reserve Banks and Branches up to the closing hour, two o'clock p.m., Eastern Daylight Saving/~~Standard~~ time, Monday, September 19, 1949 (7). Tenders will not be received at the Treasury Department, Washington. Each tender must be for an even multiple of $1,000, and in the case of competitive tenders the price offered must be expressed on the basis of 100, with not more than three decimals, e. g., 99.925. Fractions may not be used. It is urged that tenders be made on the printed forms and forwarded in the special envelopes which will be supplied by Federal Reserve Banks or Branches on application therefor.

Tenders will be received without deposit from incorporated banks and trust companies and from responsible and recognized dealers in investment securities. Tenders from others must be accompanied by payment of 2 percent of the face

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TREASURY DEPARTMENT

Information Service WASHINGTON, D.C.

RELEASE, MORNING NEWSPAPERS,
Friday, September 16, 1949.

S-2113

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Tenders will be received at Federal Reserve Banks and Branches up to the closing hour, two o'clock p.m., Eastern Daylight Saving time, Monday, September 19, 1949. Tenders will not be received at the Treasury Department, Washington. Each tender must be for an even multiple of $1,000, and in the case of competitive tenders the price offered must be expressed on the basis of 100, with not more than three decimals, e. g., 99.925. Fractions may not be used. It is urged that tenders be made on the printed forms and forwarded in the special envelopes which will be supplied by Federal Reserve Banks or Branches on application therefor.

Tenders will be received without deposit from incorporated banks and trust companies and from responsible and recognized dealers in investment securities. Tenders from others must be accompanied by payment of 2 percent 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, tenders will be opened at the Federal Reserve Banks and Branches, following which public announcement will be made by the Secretary of the Treasury of the amount and price range of accepted bids. Those submitting tenders will be advised of the acceptance or rejection thereof. The Secretary of the Treasury expressly reserves the right to accept or reject any or all tenders, in whole or in part, and his action in any such respect shall be final. Subject to these reservations, non-competitive tenders for $200,000 or less without stated price from any one bidder will be accepted in full at the average price

(in three decimals) of accepted competitive bids. Settlement for accepted tenders in accordance with the bids must be made or completed at the Federal Reserve Bank on September 22, 1949, in cash or other immediately available funds or in a like face amount of Treasury bills maturing September 22, 1949. Cash and exchange tenders will receive equal treatment. Cash adjustments will be made for differences between the par value of maturing bills accepted in exchange and the issue price of the new bills.

The income derived from Treasury bills, whether interest or gain from the sale or other disposition of the bills, shall not have any exemption, as such, and loss from the sale or other disposition of Treasury bills shall not have any special treatment, as such, under the Internal Revenue Code, or laws amendatory or supplementary thereto. The bills shall be subject to estate, inheritance, gift or other excise taxes, whether Federal or State, but shall be exempt from all taxation now or hereafter imposed on the principal or interest thereof by any State, or any of the possessions of the United States, or by any local taxing authority. For purposes of taxation the amount of discount at which Treasury bills are originally sold by the United States shall be considered to be interest. Under Sections 42 and 117 (a) (1) of the Internal Revenue Code, as amended by Section 115 of the Revenue Act of 1941, the amount of discount at which bills issued hereunder are sold shall not be considered to accrue until such bills shall be sold, redeemed or otherwise disposed of, and such bills are excluded from consideration as capital assets. Accordingly, the owner of Treasury bills (other than life insurance companies) issued hereunder need include in his income tax return only the difference between the price paid for such bills, whether on original issue or on subsequent purchase, and the amount actually received either upon sale or redemption at maturity during the taxable year for which the return is made, as ordinary gain or loss.

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.

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S-2114

RELEASE MORNING NEWSPAPERS,
Tuesday, September 20, 1949.

The Secretary of the Treasury announced last evening that the tenders for $900,000,000, or thereabouts, of 91-day Treasury bills to be dated September 22 and to mature December 22, 1949, 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 - $1,550,159,000
Total accepted - 900,928,000 (includes $90,838,000 entered on a non-competitive basis and accepted in full at the average price shown below)
Average price - 99.732 Equivalent rate of discount approx. 1.062% per annum

Range of accepted competitive bids:

High - 99.746 Equivalent rate of discount approx. 1.005% per annum
Low - 99.730 " " " " " 1.068% " "

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

Federal Reserve District	Total Applied for	Total Accepted
Boston	$ 10,120,000	$ 9,380,000
New York	1,233,653,000	686,371,000
Philadelphia	28,020,000	14,170,000
Cleveland	22,911,000	17,541,000
Richmond	8,376,000	8,376,000
Atlanta	13,224,000	12,854,000
Chicago	128,482,000	69,972,000
St. Louis	6,250,000	5,743,000
Minneapolis	6,501,000	6,501,000
Kansas City	18,376,000	17,954,000
Dallas	12,776,000	12,776,000
San Francisco	61,470,000	39,290,000
Total	$1,550,159,000	$900,928,000

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TREASURY DEPARTMENT

Information Service WASHINGTON, D.C.

RELEASE, MORNING NEWSPAPERS,
Tuesday, September 20, 1949.

S-2114

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Cleveland	22,911,000	17,541,000
Richmond	8,376,000	8,376,000
Atlanta	13,224,000	12,854,000
Chicago	128,482,000	69,972,000
St. Louis	6,250,000	5,743,000
Minneapolis	6,501,000	6,501,000
Kansas City	18,376,000	17,954,000
Dallas	12,776,000	12,776,000
San Francisco	61,470,000	39,290,000
TOTAL	$1,550,159,000	$900,928,000

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September 13, 1949

TO MR. BARTELT:

The following transactions were made in direct and guaranteed securities of the Government for Treasury investment and other accounts during the month of August, 1949:

Purchases	$8,025,250
Sales	4,262,900
Net Purchases	$3,762,350

(Sgd.) E. O. Barnes

Chief, Division of Investments

Wisecarver 9/13/49

Mr. Banning (Disb.)
Mr. R. D. Barker
Mr. Barnes (5441)
Mr. Bartelt
Mr. Batchelder
Mr. Beall
Bookkpg & Warrants (4308)
Mr. Brogan (600 Sloane)
Mr. Burdette (1453)
Miss Burke (4125)
Mr. Cake
Mr. Church
Miss Cullen
Mr. Cunningham
Mr. Dietrich
Mr. Dillon (4416)
Miss Donovan
Mr. Eddy
Mr. Evans (4413)
Mrs. Farrell (3405)
Mr. Foley
Mr. Gearhart (4330)
Mr. Gerardi (4324)
Mr. Graham
Mr. Haas
Mr. Handy
Mr. Hard
Mr. Hearst
Mr. Heffelfinger
Miss Hodel
Mrs. Hodges
Mr. Howard
Mr. Hyland
Mrs. Jubb (3045)
Mr. Kilby
Mr. Kious
Mrs. Legg
Mr. Lynch
Mr. Martin (3434)

Mr. Maxwell
Mr. McDonald
Mrs. McGuire (3128)
Mrs. McKenna
Mr. Merritt
Mr. Moore
Mr. Mulvihill (Tempo.V)
Miss Newcomer (1021)
Mr. Nussear (4330)
Mr. Parsons
Mr. Perry
Mr. Peterson (3128)
Mr. Price (2000)
Mr. Rabon
Mrs. Ralf (1324)
Mr. Reeves
Mrs. Root
Miss Rousseaux (4321)
Mrs. Schoeneman
Mr. Schwalm (Walker)
Mr. Slindee
Mr. Smith (3128)
Mr. Smith (4125)
Mr. Snyder (4125)
Mr. Stickney
Mrs. Sweitzer
Mr. Tickton
Mr. Tietjens
Mr. Tomkinson (2202)
Mr. Traver (3458)
Miss Vassar
Mrs. Walker
Mr. Warfield
Mrs. Warneson
Mr. Weber
Mr. Wisecarver (5445)
Mr. Woodson
Mr. Ziegenfus
Mr. Doolan

This is usual data released to the press. hoj 9/10/49

TREASURY DEPARTMENT

Information Service WASHINGTON, D.C.

S-2115

~~IMMEDIATE~~ RELEASE, Morning Newspapers
~~Tuesday~~, ~~August~~ 16, 1949. ~~S-2083~~
Friday, September 16, 1949

During the month of ~~July~~ Aug,
1949 market transactions in direct
and guaranteed securities of the
Government for Treasury investment
and other accounts resulted in net
purchases ~~sales~~ of $3,762,350 ~~$60,700~~, Secretary Snyder
announced today.

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TREASURY DEPARTMENT

Information Service WASHINGTON, D.C.

RELEASE, MORNING NEWSPAPERS,
Friday, September 16, 1949. S-2115

During the month of August, 1949 market transactions in direct and guaranteed securities of the Government for Treasury investment and other accounts resulted in net purchases of $3,762,350, Secretary Snyder announced today.

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ness of olders of
Treasury Certificates of Indebtedness of Series G-1949, in the amount of
$6,535,161,000, which will mature on October 1, 1949. Cash subscriptions
will not be received.

The certificates now offered will be dated October 1, 1949, and will bear interest from that date at the rate of one and one-eighth percent per annum, payable with the principal at maturity on October 1, 1950. They will be issued in bearer form only, in denominations of $1,000, $5,000, $10,000, $100,000 and $1,000,000.

Pursuant to the provisions of the Public Debt Act of 1941, as amended, interest upon the certificates now offered shall not have any exemption, as such, under the Internal Revenue Code, or laws amendatory or supplementary thereto. The full provisions relating to taxability are set forth in the official circular released today.

Subscriptions will be received at the Federal Reserve Banks and Branches, and at the Treasury Department, Washington, and should be accompanied by a like face amount of the maturing certificates. Subject to the usual reservations, all subscriptions will be allotted in full.

The subscription books will close for the receipt of all subscriptions at the close of business Saturday, September 24.

Subscriptions addressed to a Federal Reserve Bank or Branch or to the Treasury Department, and placed in the mail before midnight September 24, will be considered as having been entered before the close of the subscription books.

The text of the official circular follows:

TREASURY DEPARTMENT

Information Service WASHINGTON, D.C.

RELEASE, MORNING NEWSPAPERS,
Wednesday, September 21, 1949. S-2116

Secretary of the Treasury Snyder today announced the offering, through the Federal Reserve Banks, of 1-1/8 percent Treasury Certificates of Indebtedness of Series H-1950, open on an exchange basis, par for par, to holders of Treasury Certificates of Indebtedness of Series G-1949, in the amount of $6,535,161,000, which will mature on October 1, 1949. Cash subscriptions will not be received.

The certificates now offered will be dated October 1, 1949, and will bear interest from that date at the rate of one and one-eighth percent per annum, payable with the principal at maturity on October 1, 1950. They will be issued in bearer form only, in denominations of $1,000, $5,000, $10,000, $100,000 and $1,000,000.

Pursuant to the provisions of the Public Debt Act of 1941, as amended, interest upon the certificates now offered shall not have any exemption, as such, under the Internal Revenue Code, or laws amendatory or supplementary thereto. The full provisions relating to taxability are set forth in the official circular released today.

Subscriptions will be received at the Federal Reserve Banks and Branches, and at the Treasury Department, Washington, and should be accompanied by a like face amount of the maturing certificates. Subject to the usual reservations, all subscriptions will be allotted in full.

The subscription books will close for the receipt of all subscriptions at the close of business Saturday, September 24.

Subscriptions addressed to a Federal Reserve Bank or Branch or to the Treasury Department, and placed in the mail before midnight September 24, will be considered as having been entered before the close of the subscription books.

The text of the official circular follows:

UNITED STATES OF AMERICA

1-1/8 PERCENT TREASURY CERTIFICATES OF INDEBTEDNESS OF SERIES H-1950

Dated and bearing interest from October 1, 1949 Due October 1, 1950

1949
Department Circular No. 850

Fiscal Service
Bureau of the Public Debt

TREASURY DEPARTMENT,
Office of the Secretary,
Washington, September 21, 1949.

I. OFFERING OF CERTIFICATES

1. The Secretary of the Treasury, pursuant to the authority of the Second Liberty Bond Act, as amended, invites subscriptions, at par, from the people of the United States, for certificates of indebtedness of the United States, designated 1-1/8 percent Treasury Certificates of Indebtedness of Series H-1950, in exchange for Treasury Certificates of Indebtedness of Series G-1949, maturing October 1, 1949.

II. DESCRIPTION OF CERTIFICATES

1. The certificates will be dated October 1, 1949, and will bear interest from that date at the rate of 1-1/8 percent per annum, payable with the principal at maturity on October 1, 1950. They will not be subject to call for redemption prior to maturity.

2. The income derived from the certificates shall be subject to all taxes now or hereafter imposed under the Internal Revenue Code, or laws amendatory or supplementary thereto. The certificates shall be subject to estate, inheritance, gift or other excise taxes, whether Federal or State, but shall be exempt from all taxation now or hereafter imposed on the principal or interest thereof by any State, or any of the possessions of the United States, or by any local taxing authority.

3. The certificates will be acceptable to secure deposits of public moneys. They will not be acceptable in payment of taxes.

4. Bearer certificates will be issued in denominations of $1,000, $5,000, $10,000, $100,000 and $1,000,000. The certificates will not be issued in registered form.

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

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.

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 certificates applied for, and to close the books as to any or all subscriptions at any time without notice; and any action he may take in these respects shall be final. Subject to these reservations, all subscriptions will be allotted in full. Allotment notices will be sent out promptly upon allotment.

IV. PAYMENT

1. Payment at par for certificates allotted hereunder must be made on or before October 1, 1949, or on later allotment, and may be made only in Treasury Certificates of Indebtedness of Series G-1949, maturing October 1, 1949, which will be accepted at par, and should accompany the subscription. The full year's interest on the certificates surrendered will be paid to the subscriber following acceptance of the certificates.

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

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.

JOHN W. SNYDER,
Secretary of the Treasury.

IMMEDIATE RELEASE
September 21, 1949

S-2117

The Bureau of Customs announced today that 5,891,457 pounds of cotton having a staple of 1-1/8 inches or more but less than 1-11/16 inches were entered at 12:00 noon e.s.t. on September 20, 1949, under the global quota of 16,487,042 pounds prescribed in the President's Proclamation of September 3, 1949, for the interim period September 20, 1949, to January 31, 1950, inclusive.

With respect to the quota of 8,883,259 pounds of Mexican short staple cotton, an amount greatly in excess of the quota was presented for entry at the opening on September 20. As soon as all data on such cotton is before the Bureau, a determination of the pro rata amount of each such entry will be made and the collectors of customs so advised. None of the other country quotas on short staple cotton were filled on September 20, 1949.

TREASURY DEPARTMENT

Information Service WASHINGTON, D.C.

IMMEDIATE RELEASE,
Wednesday, September 21, 1949. S-2117

The Bureau of Customs announced today that 5,891,457 pounds of cotton having a staple of 1-1/8 inches or more but less than 1-11/16 inches were entered at 12:00 noon e.s.t. on September 20, 1949, under the global quota of 16,487,042 pounds prescribed in the President's Proclamation of September 3, 1949, for the interim period September 20, 1949, to January 31, 1950, inclusive.

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purposes of taxation the amount of discount at which Treasury bills are originally sold by the United States shall be considered to be interest. Under Sections 42 and 117 (a) (1) of the Internal Revenue Code, as amended by Section 115 of the Revenue Act of 1941, the amount of discount at which bills issued hereunder are sold shall not be considered to accrue until such bills shall be sold, redeemed or otherwise disposed of, and such bills are excluded from consideration as capital assets. Accordingly, the owner of Treasury bills (other than life insurance companies) issued hereunder need include in his income tax return only the difference between the price paid for such bills, whether on original issue or on subsequent purchase, and the amount actually received either upon sale or redemption at maturity during the taxable year for which the return is made, as ordinary gain or loss.

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.

~~ALPHA~~

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, tenders will be opened at the Federal Reserve Banks and Branches, following which public announcement will be made by the Secretary of the Treasury of the amount and price range of accepted bids. Those submitting tenders will be advised of the acceptance or rejection thereof. The Secretary of the Treasury expressly reserves the right to accept or reject any or all tenders, in whole or in part, and his action in any such respect shall be final. Subject to these reservations, non-competitive tenders for $200,000 or less without stated price from any one bidder will be accepted in full at the average price (in three decimals) of accepted competitive bids. Settlement for accepted tenders in accordance with the bids must be made or completed at the Federal Reserve Bank on September 29, 1949 ~~(8)~~, in cash or other immediately available funds or in a like face amount of Treasury bills maturing September 29, 1949 ~~(9)~~. Cash and exchange tenders will receive equal treatment. Cash adjustments will be made for differences between the par value of maturing bills accepted in exchange and the issue price of the new bills.

The income derived from Treasury bills, whether interest or gain from the sale or other disposition of the bills, shall not have any exemption, as such, and loss from the sale or other disposition of Treasury bills shall not have any special treatment, as such, under the Internal Revenue Code, or laws amendatory or supplementary thereto. The bills shall be subject to estate, inheritance, gift or other excise taxes, whether Federal or State, but shall be exempt from all taxation now or hereafter imposed on the principal or interest thereof by any State, or any of the possessions of the United States, or by any local taxing authority. For

~~Exhibit 1~~

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~~TREASURY DEPARTMENT~~
~~Washington~~

S-2118

~~FOR RELEASE, MORNING NEWSPAPERS,~~
Friday, September 23, 1949.
~~(1)~~

The Secretary of the Treasury, by this public notice, invites tenders for $ 900,000,000 ~~(2)~~, or thereabouts, of 91 ~~(3)~~ -day Treasury bills, for cash and in exchange for Treasury bills maturing September 29, 1949 ~~(4)~~, to be issued on a discount basis under competitive and non-competitive bidding as hereinafter provided. The bills of this series will be dated September 29, 1949 ~~(5)~~, and will mature December 29, 1949 ~~(6)~~, when the face amount will be payable without interest. They will be issued in bearer form only, and in denominations of $1,000, $5,000, $10,000, $100,000, $500,000, and $1,000,000 (maturity value).

Tenders will be received at Federal Reserve Banks and Branches up to the closing hour, two o'clock p.m., Eastern Standard time, Monday, September 26, 1949 ~~(7)~~. Tenders will not be received at the Treasury Department, Washington. Each tender must be for an even multiple of $1,000, and in the case of competitive tenders the price offered must be expressed on the basis of 100, with not more than three decimals, e. g., 99.925. Fractions may not be used. It is urged that tenders be made on the printed forms and forwarded in the special envelopes which will be supplied by Federal Reserve Banks or Branches on application therefor.

Tenders will be received without deposit from incorporated banks and trust companies and from responsible and recognized dealers in investment securities. Tenders from others must be accompanied by payment of 2 percent of the face

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TREASURY DEPARTMENT

Information Service WASHINGTON, D.C.

RELEASE, MORNING NEWSPAPERS,
Friday, September 23, 1949. S-2118

The Secretary of the Treasury, by this public notice, invites tenders for $900,000,000, or thereabouts, of 91-day Treasury bills, for cash and in exchange for Treasury bills maturing September 29, 1949, to be issued on a discount basis under competitive and non-competitive bidding as hereinafter provided. The bills of this series will be dated September 29, 1949, and will mature December 29, 1949, when the face amount will be payable without interest. They will be issued in bearer form only, and in denominations of $1,000, $5,000, $10,000, $100,000, $500,000, and $1,000,000 (maturity value).

Tenders will be received at Federal Reserve Banks and Branches up to the closing hour, two o'clock p.m., Eastern Standard time, Monday, September 26, 1949. Tenders will not be received at the Treasury Department, Washington. Each tender must be for an even multiple of $1,000, and in the case of competitive tenders the price offered must be expressed on the basis of 100, with not more than three decimals, e. g., 99.925. Fractions may not be used. It is urged that tenders be made on the printed forms and forwarded in the special envelopes which will be supplied by Federal Reserve Banks or Branches on application therefor.

Tenders will be received without deposit from incorporated banks and trust companies and from responsible and recognized dealers in investment securities. Tenders from others must be accompanied by payment of 2 percent 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, tenders will be opened at the Federal Reserve Banks and Branches, following which public announcement will be made by the Secretary of the Treasury of the amount and price range of accepted bids. Those submitting tenders will be advised of the acceptance or rejection thereof. The Secretary of the Treasury expressly reserves the right to accept or reject any or all tenders, in whole or in part, and his action in any such respect shall be final. Subject to these reservations, non-competitive tenders for $200,000 or less without stated price from any one bidder will be accepted in full at the average price

(in three decimals) of accepted competitive bids. Settlement for accepted tenders in accordance with the bids must be made or completed at the Federal Reserve Bank on September 29, 1949, in cash or other immediately available funds or in a like face amount of Treasury bills maturing September 29, 1949. Cash and exchange tenders will receive equal treatment. Cash adjustments will be made for differences between the par value of maturing bills accepted in exchange and the issue price of the new bills.

The income derived from Treasury bills, whether interest or gain from the sale or other disposition of the bills, shall not have any exemption, as such, and loss from the sale or other disposition of Treasury bills shall not have any special treatment, as such, under the Internal Revenue Code, or laws amendatory or supplementary thereto. The bills shall be subject to estate, inheritance, gift or other excise taxes, whether Federal or State, but shall be exempt from all taxation now or hereafter imposed on the principal or interest thereof by any State, or any of the possessions of the United States, or by any local taxing authority. For purposes of taxation the amount of discount at which Treasury bills are originally sold by the United States shall be considered to be interest. Under Sections 42 and 117 (a) (1) of the Internal Revenue Code, as amended by Section 115 of the Revenue Act of 1941, the amount of discount at which bills issued hereunder are sold shall not be considered to accrue until such bills shall be sold, redeemed or otherwise disposed of, and such bills are excluded from consideration as capital assets. Accordingly, the owner of Treasury bills (other than life insurance companies) issued hereunder need include in his income tax return only the difference between the price paid for such bills, whether on original issue or on subsequent purchase, and the amount actually received either upon sale or redemption at maturity during the taxable year for which the return is made, as ordinary gain or loss.

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.

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FOR IMMEDIATE RELEASE
September 22, 1949

S-2119

The Bureau of Customs announced today that 11,011,622 pounds of cotton having a staple of 1-1/8 inches or more but less than 1-11/16 inches, presented for entry on September 20 and 21, has been authorized release under the interim quota of 16,487,042 pounds of such cotton.

TREASURY DEPARTMENT

Information Service WASHINGTON, D.C.

IMMEDIATE RELEASE,
Thursday, September 22, 1949. S-2119

The Bureau of Customs announced today that 11,011,622 pounds of cotton having a staple of 1-1/8 inches or more but less than 1-11/16 inches, presented for entry on September 20 and 21, has been authorized release under the interim quota of 16,487,042 pounds of such cotton.

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S- 2120

RELEASE MORNING NEWSPAPERS,
Tuesday, September 27, 1949.

The Secretary of the Treasury announced last evening that the tenders for $900,000,000, or thereabouts, of 91-day Treasury bills to be dated September 29 and to mature December 29, 1949, 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 - $1,462,344,000
Total accepted - 901,592,000 (includes $69,135,000 entered on a non-competitive basis and accepted in full at the average price shown below)
Average price - 99.728 Equivalent rate of discount approx. 1.076% per annum

Range of accepted competitive bids:

High - 99.742 Equivalent rate of discount approx. 1.021% per annum
Low - 99.726 " " " " " 1.084% " "

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

Federal Reserve District		Total Applied for	Total Accepted
Boston		$ 10,180,000	$ 10,180,000
New York		1,151,411,000	665,991,000
Philadelphia		22,390,000	7,390,000
Cleveland		9,720,000	9,720,000
Richmond		4,482,000	4,482,000
Atlanta		5,085,000	5,085,000
Chicago		157,214,000	118,014,000
St. Louis		10,580,000	10,488,000
Minneapolis		4,605,000	4,605,000
Kansas City		22,232,000	22,232,000
Dallas		6,215,000	6,215,000
San Francisco		58,230,000	37,190,000
	TOTAL	$1,462,344,000	$901,592,000

TREASURY DEPARTMENT

Information Service WASHINGTON, D.C.

RELEASE, MORNING NEWSPAPERS,
Tuesday, September 27, 1949.

S-2120

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Richmond	4,482,000	4,482,000
Atlanta	5,085,000	5,085,000
Chicago	157,214,000	118,014,000
St. Louis	10,580,000	10,488,000
Minneapolis	4,605,000	4,605,000
Kansas City	22,232,000	22,232,000
Dallas	6,215,000	6,215,000
San Francisco	58,230,000	37,190,000
TOTAL	$1,462,344,000	$901,592,000

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the life insurance business. Your company has kept pace with our national growth. We can confidently look forward to the continued prosperity of both.

equipment, the net working capital of corporations continues at record levels.

The opportunities are here, and if we grasp them with vigor and enthusiasm, we can continue to move forward to new heights of achievement in the years ahead.

I wish to offer my congratulations to the John Hancock Mutual Life Insurance Company on its remarkable growth and progress in 87 years in is increasing.

Not only do we have this tremendous consumers' market, but our plant and equipment are ready. New construction and equipment of plants continue at a high level; and, today, the American industrial plant is the most modern and best equipped in the world. It is ready to make full use of the wealth of new materials and new methods which wartime discoveries and development have made available. And despite these outlays on plant and are continuing at near-record levels. People in this country are now earning money at a rate of nearly $210 billion a year. And behind these current incomes is also a record volume of savings -- $200 billion -- in the form of checking accounts, savings accounts, Government securities, and currency. The possession of adequate savings has and will continue to encourage liberal spending from current income. Further, our standard of living is rising and our population retail selling on a national scale.

During and immediately following the war years, we did not have to sell. Products substantially unchanged since before our entry into the war were selling as fast as they could be turned out. With a return to a competitive economy, we are rapidly recalling our talents in salesmanship.

And here in the United States is awaiting the greatest market we have ever known. Consumer incomes tinware wagon peddlers of a century ago were giving us and the world a lesson in what could be accomplished by salesmanship. They refused to sit and wait for customers, but, instead, went out and found new markets for their products. They set up routes and canvassed practically every home from Long Island Sound to the Mississippi, from Canada to the Gulf. They put the workshops of New England in touch with almost every American home. It was our first lesson in the return to competitive business conditions. Our free enterprise system could not thrive long without competition. A sellers' market, such as we have known during and since the war, is in the long run bad for business. Our greatest progress has stemmed from the fact that business in this country has had to seek the customer.

Certainly, salesmanship is not new to us -- particularly not new to New England businessmen. Your one of them. And I fully appreciate that the over-all picture is of little comfort to the man out of a job. All of us must devote every effort to easing the impact of unemployment wherever it strikes. The recent concern of the Administration with the employment situation in this area is an example of the watchful attitude which we must maintain if we are to keep our economy sound and healthy.

We should welcome, not fear,

experiencing, industry by industry, have not resulted in a serious slowdown in the rate of over-all activity. For the most part, they have been of the type which we might expect in the course of our return to the normal American environment of plentiful supplies and competitive business conditions.

Certain industries and localities have, of course, felt the impact of the adjustments far more than others -- New England, I know, is

Others occurred in 1947, and in 1948. This year, we have experienced further adjustments in some areas; in others, activity has turned upward or has continued at a high level.

Each time adjustments have occurred, there have been some of our citizens who have run for their storm cellars, certain that an economic tornado was about to strike. As yet, however, the various adjustments which we have been

The progress we have made in the past century does not mean that America has come of age -- that the top has been reached. It means that we are on the threshold of a new peacetime growth which will bring us even greater opportunities for the future.

It is true that lately we have been undergoing adjustments in our economy. Some of them, in fact, were noticeable as far back as 1946.

achievement. It was exactly 35 years ago this month that Mr. Clark started work as an insurance agent to become, as many of you know, the largest personal producer of your company. His talents earned him a position in the executive management of your company and today, it can well be proud of having at its helm a man who is an outstanding example of that freedom of opportunity which exists in America.

as throughout other industrial concerns. He knows that individuals need the protection afforded by investment in Government bonds as well as the protection afforded by investment in life insurance and other forms of private investment savings.

Today is not only a landmark in the history of the company which Mr. Clark heads, but it is also, for him, a personal anniversary of

And at this time I should like to take the opportunity to pay a special tribute to your own President, Mr. Clark, for his fine cooperation with the Treasury Department in promoting the sale of savings bonds. In his capacity as a member of my Industrial Advisory Committee, Mr. Clark has been most active in promoting the sale of such bonds through the payroll savings plan in your own organization, as well were designed by the Treasury to make it possible for every man, woman, and child in America to have a stake in the future -- their own as well as their country's.

Many people thought the Government would cease issuing savings bonds at the close of World War II. But due to a widespread demand, we have continued to actively promote the sale of savings bonds to encourage thrift on the part of Americans.

new as it was, to come forward in support of the National Government. By the end of your first year as a going concern, 35 percent of your assets were invested in United States Government securities. Those whose faith led them to invest in their government had their confidence justified.

Savings bonds and savings stamps, and the payroll savings plan of today

During periods in our lifetime when our Nation was in danger from war, life insurance funds have helped provide the sinews to protect our democratic government and our way of life. I need hardly remind this audience that the assets of life insurance companies played an important part in the successful financing of both World Wars. Even as far back as 1863, there was no hesitancy on the part of the officers of your company.

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Pg 2 - Steno

essential to our high standards of living.

Such investments, moreover, have supplied an important part of the capital funds which have built the productive plant of this country. The capital developments which life insurance has helped finance have meant jobs for millions of citizens; and part of the earnings from these jobs has flowed back into the stream of savings which have continually enriched our country.

funds rapidly became too large for purely local investment, and soon flowed into communities far removed from the home offices of the institutions themselves.

Investment of life insurance funds has helped meet the needs of our farms, cities, and towns for new roads, schools and hospitals, service plants, homes and office buildings and factories -- in short, for many of the things which are a better home, opportunities for higher education for his children, the chance to enjoy the fruits of his own labor, and financial provision for his family after death.

But this is only one side of the picture. As our citizens turned more and more to insurance as a means of providing for future wants, the insurance companies had an increasing responsibility for judicious investment of the savings entrusted to them. These investment finance were as serious as they have ever been in our history. Yet in the Annual Report of the Secretary of the Treasury for 1863, the first year of your company's business, the Commissioner of Internal Revenue took occasion to state that "Public policy . . . demands that the practice of insuring lives should be encouraged by the Government."

To the individual, savings in the form of life insurance have meant personal security, freedom from worry, an essential part of most family planning for the future -- four-fifths of all American families are policyholders.

I think you may be interested to know that the United States Treasury was early to recognize the benefits resulting from savings in the form of life insurance. At the time of the founding of your company, we were engaged in a Civil War. Our existence as a unified nation hung in the balance, and our problems of war that its policies totaled $300,000. Last year, life insurance in force in this country passed the $200 billion mark, and in 1949, I am told, your company alone will account for $10 billion of the total.

Pg 2 This is indeed an impressive record of growth. And life insurance owes this growth to the fact that it is available to all. At the time of the founding of your company, policies were held, in the main, by a relatively few individuals. Today, insurance is manner unknown to former generations.

At this dedication I think it is particularly appropriate that we pause to assess the role that life insurance has played in the progress of our country.

In the 1860's, when your company was organized, the total amount of life insurance in force in the United States amounted to only $200 million. In 1863, the John Hancock Mutual Life Insurance Company reported as of the end of its first year of operation, workers, and our leaders in science, industry, and government in stimulating the progress of America. In the decades since your company was founded, we have changed from an agricultural nation to the most highly organized and efficient industrial economy in the world. And shorter working hours, labor-saving devices, and vastly expanded transportation and recreational facilities have made it possible for all of us to enjoy our incomes in a

New England settlements, each generation of Americans has worked and lived in the confident expectation that the future would bring ever greater opportunities. Over the years, the progress of our Nation has justified this faith: Our standards of living have moved constantly higher, with ever increasing benefits to our population.

The strenuous efforts of our pioneers, are an inspiration to our sound and progressive management which has guided your Company to its present position as one of the leaders in the financial life of the Nation.

To my mind, this occasion symbolizes something more than a milestone in the history of one of our great financial institutions. In a broader sense, it symbolizes the belief of Americans in their future. From the time of the first

It is a very real pleasure for me to be here today and join with you in the dedication of the new home office of the John Hancock Mutual Life Insurance Company. I know that the city of Boston -- whose financial traditions go back to the very beginning of this Nation -- shares your pride in this achievement. Your new building stands as a tribute to the nine million policyholders who have made it possible, and to the

For Release on delivery, scheduled at 2:30 PM EST, Thursday, Sept 29, 1949

Address by Secretary Snyder

at the

Dedication of the New Home Office of

The John Hancock Mutual Life Insurance Company

- - -

Boston, Massachusetts
September 29, 1949

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~~The following address by Secretary Snyder at the dedication of the new home office of The John Hancock Mutual Life In~~

The following address by Secr tary Snyder at the dedication of The John Hancock Mutual Life Insurance Company's new home office, Boston, Massachusetts, is scheduled for delivery about 2:30 P.M., E.S.T., Thrusday, September 29, 1949, and is for release on delivery.

S-2121

TREASURY DEPARTMENT

Washington

The following address by Secretary Snyder at the dedication of The John Hancock Mutual Life Insurance Company's new home office, Boston, Massachusetts, is scheduled for delivery about 2:30 P.M., E.S.T., Thursday, September 29, 1949, and is for release on delivery.

It is a very real pleasure for me to be here today and join with you in the dedication of the new home office of the John Hancock Mutual Life Insurance Company. I know that the city of Boston -- whose financial traditions go back to the very beginning of this Nation -- shares your pride in this achievement. Your new building stands as a tribute to the nine million policyholders who have made it possible, and to the sound and progressive management which has guided your Company to its present position as one of the leaders in the financial life of the Nation.

To my mind, this occasion symbolizes something more than a milestone in the history of one of our great financial institutions. In a broader sense, it symbolizes the belief of Americans in their future. From the time of the first New England settlements, each generation of Americans has worked and lived in the confident expectation that the future would bring ever greater opportunities. Over the years, the progress of our Nation has justified this faith: Our standards of living have moved constantly higher, with ever increasing benefits to our population.

The strenuous efforts of our pioneers, are an inspiration to our workers, and our leaders in science, industry, and government in stimulating the progress of America. In the decades since your company was founded, we have changed from an agricultural nation to the most highly organized and efficient industrial economy in the world. And shorter working hours, labor-saving devices, and vastly expanded transportation and recreational facilities have made it possible for all of us to enjoy our incomes in a manner unknown to former generations.

At this dedication I think it is particularly appropriate that we pause to assess the role that life insurance has played in the progress of our country.

In the 1860's, when your company was organized, the total amount of life insurance in force in the United States amounted to only $200 million. In 1863, the John Hancock Mutual Life Insurance Company reported as of the end of its first year of operation, that its policies totaled $300,000. Last year, life insurance in force in this country passed the $200 billion mark, and in 1949, I am told, your company alone will account for $10 billion of the total.

This is indeed an impressive record of growth. And life insurance owes this growth to the fact that it is available to all. At the time of the founding of your company, policies were held, in the main, by a relatively few individuals. Today, insurance is an essential part of most family planning for the future — four-fifths of all American families are policyholders.

I think you may be interested to know that the United States Treasury was early to recognize the benefits resulting from savings in the form of life insurance. At the time of the founding of your company, we were engaged in a Civil War. Our existence as a unified nation hung in the balance, and our problems of war finance were as serious as they have ever been in our history. Yet in the Annual Report of the Secretary of the Treasury for 1863, the first year of your company's business, the Commissioner of Internal Revenue took occasion to state that "Public policy . . . demands that the practice of insuring lives should be encouraged by the Government."

To the individual, savings in the form of life insurance have meant personal security, freedom from worry, a better home, opportunities for higher education for his children, the chance to enjoy the fruits of his own labor, and financial provision for his family after death.

But this is only one side of the picture. As our citizens turned more and more to insurance as a means of providing for future wants, the insurance companies had an increasing responsibility for judicious investment of the savings entrusted to them. These investment funds rapidly became too large for purely local investment, and soon flowed into communities far removed from the home offices of the institutions themselves.

Investment of life insurance funds has helped meet the needs of our farms, cities, and towns for new roads, schools and hospitals, service plants, homes and office buildings and factories -- in short, for many of the things which are essential to our high standards of living.

Such investments, moreover, have supplied an important part of the capital funds which have built the productive plant of this country. The capital developments which life insurance has helped finance have meant jobs for millions of citizens; and part of the earnings from these jobs has flowed back into the stream of savings which have continually enriched our country.

During periods in our lifetime when our Nation was in danger from war, life insurance funds have helped provide the sinews to protect our democratic government and our way of life. I need hardly remind this audience that the assets of life insurance companies played an important part in the successful financing of both World Wars. Even as far back as 1863, there was no hesitancy on the part of the officers of your company, new as it was, to come forward in support of the National Government. By the end of your first year as a going concern, 35 percent of your assets were invested in United States Government securities. Those whose faith led them to invest in their government had their confidence justified.

Savings bonds and savings stamps, and the payroll savings plan of today were designed by the Treasury to make it possible for every man, woman, and child in America to have a stake in the future — their own as well as their country's.

Many people thought the Government would cease issuing savings bonds at the close of World War II. But due to a widespread demand, we have continued actively to promote the sale of savings bonds to encourage thrift on the part of Americans.

And at this time I should like to take the opportunity to pay a special tribute to your own President, Mr. Clark, for his fine cooperation with the Treasury Department in promoting the sale of savings bonds. In his capacity as a member of my Industrial Advisory Committee, Mr. Clark has been most active in promoting the sale of such bonds through the payroll savings plan in your own organization, as well as throughout other industrial concerns. He knows that individuals need the protection afforded by investment in Government bonds as well as the protection afforded by investment in life insurance and other forms of private investment savings.

Today is not only a landmark in the history of the company which Mr. Clark heads, but it is also, for him, a personal anniversary of achievement. It was exactly 35 years ago this month that Mr. Clark started work as an insurance agent to become, as many of you know, the largest personal producer of your company. His talents earned him a position in the executive management of your company and today, it can well be proud of having at its helm a man who is an outstanding example of that freedom of opportunity which exists in America.

The progress we have made in the past century does not mean that America has come of age — that the top has been reached. It means that we are on the threshold of a new peacetime growth which will bring us even greater opportunities for the future.

It is true that lately we have been undergoing adjustments in our economy. Some of them, in fact, were noticeable as far back as 1946. Others occurred in 1947, and in 1948. This year, we have experienced further adjustments in some areas; in others, activity has turned upward or has continued at a high level.

Each time adjustments have occurred, there have been some of our citizens who have run for their storm cellars, certain than an economic tornado was about to strike. As yet, however, the various adjustments which we have been experiencing, industry by industry, have not resulted in a serious slowdown in the rate of over-all activity. For the most part, they have been of the type which we might expect in the course of our return to the normal American environment of plentiful supplies and competitive business conditions.

Certain industries and localities have, of course, felt the impact of the adjustments far more than others — New England, I know, is one of them. And I fully appreciate that the over-all picture is of little comfort to the man out of a job. All of us must devote every effort to easing the impact of unemployment wherever it strikes. The recent concern of the Administration with the employment situation in this area is an example of the watchful attitude which we must maintain if we are to keep our economy sound and healthy.

We should welcome, not fear, the return to competitive business conditions. Our free enterprise system could not thrive long without competition. A sellers' market, such as we have known during and since the war, is in the long run bad for business. Our greatest progress has stemmed from the fact that business in this country has had to seek the customer.

Certainly, salesmanship is not new to us — particularly not new to New England businessmen. Your tinware wagon peddlers of a century ago were giving us and the world a lesson in what could be accomplished by salesmanship. They refused to sit and wait for customers, but, instead, went out and found new markets for their products. They set up routes and canvassed practically every home from Long Island Sound to the Mississippi, from Canada to the Gulf. They put the workshops of New England in touch with almost every American home. It was our first lesson in retail selling on a national scale.

During and immediately following the war years, we did not have to sell. Products substantially unchanged since before our entry into the war were selling as fast as they could be turned out. With a return to a competitive economy, we are rapidly recalling our talents in salesmanship.

And here in the United States is awaiting the greatest market we have ever known. Consumer incomes are continuing at near-record levels. People in this country are now earning money at a rate of neary $210 billion a year. And behind these current incomes is also a record volume of savings — $200 billion — in the form of checking accounts, savings accounts, Government securities, and currency. The possession of adequate savings has and will continue to encourage liberal spending from current income. Further, our standard of living is rising and our population is increasing.

Not only do we have this tremendous consumers' market, but our plant and equipment are ready. New construction and equipment of plants continue at a high level; and, today, the American industrial plant is the most modern and best equipped in the world. It is ready to make full use of the wealth of new materials and new methods which wartime discoveries and development have made available. And despite these outlays on plant and equipment, the net working capital of corporations continues at record levels.

The opportunities are here, and if we grasp them with vigor and enthusiasm, we can continue to move forward to new heights of achievement in the years ahead.

I wish to offer my congratulations to the John Hancock Mutual Life Insurance Company on its remarkable growth and progress in 87 years in the life insurance business. Your company has kept pace with our national growth. We can confidently look forward to the continued prosperity of both.

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ALPHA

purposes of taxation the amount of discount at which Treasury bills are originally sold by the United States shall be considered to be interest. Under Sections 42 and 117 (a) (1) of the Internal Revenue Code, as amended by Section 115 of the Revenue Act of 1941, the amount of discount at which bills issued hereunder are sold shall not be considered to accrue until such bills shall be sold, redeemed or otherwise disposed of, and such bills are excluded from consideration as capital assets. Accordingly, the owner of Treasury bills (other than life insurance companies) issued hereunder need include in his income tax return only the difference between the price paid for such bills, whether on original issue or on subsequent purchase, and the amount actually received either upon sale or redemption at maturity during the taxable year for which the return is made, as ordinary gain or loss.

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.

ALPHA

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, tenders will be opened at the Federal Reserve Banks and Branches, following which public announcement will be made by the Secretary of the Treasury of the amount and price range of accepted bids. Those submitting tenders will be advised of the acceptance or rejection thereof. The Secretary of the Treasury expressly reserves the right to accept or reject any or all tenders, in whole or in part, and his action in any such respect shall be final. Subject to these reservations, non-competitive tenders for $200,000 or less without stated price from any one bidder will be accepted in full at the average price (in three decimals) of accepted competitive bids. Settlement for accepted tenders in accordance with the bids must be made or completed at the Federal Reserve Bank on October 6, 1949, in cash or other immediately available funds or in a like face amount of Treasury bills maturing October 6, 1949. Cash and exchange tenders will receive equal treatment. Cash adjustments will be made for differences between the par value of maturing bills accepted in exchange and the issue price of the new bills.

The income derived from Treasury bills, whether interest or gain from the sale or other disposition of the bills, shall not have any exemption, as such, and loss from the sale or other disposition of Treasury bills shall not have any special treatment, as such, under the Internal Revenue Code, or laws amendatory or supplementary thereto. The bills shall be subject to estate, inheritance, gift or other excise taxes, whether Federal or State, but shall be exempt from all taxation now or hereafter imposed on the principal or interest thereof by any State, or any of the possessions of the United States, or by any local taxing authority. For

~~Exhibit I~~

~~ALPHA~~

TREASURY DEPARTMENT
Washington

A-2122

FOR RELEASE, MORNING NEWSPAPERS,
Friday, September 30, 1949.
~~(1)~~

The Secretary of the Treasury, by this public notice, invites tenders for $900,000,000 (2), or thereabouts, of 91 ~~(3)~~ -day Treasury bills, for cash and in exchange for Treasury bills maturing October 6, 1949 ~~(4)~~, to be issued on a discount basis under competitive and non-competitive bidding as hereinafter provided. The bills of this series will be dated October 6, 1949 ~~(5)~~, and will mature January 5, 1950 ~~(6)~~, when the face amount will be payable without interest. They will be issued in bearer form only, and in denominations of $1,000, $5,000, $10,000, $100,000, $500,000, and $1,000,000 (maturity value).

Tenders will be received at Federal Reserve Banks and Branches up to the closing hour, two o'clock p.m., Eastern Standard time, Monday, October 3, 1949 ~~(7)~~. Tenders will not be received at the Treasury Department, Washington. Each tender must be for an even multiple of $1,000, and in the case of competitive tenders the price offered must be expressed on the basis of 100, with not more than three decimals, e. g., 99.925. Fractions may not be used. It is urged that tenders be made on the printed forms and forwarded in the special envelopes which will be supplied by Federal Reserve Banks or Branches on application therefor.

Tenders will be received without deposit from incorporated banks and trust companies and from responsible and recognized dealers in investment securities. Tenders from others must be accompanied by payment of 2 percent of the face

TREASURY DEPARTMENT

Information Service

WASHINGTON, D.C.

RELEASE, MORNING NEWSPAPERS,
Friday, September 30, 1949.

S-2122

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Tenders will be received without deposit from incorporated banks and trust companies and from responsible and recognized dealers in investment securities. Tenders from others must be accompanied by payment of 2 percent 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, tenders will be opened at the Federal Reserve Banks and Branches, following which public announcement will be made by the Secretary of the Treasury of the amount and price range of accepted bids. Those submitting tenders will be advised of the acceptance or rejection thereof. The Secretary of the Treasury expressly reserves the right to accept or reject any or all tenders, in whole or in part, and his action in any such respect shall be final. Subject to these reservations, non-competitive tenders for $200,000 or less without stated price from any one bidder will be accepted in full at the average price

(in three decimals) of accepted competitive bids. Settlement for accepted tenders in accordance with the bids must be made or completed at the Federal Reserve Bank on October 6, 1949, in cash or other immediately available funds or in a like face amount of Treasury bills maturing October 6, 1949. Cash and exchange tenders will receive equal treatment. Cash adjustments will be made for differences between the par value of maturing bills accepted in exchange and the issue price of the new bills.

The income derived from Treasury bills, whether interest or gain from the sale or other disposition of the bills, shall not have any exemption, as such, and loss from the sale or other disposition of Treasury bills shall not have any special treatment, as such, under the Internal Revenue Code, or laws amendatory or supplementary thereto. The bills shall be subject to estate, inheritance, gift or other excise taxes, whether Federal or State, but shall be exempt from all taxation now or hereafter imposed on the principal or interest thereof by any State, or any of the possessions of the United States, or by any local taxing authority. For purposes of taxation the amount of discount at which Treasury bills are originally sold by the United States shall be considered to be interest. Under Sections 42 and 117 (a) (1) of the Internal Revenue Code, as amended by Section 115 of the Revenue Act of 1941, the amount of discount at which bills issued hereunder are sold shall not be considered to accrue until such bills shall be sold, redeemed or otherwise disposed of, and such bills are excluded from consideration as capital assets. Accordingly, the owner of Treasury bills (other than life insurance companies) issued hereunder need include in his income tax return only the difference between the price paid for such bills, whether on original issue or on subsequent purchase, and the amount actually received either upon sale or redemption at maturity during the taxable year for which the return is made, as ordinary gain or loss.

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.

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S-2123

IMMEDIATE RELEASE,
Thursday, September 29, 1949.

The Secretary of the Treasury today announced the subscription and allotment figures with respect to the current offering of 1-1/8 percent Treasury Certificates of Indebtedness of Series H-1950, to be dated October 1, 1949.

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

Federal Reserve District	Total Subscriptions Received and Allotted
Boston	$ 155,834,000
New York	3,500,560,000
Philadelphia	138,386,000
Cleveland	189,252,000
Richmond	97,956,000
Atlanta	159,600,000
Chicago	728,539,000
St. Louis	190,390,000
Minneapolis	179,274,000
Kansas City	243,121,000
Dallas	161,441,000
San Francisco	441,778,000
Treasury	60,609,000
TOTAL	$6,246,740,000

TREASURY DEPARTMENT

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Dallas	161,441,000
San Francisco	441,778,000
Treasury	60,609,000
TOTAL	$6,246,740,000

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Miss Esgate ~~will~~ received the Treasury's Albert Gallatin certificate for distinguished service at a luncheon ~~to be~~ given in her honor by fellow employees, at noon Friday, at the Raleigh Hotel.

Miss Esgate lives at 3200 16th Street, N. W.

* * * *

For AMS of Saturday Oct 1

1—2124

~~Proposed~~ Press Release

The Bureau of Customs announced today the retirement, effective September 30, of Miss Helen H. Esgate, Chief of the Section of Tariff Classification, after 32 years of distinguished service.

Commissioner Frank Dow termed Miss Esgate a foremost authority on tariff law, and an outstanding Government career woman. He said her decision to retire, ~~for reasons of health~~, is a great loss to the Bureau.

Miss Esgate, a native of Marion, Iowa, entered the Bureau in 1917 as a clerk-secretary, after obtaining her AB Degree from Cornell College, Mt. Vernon, Iowa. Her interest turned almost immediately to tariff law and administration, and she determined to direct her career into the legal field. She obtained her law degree from the Washington College of Law in 1923, and became a member of the District Bar a year later. She is a member of Kappa Beta Pi legal sorority, and the American Association of University Women.

Miss Esgate drew increasingly responsible legal assignments in the Bureau, and in 1930 was made Assistant Chief of the Division of Tariff Classification. She was named Chief of the Division, (now the Section of Tariff Classification, of the Division of Tariff and Marine Administration) in 1938.

Miss Esgate served with the Tariff Commission as a legal expert, preparing data and suggestions for the Commission and Members of Congress during the 1930 revision of the Tariff Act. In the development of the trade agreement programs she has had a large part as an adviser as to technical form and language.

TREASURY DEPARTMENT

Information Service WASHINGTON, D.C.

RELEASE MORNING NEWSPAPERS,
Saturday, October 1, 1949. S-2124

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Miss Esgate served with the Tariff Commission as a legal expert, preparing data and suggestions for the Commission and Members of Congress during the 1930 revision of the Tariff Act. In the development of the trade agreement program she has had a large part as an adviser as to technical form and language.

Miss Esgate received the Treasury's Albert Gallatin certificate for distinguished service at a luncheon given in her honor by fellow employees, at noon Friday, at the Raleigh Hotel.

Miss Esgate lives at 3200 16th Street, Northwest.

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RELEASE MORNING NEWSPAPERS,
Tuesday, October 4, 1949.

5-2125

The Secretary of the Treasury announced last evening that the tenders for $900,000,000, or thereabouts, of 91-day Treasury bills to be dated October 6, 1949, and to mature January 5, 1950, 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 - $1,699,185,000
Total accepted - 900,328,000 (includes $71,173,000 entered on a non-competitive basis and accepted in full at the average price shown below)
Average price - 99.732/ Equivalent rate of discount approx. 1.059% per annum

Range of accepted competitive bids:

High - 99.745 Equivalent rate of discount approx. 1.009% per annum
Low - 99.731 " " " " " 1.064% " "

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

Federal Reserve District		Total Applied for	Total Accepted
Boston		$ 19,738,000	$ 9,288,000
New York		1,288,342,000	685,893,000
Philadelphia		27,004,000	11,904,000
Cleveland		33,050,000	9,600,000
Richmond		12,829,000	11,379,000
Atlanta		2,585,000	2,135,000
Chicago		168,939,000	89,993,000
St. Louis		12,885,000	7,348,000
Minneapolis		4,329,000	4,329,000
Kansas City		13,671,000	10,421,000
Dallas		24,479,000	10,329,000
San Francisco		91,334,000	47,709,000
	TOTAL	$1,699,185,000	$900,328,000

TREASURY DEPARTMENT

Information Service WASHINGTON, D.C.

RELEASE MORNING NEWSPAPERS,
Tuesday, October 4, 1949

S-2125

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Atlanta	2,585,000	2,135,000
Chicago	168,939,000	89,993,000
St. Louis	12,885,000	7,348,000
Minneapolis	4,329,000	4,329,000
Kansas City	13,671,000	10,421,000
Dallas	24,479,000	10,329,000
San Francisco	91,334,000	47,709,000
TOTAL	$1,699,185,000	$900,328,000

IMMEDIATE RELEASE
September 30, 1949

S- 2126

The Bureau of Customs announced today that approximately 14,050,000 pounds of cotton having a staple of 1-1/8 inches or more but less than 1-11/16 inches (other than linters) have been authorized release as of September 30, 1949, under the global quota of 16,487,042 pounds prescribed in the President's Proclamation of September 3, 1949, for the interim period September 20, 1949 to January 31, 1950, inclusive. Of the amount authorized release, 97 per centum is of Egyptian and the remainder of Peruvian origin.

The absolute quota of 8,883,259 pounds of Mexican cotton of less than 1-1/8 inches in staple length (other than harsh or rough cotton of less than 3/4 inch in staple length, and other than linters) was filled at the opening moment of the quota on September 20. Of such cotton permitted presentation for entry, 32.1 per centum was authorized release, which amount filled the quota.

The quota of 247,952 pounds of Peruvian short staple cotton was 57 per centum filled at the opening of the quota on September 20, 1949.

TREASURY DEPARTMENT

Information Service WASHINGTON, D.C.

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EARNINGS, EXPENSES, AND DIVIDENDS OF NATIONAL BANKS IN THE SIX MONTH PERIODS ENDED JUNE 30, 1949 AND JUNE 30, 1948, AND THE YEAR ENDED DECEMBER 31, 1948 - Continued

(Amounts in thousands of dollars)

	6 months ended June 30, 1949	6 months ended June 30, 1948	Year ended Dec. 31, 1948
Recoveries, transfers from reserve accounts, and profits:			
On securities:			
Recoveries	$2,734	$11,541	$19,682
Transfers from reserve accounts	9,203	3,105	11,296
Profits on securities sold or redeemed	13,532	22,041	37,491
On loans:			
Recoveries	6,737	16,586	24,614
Transfers from reserve accounts	3,126	3,190	23,941
All other	10,627	25,427	44,455
TOTAL RECOVERIES, TRANSFERS FROM RESERVE ACCOUNTS AND PROFITS	45,959	81,890	161,479
Losses, charge-offs, and transfers to reserve accounts:			
On securities:			
Losses and charge-offs	9,362	25,845	46,616
Transfers to reserve accounts	5,090	13,665	23,555
On loans:			
Losses and charge-offs	5,780	15,820	19,633
Transfers to reserve accounts	45,423	85,644	160,644
All other	10,988	11,104	26,995
TOTAL LOSSES, CHARGE-OFFS AND TRANSFERS TO RESERVE ACCOUNTS	76,643	152,078	277,443
PROFITS BEFORE INCOME TAXES	347,177	285,119	600,121
Taxes on net income:			
Federal	92,334	83,179	166,693
State	5,408	5,074	9,671
TOTAL TAXES ON NET INCOME	97,742	88,253	176,364
NET PROFITS BEFORE DIVIDENDS	249,435	196,866	423,757
cash Dividends declared:			
On preferred stock	626	592	1,304
On common stock:			
Cash dividends	96,016	91,801	192,603
Stock dividends	75,995	14,416	36,691
TOTAL DIVIDENDS DECLARED	172,637	106,809	230,598
Number of banks 1/	4,993	5,004	4,997
Annual rate of net profits:	Percent	Percent	Percent
To capital funds 1/	8.56	7.10	7.47
Annual rate of cash dividends:			
To capital funds 1/	3.32	3.33	3.42

1/ At end of period.

EARNINGS, EXPENSES, AND DIVIDENDS OF NATIONAL BANKS IN THE SIX MONTH PERIODS ENDED JUNE 30, 1949 AND JUNE 30, 1948, AND THE YEAR ENDED DECEMBER 31, 1948

(Amounts in thousands of dollars)

	6 months ended		Year ended
	June 30, 1949	June 30, 1948	Dec. 31, 1948
Capital stock, par value: 1/			
Preferred	$22,325	$23,898	$24,045
Common	1,885,633	1,780,964	1,804,714
TOTAL CAPITAL STOCK	1,907,958	1,804,862	1,828,759
Capital funds 1/	5,827,903	5,545,768	5,670,888
Earnings from current operations:			
Interest and dividends:			
On U. S. Government obligations	287,184	294,780	578,669
On other securities	57,221	54,604	110,901
Interest and discount on loans	474,714	423,091	890,628
Service charges on deposit accounts	53,860	47,561	97,682
Other service charges, commissions, fees and collection and exchange charges	27,226	26,824	55,194
Trust department	27,868	26,843	59,383
Other current earnings	54,496	52,487	108,014
TOTAL EARNINGS FROM CURRENT OPERATIONS	982,569	926,190	1,900,471
Current operating expenses:			
Salaries and wages:			
Officers	100,668	93,432	197,575
Employees other than officers	186,327	174,414	368,180
Fees paid to directors and members of executive, discount, and advisory committees	5,067	4,699	10,008
Interest on time deposits (including savings deposits)	91,277	87,194	175,507
Taxes other than on net income	31,256	30,190	61,328
Recurring depreciation on banking house, furniture and fixtures	13,947	11,935	27,669
Other current operating expenses	176,166	169,019	344,119
TOTAL CURRENT OPERATING EXPENSES	604,708	570,883	1,184,386
NET EARNINGS FROM CURRENT OPERATIONS	377,861	355,307	716,085

1/ At end of period.

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Cash dividends declared on common and preferred stock totaled $97,000,000 in comparison with $92,000,000 in the first half of 1948. The annual rate of cash dividends was 3.32 percent of capital funds and was 38.96 percent of the net profits available. The remaining 61.04 percent of net profits, or $152,000,000, was retained by the banks in their capital accounts.

On June 30, 1949, there were 4,993 national banks in operation, which was a decrease of 11 banks since June 30, 1948.

TREASURY DEPARTMENT
Comptroller of the Currency
Washington

O.K. H.a.K.

FOR RELEASE, MORNING NEWSPAPERS,

Press Service
No.

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Adding to the net operating earnings the profits on securities sold or redeemed of $14,000,000, and recoveries on loans and investments, etc. (including recoveries of reserves previously charged out) of $32,000,000, and deducting therefrom losses and charge-offs (including current charge-outs for reserve purposes) of $77,000,000, and taxes on net income of $98,000,000, the net profits before dividends for the six months ended June 30, 1949 amounted to $249,000,000 which, at an annual rate, amounts to 8.56 percent of capital funds. A comparison of the net profit for the

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(Amounts in thousands of dollars)

	6 months ended June 30, 1949	6 months ended June 30, 1948	Year ended Dec. 31, 1948
Recoveries, transfers from reserve accounts, and profits:			
On securities:			
Recoveries	$2,734	$11,541	$19,682
Transfers from reserve accounts	9,203	3,105	11,296
Profits on securities sold or redeemed	13,532	22,041	37,491
On loans:			
Recoveries	6,737	16,586	24,614
Transfers from reserve accounts	3,126	3,190	23,941
All other	10,627	25,427	44,455
TOTAL RECOVERIES, TRANSFERS FROM RESERVE ACCOUNTS AND PROFITS	45,959	81,890	161,479
Losses, charge-offs, and transfers to reserve accounts:			
On securities:			
Losses and charge-offs	9,362	25,845	46,616
Transfers to reserve accounts	5,090	13,665	23,555
On loans:			
Losses and charge-offs	5,780	15,820	19,633
Transfers to reserve accounts	45,423	85,644	160,644
All other	10,988	11,104	26,995
TOTAL LOSSES, CHARGE-OFFS AND TRANSFERS TO RESERVE ACCOUNTS	76,643	152,078	277,443
PROFITS BEFORE INCOME TAXES	347,177	285,119	600,121
Taxes on net income:			
Federal	92,334	83,179	166,693
State	5,408	5,074	9,671
TOTAL TAXES ON NET INCOME	97,742	88,253	176,364
NET PROFITS BEFORE DIVIDENDS	249,435	196,866	423,757
Cash Dividends declared:			
On preferred stock	626	592	1,304
On common stock:			
~~Cash dividends~~	96,016	91,801	192,603
~~Stock dividends~~	~~75,995~~	~~14,416~~	~~36,691~~
TOTAL cash DIVIDENDS DECLARED	~~172,637~~ 96,642	~~106,809~~ 92,393	~~230,598~~ 193,907
Number of banks 1/	4,993	5,004	4,997
Annual rate of net profits:	Percent	Percent	Percent
To capital funds 1/	8.56	7.10	7.47
Annual rate of cash dividends:			
To capital funds 1/	3.32	3.33	3.42

1/ At end of period.

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EARNINGS, EXPENSES, AND DIVIDENDS OF NATIONAL BANKS IN THE SIX MONTH PERIODS ENDED JUNE 30, 1949 AND JUNE 30, 1948, AND THE YEAR ENDED DECEMBER 31, 1948

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	6 months ended		Year ended
	June 30, 1949	June 30, 1948	Dec. 31, 1948
Capital stock, par value: 1/			
Preferred	$22,325	$23,898	$24,045
Common	1,885,633	1,780,964	1,804,714
TOTAL CAPITAL STOCK	1,907,958	1,804,862	1,828,759
Capital funds 1/	5,827,903	5,545,768	5,670,888
Earnings from current operations:			
Interest and dividends:			
On U. S. Government obligations	287,184	294,780	578,669
On other securities	57,221	54,604	110,901
Interest and discount on loans	474,714	423,091	890,628
Service charges on deposit accounts	53,860	47,561	97,682
Other service charges, commissions, fees and collection and exchange charges	27,226	26,824	55,194
Trust department	27,868	26,843	59,383
Other current earnings	54,496	52,487	108,014
TOTAL EARNINGS FROM CURRENT OPERATIONS	982,569	926,190	1,900,471
Current operating expenses:			
Salaries and wages:			
Officers	100,668	93,432	197,575
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TREASURY DEPARTMENT
Comptroller of the Currency
Washington

FOR RELEASE, MORNING NEWSPAPERS,
10-4-49

Press Service
No. 1-2127

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citizens. For it will take all the ingenuity, courage, and steadfastness of purpose that we can individually and collectively muster to insure a prosperous and peaceful world.

problems, both domestic and international. We are meeting these problems squarely, and I believe we are making real progress in helping to solve them. But I do want to leave with you members of the life insurance industry -- an industry which has played such an important part in the growth and development of this country -- the reminder that these problems will continue to require full energies and efforts of all our merely a step which helps to clear the way by removing some handicaps to the effective and fluid functioning of a world price system in accordance with the economic incentives to free enterprise. It does provide an environment in which friendly governments and business enterprises may work more hopefully toward the common objective of expanding world trade.

We Americans face many difficult

apparent that the gap must be closed as this assistance is reduced.

The recent adjustments in exchange rates should help to improve the dollar position of foreign countries. However, this action does not constitute a cure-all for the difficult and complex problems currently faced in international payments. Exchange adjustment is earn the dollars. That means that we must import more, spend more on tourism and other services, and make sound capital investments abroad if we are to maintain the level of our own export trade. At the present time a large part of the gap between our exports and our imports is covered by American foreign aid programs. The bare and simple logic of arithmetic makes it countries.

Foreign trade is also advantageous to the American people, because it enables us to obtain goods which we cannot produce here, or which other countries can produce more cheaply.

It is clear that foreign countries cannot continue to spend $12 billion a year in our markets unless they can

To put this matter in concrete terms, we now export goods at the rate of about \$12 billion a year to foreign countries. Our imports of goods are running at a level of about \$6 to \$6½ billion a year. It is desirable to maintain a high level of American exports, for this is beneficial both to us and to the rest of the world. It provides employment and incomes to our people, and makes available needed goods to foreign reduce the excessive demands for dollar exchange in foreign countries and ease the pressure on the foreign exchange control systems of these countries. They point to a higher level of trade in both directions, for only by expanding their dollar earnings can foreign countries continue to purchase, by their own means, the American goods which they require, thus reducing the need for assistance from the United States.

which have been made during September by a number of foreign countries tend to remove many of these artificial price relationships which previously existed. These adjustments bring the prices of dollar goods back into a more appropriate relationship with the prices of other goods in foreign countries. They increase the incentive to foreign businessmen to expand their efforts to earn dollars through foreign trade. At the same time they

American importers. At the same time, these exchange rates, which were considered by many people as "over-valued", made American goods appear cheap in terms of the foreign currencies. Hence, the public in the foreign countries had a strong preference for dollar goods which were restricted by direct rationing of dollars through import licenses and other measures.

5 The adjustments of exchange rates

against the dollar have, until recently, remained unchanged since shortly after the end of the war. In the meantime, prices and costs have risen in many foreign countries to a greater extent than in the United States. As a result it became increasingly less attractive to sell goods for dollars, than for the so-called soft currencies. Moreover, the relatively high prices of goods abroad made them unattractive to sales to the United States with the proceeds which he might earn from sales at home or to other areas he decides where to market his products. Similarly, our own producers measure the advantage of foreign trade by converting into dollars, at the current exchange rate, their proceeds in sterling, francs or other foreign currencies. When it is profitable to sell abroad they do so.

Most of the exchange rates

those local currencies. When we compare the cost of production of a particular article in this country with the same article in other countries, we have to convert the foreign price into dollars at the applicable rate of exchange. The foreign producer who sells in the United States receives the dollar price converted into his local currency at the established exchange rate. By comparing his proceeds from our own frontiers the kinds of industry in which a given city or state specializes are determined by the interplay of prices and the cost of production in that particular area, when compared in terms of dollars with the cost of producing similar goods in other parts of our country.

However, other nations have their own currencies and compute their costs and prices in terms of country sells to other countries what it can produce with particular efficiency and cheapness, it earns foreign exchange with which it can acquire from other nations the things that they can produce most efficiently and cheaply. This type of trade is obviously beneficial to both sides. There are many things which it is to our advantage to acquire from other countries rather than to produce ourselves. Within our neighbors in this hemisphere and across the seas. We must work out ways and means of sharing the special talents, skills and resources the nations separately possess.

To develop our world trade to the best interests of our people and of the people of other parts of the free world, it is necessary to promote the greatest possible free movement of goods and services between the trading countries of the world. When each tools are doing three times the work of 1940 tools. A new coal-mining machine will multiply a miner's daily output ten times. Diesel locomotives do the work of three steam locomotives on many jobs.

(4) All these factors indicate that we have it within our power to maintain prosperity in this country. But we must also keep in mind that our prosperity at home depends in important measure on the economic progress of

The war compressed many decades of experiment and research into a few brief years. As we all know, there have been tremendous developments in the fields of physics, chemistry, plastics, and synthetics of all types. Industry has ingenious new ways of doing things. By the use of large quantities of oxygen, steelmakers have found they can increase their production from blast furnaces by 20 percent. New high-speed machine of plants. Over $15 billion of this amount has been spent during 1949.

By far the largest portion of postwar expenditures for capital purposes, however, reflects in one way or another the determination of our businessmen to make use of the recent discoveries and improved techniques to increase the efficiency of their plant operations, improve their products, and thus broaden their markets.

and credit conditions are encouraging. It is true that there is a new need for business to get out and sell. Now that conditions of ample supply have returned, the primary need of our domestic business situation is to supply real customer demands.

In the four years since VJ-Day, businessmen in this country have spent the tremendous sum of about $85 billion for new equipment, and in construction and modernization banks, 25 percent; savings accounts in commercial banks, 15 percent; Postal Savings accounts, about 10 percent; and checking accounts of individuals, about 10 percent. Of the various forms of liquid assets, only holdings of currency in the hands of individuals fell off.

In short, the purchasing power is there -- in pay envelopes, in Government bonds, and in the bank. Our financial structure is sound.

empire. Thrift, in other words, has made a major contribution to the attainment of our present high level of production and employment.

Since the end of 1945, the savings of individuals in the United States have risen by the following percentages: United States Savings Bonds, 13 percent; life insurance, 30 percent; shareholdings in savings and loan associations, over 60 percent; deposits in mutual savings is the backlog of individual savings which today are at a record level.

Thrift has again become a vital factor in our present day life. This is particularly important when we recall that it was the thrift of individuals or groups of individuals that furnished the capital funds needed for our industrial development. Someone's savings helped to build our railroads, develop our petroleum industry, and create our steel recent figures for total retail sales -- which include, in addition to department store purchases, such important items as expenditures for food, automobiles and gasoline -- show a dollar volume only slightly below the corresponding months of a year ago. In physical volume, the sales are running slightly above last year.

Another most important element of strength in our present situation this year in the belief that demand was falling back. But the tower of strength in the American economy was the continued flow of consumer income at a high rate. Average income of individuals for the first seven months of this year ran at a higher rate than for the comparable seven-month period last year, and indeed, for the entire calendar year 1948.

Retail buying has also been remarkably well sustained. The most both business credit and consumer credit. It has been evident in the stock market and generally in the commodity market. It was inevitable that businessmen should make strenuous efforts to reduce inventories as soon as the first signs of a buyers' market began to appear. Postwar inventories, in the aggregate, were not at any time excessive in relation to the volume of sales. Nevertheless, they were sharply reduced in many lines earlier all our efforts in maintaining a high level of production and business activity here at home depends upon a full utilization of our economic strength.

There are a number of elements in our postwar economic situation which lend great strength to our present position. Notable among these has been the prudence of American business ever since VJ-Day, in the field of credit extension -- in problems in our development as an industrial Nation arose. These, too, were tackled in the confident belief that they could be worked out successfully, without endangering any of the institutions we cherish.

Confidence that we will carry out our present domestic and international responsibilities is based essentially on our belief in the fundamental economic strength of this country. And it is clear that the success of national credit rests also on the foundation of the entire wealth and resources of this country. In 1949 as in 1790, however, our most precious asset remains the confidence of our citizens in the future of our country.

Confidence, in fact, built this Nation. As our people moved westward, confidence enabled them to face the hardships of their new environment with courage and determination. When the frontiers disappeared, other ourselves that these words echo down to us from a time when our Nation was new and struggling for its existence. In 1790, there was nothing to back up the credit of our Government except the belief of our citizens in themselves, and in their future.

Today, the credit of the United States Government has behind it a long history of faithful fulfillment of contractual obligations. Our principles are, of course, the foundation of all sound business, public as well as private. Over 150 years ago, the first Secretary of the Treasury wrote in his Report on Public Credit, that it is "by good faith, by a punctual performance of contracts..." that "States, like individuals, who observe their engagements, are respected and trusted ...."

It is pertinent to remind

This seems odd to us today when insurance is one of our largest and most important business fields.

In reviewing its record of growth, it is clear that the life insurance business built its remarkable success on two simple principles: faithful observance of the highest fiduciary standards, and faithful discharge of all contractual obligations.

In a broader sense, these two

of a religious mutual benefit association in Pennsylvania in ~~1759~~ 1769. However as late as 1815 courts in Massachusetts questioned whether a life insurance contract was not repugnant to sound morals and, therefore, contrary to public policy.

It was not until the middle of the nineteenth century that the insurance business in the United States really began to develop.

prohibited it by law, or at least regarded such insurance with disfavor. Today, we think it strange that the life insurance contract was prohibited in France until 1820, and until the early part of the eighteenth century was not actively favored in England.

The life insurance business in the United States, as you know, had its beginning in the organization accident or health insurance contracts.

But the broad use of insurance as a device for distributing loss developed among the merchants of Venice, Florence and Genoa during the middle of the fourteenth century and from there it spread over the whole of Europe.

The development of the life insurance contract was slow. Many countries condemned life insurance as immoral wagers on human life and as a great and fascinating business.

The history of insurance probably goes back to the time of the ancient Egyptians and Hindus when mutual benefit societies were formed to aid unfortunate members through the contributions of all the members. And in Roman times, the medieval guilds assumed obligations which today would be regarded as life, The year 1948 marked a milestone in the history of life insurance in this country. Life insurance ownership passed the $200 billion mark -- twice the total only 13 years ago, and nearly thirty times the amount in force as little as a half century ago.

From my acquaintance as a banker, I came to know the field of insurance

Mr Rivers

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ADDRESS BY SECRETARY SNYDER
AT THE
ANNUAL MEETING OF THE AMERICAN LIFE CONVENTION

Chicago, Illinois
October 6, 1949

TREASURY DEPARTMENT

Washington

The following address by Secretary of the Treasury John W. Snyder before the Annual Meeting of the American Life Convention, Edgewater Beech Hotel, Chicago, Illinois, is scheduled for delivery at about 2:00 P.M., C.S.T., Thursday, October 6, 1949, and is for release upon delivery.

The year 1948 marked a milestone in the history of life insurance in this country. Life insurance ownership passed the $200 billion mark — twice the total only 13 years ago, and nearly thirty times the amount in force as little as a half century ago.

From my acquaintance as a banker, I came to know the field of insurance as a great and fascinating business.

The history of insurance probably goes back to the time of the ancient Egyptians and Hindus when mutual benefit societies were formed to aid unfortunate members through the contributions of all the members. And in Roman times, the medieval guilds assumed obligations which today would be regarded as life, accident or health insurance contracts.

But the broad use of insurance as a device for distributing loss developed among the merchants of Venice, Florence and Genoa during the middle of the fourteenth century and from there it spread over the whole of Europe.

The development of the life insurance contracts was slow. Many countries condemned life insurance as immoral wagers on human life and prohibited it by law, or at least regarded such insurance with disfavor. Today, we think it strange that the life insurance contract was prohibited in France until 1820, and until the early part of the eighteenth century was not actively favored in England.

The life insurance business in the United States, as you know, had its beginning in the organization of a religious mutual benefit association in Pennsylvania in 1769. However as late as 1815 courts in Massachusetts questioned whether a life insurance contract was not repugnant to sound morals and, therefore, contrary to public policy.

It was not until the middle of the nineteenth century that the insurance business in the United States really began to develop. This seems odd to us today when insurance is one of our largest and most important business fields.

In reviewing its record of growth, it is clear that the life insurance business built its remarkable success on two simple principles: faithful observance of the highest fiduciary standards, and faithful discharge of all contractual obligations.

In a broader sense, these two principles are, of course, the foundation of all sound business, public as well as private. Over 150 years ago, the first Secretary of the Treasury wrote in his Report on Public Credit, that it is "by good faith, by a punctual performance of contracts ...." that "States, like individuals, who observe their engagements, are respected and trusted ...."

It is pertinent to remind ourselves that these words echo down to us from a time when our Nation was new and struggling for its existence. In 1790, there was nothing to back up the credit of our Government except the belief of our citizens in themselves, and in their future.

Today, the credit of the United States Government has behind it a long history of faithful fulfillment of contractual obligations. Our national credit rests also on the foundation of the entire wealth and resources of this country. In 1949 as in 1790, however, our most precious asset remains the confidence of our citizens in the future of our country.

Confidence, in fact, built this Nation. As our people moved westward, confidence enabled them to face the hardships of their new environment with courage and determination. When the frontiers disappeared, other problems in our development as an industrial Nation arose. These, too, were tackled in the confident belief that they could be worked out successfully, without endangering any of the institutions we cherish.

Confidence that we will carry out our present domestic and international responsibilities is based essentially on our belief in the fundamental economic strength of this country. And it is clear that the success of all our efforts in maintaining a high level of production and business activity here at home depends upon a full utilization of our economic strength.

There are a number of elements in our postwar economic situation which lend great strength to our present position. Notable among these has been the prudence of American business ever since VJ-Day, in the field of credit extension -- in both business credit and consumer credit. It has been evident in the stock market and generally in the commodity market. It was inevitable that businessmen should make strenuous efforts to reduce inventories as soon as the first signs of a buyers' market began to appear. Postwar inventories, in the aggregate, were not at any time excessive in relation to the volume of sales. Nevertheless, they were sharply reduced in many lines earlier this year in the belief that demand was falling back. But the tower of strength in the American economy was the continued flow of consumer income at a high rate. Average income of individuals for the first seven months of this year ran at a higher rate than for the comparable seven-month period last year, and indeed, for the entire calendar year 1948.

Retail buying has also been remarkably well sustained. The most recent figures for total retail sales -- which include, in addition to department store purchases, such important items as expenditures for food, automobiles and gasoline — show a dollar volume only slightly below the corresponding months of a year ago. In physical volume, the sales are running slightly above last year.

Another most important element of strength in our present situation is the backlog of individual savings which today are at a record level.

Thrift has again become a vital factor in our present day life. This is particularly important when we recall that it was the thrift of individuals or groups of individuals that furnished the capital funds needed for our industrial development. Someone's savings helped to build our railroads, develop our petroleum industry, and create our steel empire. Thrift, in other words, has made a major contribution to the attainment of our present high level of production and employment.

Since the end of 1945, the savings of individuals in the United States have risen by the following percentages: United States Savings Bonds, 13 percent; life insurance, 30 percent; shareholdings in savings and loan associations, over 60 percent; deposits in mutual savings banks, 25 percent; savings accounts in commercial banks, 15 percent; Postal Savings accounts, about 10 percent; and checking accounts of individuals, about 10 percent. Of the various forms of liquid assets, only holdings of currency in the hands of individuals fell off.

In short, the purchasing power is there — in pay envelopes, in Government bonds, and in the bank. Our financial structure is sound, and credit conditions are encouraging. It is true that there is a new need for business to get out and sell. Now that conditions of ample supply have returned, the primary need of our domestic business situation is to supply real customer demands.

In the four years since VJ-Day, businessmen in this country have spent the tremendous sum of about $85 billion for new equipment, and in construction and modernization of plants. Over $15 billion of this amount has been spent during 1949.

By far the largest portion of postwar expenditures for capital purposes, however, reflects in one way or another the determination of our businessmen to make use of the recent discoveries and improved techniques to increase the efficiency of their plant operations, improve their products, and thus broaden their markets.

The war compressed many decades of experiment and research into a few brief years. As we all know, there have been tremendous developments in the fields of physics, chemistry, plastics, and synthetics of all types. Industry has ingenious new ways of doing things. By the use of large quantities of oxygen, steelmakers have found they can increase their production from blast furnaces by 20 percent. New high-speed machine tools are doing three times the work of 1940 tools. A new coal-mining machine will multiply a miner's daily output ten times. Diesel locomotives do the work of three steam locomotives on many jobs.

All these factors indicate that we have it within our power to maintain prosperity in this country. But we must also keep in mind that our prosperity at home depends in important measure on the economic progress of our neighbors in this hemisphere and across the seas. We must work out ways and means of sharing the special talents, skills and resources the nations separately possess.

To develop our world trade to the best interests of our people and of the people of other parts of the free world, it is necessary to promote the greatest possible free movement of goods and services between the trading countries of the world. When each country sells to other countries what it can produce with particular efficiency and cheapness, it earns foreign exchange with which it can acquire from other nations the things that they can produce most efficiently and cheaply. This type of trade is obviously beneficial to both sides. There are many things which it is to our advantage to acquire from other countries rather than to produce ourselves. Within our own frontiers the kinds of industry in which a given city or state specializes are determined by the interplay of prices and the cost of production in that particular area, when compared in terms of dollars with the cost of producing similar goods in other parts of our country.

However, other nations have their own currencies and compute their costs and prices in terms of those local currencies. When we compare the cost of production of a particular article in this country with the same article in other countries, we have to convert the foreign price into dollars at the applicable rate of exchange. The foreign producer who sells in the United States receives the dollar price converted into his local currency at the established exchange rate. By comparing his proceeds from sales to the United States with the proceeds which he might earn from sales at home or to other areas he decides where to market his products. Similarly, our own producers measure the advantage of foreign trade by converting into dollars, at the current exchange rate, their proceeds in sterling, francs or other foreign currencies. When it is profitable to sell abroad they do so.

Most of the exchange rates against the dollar have, until recently, remained unchanged since shortly after the end of the war. In the meantime, prices and costs have risen in many foreign countries to a greater extent than in the United States. As a result it became increasingly less attractive to sell goods for dollars, than for the so-called soft currencies. Moreover, the relatively high prices of goods abroad made them unattractive to American importers. At the same time, these exchange rates, which were considered by many people as "over-valued", made American goods appear cheap in terms of the foreign currencies. Hence, the public in the foreign countries had a strong preference for dollar goods which were restricted by direct rationing of dollars through import licenses and other measures.

The adjustments of exchange rates which have been made during September by a number of foreign countries tend to remove many of these artificial price relationships which previously existed. These adjustments bring the prices of dollar goods back into a more appropriate relationship with the prices of other goods in foreign countries. They increase the incentive to foreign businessmen to expand their efforts to earn dollars through foreign trade. At the same time they reduce the excessive demands for dollar exchange in foreign countries and ease the pressure on the foreign exchange control systems of these countries. They point to a higher level of trade in both directions, for only by expanding their dollar earnings can foreign countries continue to purchase, by their own means, the American goods which they require, thus reducing the need for assistance from the United States.

To put this matter in concrete terms, we now export goods at the rate of about $12 billion a year to foreign countries. Our imports of goods are running at a level of about $6 to $6½ billion a year. It is desirable to maintain a high level of American exports, for this is beneficial both to us and to the rest of the world. It provides employment and incomes to our people, and makes available needed goods to foreign countries.

Foreign trade is also advantageous to the American people, because it enables us to obtain goods which we cannot produce here, or which other countries can produce more cheaply.

It is clear that foreign countries cannot continue to spend $12 billion a year in our markets unless they can earn the dollars. That means that we must import more, spend more on tourism and other services, and make sound capital investments abroad if we are to maintain the level of our own export trade. At the present time a large part of the gap between our exports and our imports is covered by American foreign aid programs. The bare and simple logic of arithmetic makes it apparent that the gap must be closed as this assistance is reduced.

The recent adjustments in exchange rates should help to improve the dollar position of foreign countries. However, this action does not constitute a cure-all for the difficult and complex problems currently faced in international payments. Exchange adjustment is merely a step which helps to clear the way by removing some handicaps to the effective and fluid functioning of a world price system in accordance with the economic incentives to free enterprise. It does provide an environment in which friendly governments and business enterprises may work more hopefully toward the common objective of expanding world trade.

We Americans face many difficult problems, both domestic and international. We are meeting these problems squarely, and I believe we are making real progress in helping to solve them. But I do want to leave with you members of the life insurance industry -- an industry which has played such an important part in the growth and development of this country -- the reminder that these problems will continue to require full energies and efforts of all our citizens. For it will take all the ingenuity, courage, and steadfastness of purpose that we can individually and collectively muster to insure a prosperous and peaceful world.

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purposes of taxation the amount of discount at which Treasury bills are originally sold by the United States shall be considered to be interest. Under Sections 42 and 117 (a) (1) of the Internal Revenue Code, as amended by Section 115 of the Revenue Act of 1941, the amount of discount at which bills issued hereunder are sold shall not be considered to accrue until such bills shall be sold, redeemed or otherwise disposed of, and such bills are excluded from consideration as capital assets. Accordingly, the owner of Treasury bills (other than life insurance companies) issued hereunder need include in his income tax return only the difference between the price paid for such bills, whether on original issue or on subsequent purchase, and the amount actually received either upon sale or redemption at maturity during the taxable year for which the return is made, as ordinary gain or loss.

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.

ALPHA

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, tenders will be opened at the Federal Reserve Banks and Branches, following which public announcement will be made by the Secretary of the Treasury of the amount and price range of accepted bids. Those submitting tenders will be advised of the acceptance or rejection thereof. The Secretary of the Treasury expressly reserves the right to accept or reject any or all tenders, in whole or in part, and his action in any such respect shall be final. Subject to these reservations, non-competitive tenders for $200,000 or less without stated price from any one bidder will be accepted in full at the average price (in three decimals) of accepted competitive bids. Settlement for accepted tenders in accordance with the bids must be made or completed at the Federal Reserve Bank on October 13, 1949, in cash or other immediately available funds or in a like face amount of Treasury bills maturing October 13, 1949. Cash and exchange tenders will receive equal treatment. Cash adjustments will be made for differences between the par value of maturing bills accepted in exchange and the issue price of the new bills.

The income derived from Treasury bills, whether interest or gain from the sale or other disposition of the bills, shall not have any exemption, as such, and loss from the sale or other disposition of Treasury bills shall not have any special treatment, as such, under the Internal Revenue Code, or laws amendatory or supplementary thereto. The bills shall be subject to estate, inheritance, gift or other excise taxes, whether Federal or State, but shall be exempt from all taxation now or hereafter imposed on the principal or interest thereof by any State, or any of the possessions of the United States, or by any local taxing authority. For

~~Exhibit I~~

~~ALPHA~~

TREASURY DEPARTMENT
Washington

S-2129

FOR RELEASE, MORNING NEWSPAPERS,
Friday, October 7, 1949.
(1)

The Secretary of the Treasury, by this public notice, invites tenders for $ 900,000,000 (2), or thereabouts, of 91 (3) -day Treasury bills, for cash and in exchange for Treasury bills maturing October 13, 1949 (4), to be issued on a discount basis under competitive and non-competitive bidding as hereinafter provided. The bills of this series will be dated October 13, 1949 (5), and will mature January 12, 1950 (6), when the face amount will be payable without interest. They will be issued in bearer form only, and in denominations of $1,000, $5,000, $10,000, $100,000, $500,000, and $1,000,000 (maturity value).

Tenders will be received at Federal Reserve Banks and Branches up to the closing hour, two o'clock p.m., Eastern Standard time, Monday, October 10, 1949 (7). Tenders will not be received at the Treasury Department, Washington. Each tender must be for an even multiple of $1,000, and in the case of competitive tenders the price offered must be expressed on the basis of 100, with not more than three decimals, e. g., 99.925. Fractions may not be used. It is urged that tenders be made on the printed forms and forwarded in the special envelopes which will be supplied by Federal Reserve Banks or Branches on application therefor.

Tenders will be received without deposit from incorporated banks and trust companies and from responsible and recognized dealers in investment securities. Tenders from others must be accompanied by payment of 2 percent of the face

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TREASURY DEPARTMENT

Information Service WASHINGTON, D.C.

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Tenders will be received without deposit from incorporated banks and trust companies and from responsible and recognized dealers in investment securities. Tenders from others must be accompanied by payment of 2 percent 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.

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source of our high American standard of living -- constantly increased.

Now, we are faced with a new challenge. Our important position in international affairs has brought with it problems of a new nature.

These, also, we are meeting with the will to find a solution which has characterized our domestic and foreign policies since the founding of this Nation.

Large areas of the world are still confronted with shortages of essential goods -- the result, in part, of war destruction. They are making great efforts to repair the damages of the war. They are trying to achieve an economy of plenty. We have already reached that goal and we have reached it, moreover, without serious dislocation of industry and trade. We do not need to read the future in order to perceive the richness of the opportunities for further progress which are already in our hands.

October 5, 1949

the basic foundations of our present strength. That strength emphasizes our confidence in the future of America.

Confidence in the future has been the heritage of each generation of Americans. As the pioneers moved Westward, it gave the new communities the courage to take root -- to build homes and schools and churches which were shaped to the needs of a growing population.

More than that -- it provided an environment in which American inventive genius could flourish. Our young people grew up, generation after generation, in an atmosphere of individual opportunity unknown in any other country in the world. The result was that not only our technicians, but our business planners, managers, and workers were constantly alert for new materials, new products, new and better ways of doing things. As a young, growing country, we believed in abundance in planning for a larger future; we had no faith in scarcities. And our belief was justified. Older industries and older ways of doing things disappeared; and in their place, millions of new jobs opened up. At the same time, productivity -- the true picture. Total construction contract awards in the first three weeks of September were 37 percent higher than last year. We have about 18 million more people in this country than we had before the war; and, in addition, many millions of our citizens have moved to new sections of the country. It is clear that we have hardly made a start on postwar improvements and additions to our schools, hospitals, public institutions, municipal service plants, shopping centers, and highway systems -- to mention only a few areas in which the need for additional facilities is most urgent.

It is estimated that public hospital construction alone this year will run to a record total of almost half a billion dollars -- roughly six times the yearly average in the Nineteen Thirties. Our highway expenditures are totaling several billions. Yet, it is evident from the scope of plans already prepared that we have barely scratched the surface of our need for improved hospital facilities and for better roads.

I have taken you ~~today~~ a little distance away from the day-to-day occurrences in the business world, and have tried to emphasize, instead, We do not know exactly what forms these new developments will take in the years ahead; but we can be sure that new industries will appear which will be as important in our future economic development as our great industrial enterprises are at present.

Despite the high level of investment and the record outflow of consumer goods during the postwar period, however, important sectors of the economy are still suffering from a failure of output to catch up with accumulated demand. Residential construction is an instance in point. In the last 3 years, 1946 through 1948, about 6 million families bought or built houses for their own use. New housing starts so far this year amount to another 645 thousand, close to last year's record total for like months. Yet there still remains an enormous unsatisfied demand for housing. Contract awards in the first three weeks of September for new residential construction were 68 percent higher than in the same period last year.

The need for more housing, however, is only one part of the construction

Television is particularly noteworthy because it is a striking instance of a new product which has been brought forward -- and already vastly improved -- in response to a shift in consumer demand. Early in 1946, you will all recall, the demand for old-model radios was so great that people were taking them as fast as they could be turned out. There was no incentive to make improvements. But the radio industry was one of the first to experience a buyers' market -- and when that happened, the research of many years was drawn on to develop television on a commercial basis. Already, mass production and the more efficient use of materials and labor have made it possible for the industry to broaden its potential market by offering the consumer an improved product.

Since the war, business conservatism -- based on a hard-headed view of the near-term outlook -- has gone hand in hand with an $85 billion investment in the future. Our industrial plant is the most efficient in the world; and our businessmen are still eagerly searching out every means of modernizing operations and improving products.

The field of electronic vibration studies, likewise, indicates that we will be able in time to build much less cumbersome factories, apartment buildings, industrial machinery, and automobiles. This is because electronics has made it possible to make precise calculations of capacity loads and to measure the fatigue of metals with exactness -- both beforehand, on an experimental basis, and during the time the finished product is in operation. The result is that the number of allowances which must always be made for unknowns is enormously reduced, and efficiency in use of materials and in operation is correspondingly increased.

I have been taking you rather far afield in order to emphasize some of the really spectacular developments behind the figures on investment in plant and equipment which I cited earlier. But many products which have become commonplace in our daily lives -- for example, neon lights, long distance telephones, radio, and television -- are also at their present stage of development as a result of scientific research in the field of electronics.

In the metal industry, for example, electronics has made it possible to pick out flaws in metal sheets as they are passing through the rolling mill. At another stage, the heat of molten metals is precisely controlled by the aid of an electronic device which records the amount of light given off during the process of melting.

Induction heating and new developments in resistance welding are other examples of basic uses which have been found for electronic techniques. Most of us have only recently read of ~~recent~~ experiments with electronic cooking, in which an entire meal is cooked in a few seconds. But the aluminum industry has already made use of ~~this device~~ similar techniques to produce a white heat in a fraction of a second on a tiny spot of metal. Under the old methods, metals like aluminum melted down instead of welding. Now, electronic welding operates in a series of sharp thrusts, up to 2,000 a second, to stitch the pieces together; while the metal a few inches away from the stitches remains cool. It is hardly necessary to add that a single discovery, such as this one, opens up a whole new field of usage for the entire light metals industry.

In the four years since V-J Day, businessmen in this country have spent the tremendous sum of $85 billion in construction and modernization of plants and for new equipment.

With these huge outlays for capital purposes, our businessmen are showing their determination to make use of recent discoveries and improved techniques to increase the efficiency of their plant operations, better their products, and broaden their markets.

As you know, the recent war compressed many decades of experimentation and research into a few brief years. The development of atomic fission and its possibilities in our future is, of course, the one outstanding development which immediately comes to mind.

But it is less often realized that other phases of physical research -- notably, those generally summed up in the term "electronics" -- have already found their way into many aspects of our daily lives. They are of vital importance today in industry, aviation, navigation, communication, and a great number of trade and household operations.

affected in 1946. Machine tools, auto tires, radios, and others followed in 1947. Textiles, shoes, auto trucks, furniture, household equipment, and various other industries started their adjustment in the Spring of 1948. Others, such as rayon and crude petroleum, first began to experience buyers' markets only a few months ago. By this time, many of the adjustments have practically been completed; and, in a number of industries, significant upturns in activity have occurred just recently. These have been sufficient to raise the Federal Reserve Board index of production to 170 in August from 162 in July. Further improvement has occurred in September. This has strengthened the employment picture.

It is clear that, with consumer incomes continuing at close to record levels and with large untapped resources of purchasing power in the hands of business firms as well as individuals, adjustments since the war have not proved severe.

With conditions of plenty returning, of course, business must satisfy the customer; and business is prepared to do that.

markets under which this country in the past has grown and prospered.

This return to a more normal competitive economy has actually been going on since the very close of the war. Some luxury industries were

Businessmen generally have been unusually cautious in their inventory policies, having in mind the possibility of inventory losses if prices should decline as they did after the first World War. Stocks of goods have remained at moderate levels in relation to sales. There has been no liquidation of goods to pay off bank loans except on a purely voluntary basis. In short, the current business situation is incomparably stronger and on an infinitely sounder foundation than that after the first World War.

There has been some ~~This~~ inventory readjustment, as you are well aware, which has been under way since the latter part of 1948. But this readjustment ~~It~~ has been associated with the return to normal competitive conditions and normal buyers' markets.

no P. It has been an effective protection against an over-extended economy and a consequent business recession. To a large extent, it explains why the economy today holds so firmly against deflationary tendencies.

Ever since the war ended, it was recognized that the shortages of consumer goods which created the sellers' markets of the early postwar years could not continue indefinitely. Eventually it was necessary to get back to normal competitive conditions, and to the normal buyers'

The 1920 decline was the aftermath of a widespread speculative boom, financed by an over-extension of credit. When credit became tight and collateral became impaired, successive waves of forced liquidation caused a typical deflationary spiral. Public confidence was shaken by severe weakness in prices of Government bonds. You may remember that in 1920 long term governments declined to around eighty. I shudder to think what might have happened if a similar decline had taken place this time.

Today, the financial situation is one of unparalleled strength. Interest rates are low and bank credit is readily available. Public confidence in the strength of our banking system could scarcely be greater. Above all, the financial soundness of the United States Government -- which is today the fulcrum of world stability and world peace -- is beyond question.

The business readjustment after World War II has been gradual and orderly. During the postwar period there has been neither ~~little or no~~ excessive credit expansion nor excessive speculation.

liquid assets of individuals remain at $200 billion, the highest level on record. People now hold $22 billion in currency. These holdings, however, have been reduced by $2 billion since December 1946. They hold $41 billion in demand deposits, which are down $3 billion since December 1947. Savings accounts of individuals, on the other hand, have risen to a new record level of $68 billion; and holdings of Federal securities have been increased to $69 billion.

This huge volume of liquid savings constitutes a backlog of stored-up purchasing power. In the months ahead, the possession of adequate savings will continue to encourage liberal buying from current income.

Other factors of basic strength have also helped keep the business readjustment within a limited area. Notably absent from the present picture has been the forced liquidation of goods and commodities from speculative accounts and business inventories, which was largely responsible for the price decline after the first World War.

usually indicate how rapidly people are taking goods off the market; and this, in the end, should determine how high a production level we may expect to maintain.

Total retail sales, according to Department of Commerce figures, have been maintained at a very high level. Sales in August were only three percent below those in the same month last year.

But the dollar totals do not tell the whole story. While average retail prices in August were slightly below last year's prices, the real physical volume of goods moving off retailers' shelves and out of dealers' showrooms has actually been running higher than last year.

This is a significant fact to keep in mind. It means that, ~~in spite of a slight decline in income,~~ consumers have shown no intention of curtailing their over-all spending. Although they are spending a little less this year for clothing and other items, they are actually spending more for automobiles.

A strong bulwark for this high level of retail sales has been the record volume of savings in the hands of consumers. The total basic economy and with the hope that you as lawyers might be interested in hearing what we in the Treasury envisage in this field for ~~in~~ the immediate foreseeable future.

The business trends of the past several months, as revealed by the financial statistics compiled just ~~-- which, as you know, are~~ prior to the inception of the coal and steel strikes, -- have shown ~~revealed~~ unmistakable evidences of the basically strong economic situation that is being maintained today throughout the country.

The best proof of this is seen in the personal income figures, as estimated by the Department of Commerce, which cover all incomes received by individuals from all sources. I think it is worthwhile to point out in this connection that ~~after~~ during the first seven months of this year, a period which ~~what~~ some have characterized as a "business recession", the level of personal income for the nation as a whole was higher ~~during the first seven months of this year~~ than during the comparable period last year.

Most encouraging is the high level of retail sales. Sales figures

THE CURRENT ECONOMIC SITUATION

Today is a most happy one for me. My appearance this afternoon at the first meeting of the newly organized tax section of the New York State Bar Association affords me an opportunity to combine two very pleasant experiences.

First of all, it enables me to resume my contacts with the members of this Association in which I have had the privilege of being a member for almost twenty years. And secondly, it brings me back home to Syracuse where I was born and lived for almost half my life -- an occasion to which I have looked ahead for some time with keen anticipation.

I am delighted to be here this afternoon in the company of my old friend and associate, George Schoeneman, the Commissioner of Internal Revenue and have this chance to talk to you briefly about the business situation.

Now you may wonder why I am talking on ~~that~~ this subject to a group of lawyers who in the main, I realize, are primarily interested in federal tax questions. I am doing so with the knowledge that all tax problems are directly affected by the strength or weakness of our

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~~Address by Under Secretary of the Treasury, E. H. Foley, Jr.~~

~~Before the Tax Section of the New York State Bar Association~~

~~Hotel Syracuse, Syracuse, New York~~

~~Saturday, October 8, 1949 - 2:00 P.M.~~

The following address by the Under Secretary of the Treasury, Edward H. Foley, Jr., before the Tax Section of the New York State Bar Association, Hotel Syracuse, Syracuse, N. Y., is scheduled for delivery at 2:00 P.M., E.S.T., Saturday, October 8, 1949, and is for release ~~[illegible]~~. at that time.

S-2130

TREASURY DEPARTMENT
Washington

The following address by Under Secretary of the Treasury Edward H. Foley, Jr., before the Tax Section of the New York State Bar Association, Hotel Syracuse, Syracuse, New York, is scheduled for delivery at 2:00 P.M., E.S.T., Saturday, October 8, 1949, and is for release at that time.

THE CURRENT ECONOMIC SITUATION

Today is a most happy one for me. My appearance this afternoon at the first meeting of the newly organized tax section of the New York State Bar Association affords me an opportunity to combine two very pleasant experiences.

First of all, it enables me to resume my contacts with the members of this Association in which I have had the privilege of being a member for almost twenty years. And secondly, it brings me back home to Syracuse where I was born and lived for almost half my life -- an occasion to which I have looked ahead for some time with keen anticipation.

I am delighted to be here this afternoon in the company of my old friend and associate, George Schoeneman, the Commissioner of Internal Revenue and have this chance to talk to you briefly about the business situation.

Now you may wonder why I am talking on this subject to a group of lawyers who in the main, I realize, are primarily interested in federal tax questions. I am doing so with the knowledge that all tax problems are directly affected by the strength or weakness of our basic economy and with the hope that you as lawyers might be interested in hearing what we in the Treasury envisage in this field for the immediate foreseeable future.

The business trends of the past several months, as revealed by the financial statistics compiled just prior to the inception of the coal and steel strikes -- have shown unmistakable evidences of the basically strong economic situation that is being maintained today throughout the country.

The best proof of this is seen in the personal income figures, as estimated by the Department of Commerce, which cover all incomes received by individuals from all sources. I think it is worthwhile to point out in this connection that during the first seven months of this year, a period which some have characterized as a "business recession," the level of personal income for the nation as a whole was higher this year than during the comparable period last year.

Most encouraging is the high level of retail sales. Sales figures usually indicate how rapidly people are taking goods off the market; and this, in the end, should determine how high a production level we may expect to maintain.

Total retail sales, according to Department of Commerce figures, have been maintained at a very high level. Sales in August were only three percent below those in the same month last year.

But the dollar totals do not tell the whole story. While average retail prices in August were slightly below last year's prices, the real physical volume of goods moving off retailers' shelves and out of dealers' showrooms has actually been running higher than last year.

This is a significant fact to keep in mind. It means that consumers have shown no intention of curtailing their over-all spending. Although they are spending a little less this year for clothing and other items, they are actually spending more for automobiles.

A strong bulwark for this high level of retail sales has been the record volume of savings in the hands of consumers. The total liquid assets of individuals remain at $200 billion, the highest level on record. People now hold $22 billion in currency. These holdings, however, have been reduced by $2 billion since December 1946. They hold $41 billion in demand deposits, which are down $3 billion since December 1947. Savings accounts of individuals, on the other hand, have risen to a new record level of $68 billion; and holdings of Federal securities have been increased to $69 billion.

This huge volume of liquid savings constitutes a backlog of stored-up purchasing power. In the months ahead, the possession of adequate savings will continue to encourage liberal buying from current income.

Other factors of basic strength have also helped keep the business readjustment within a limited area. Notably absent from the present picture has been the forced liquidation of goods and commodities from speculative accounts and busines inventories, which was largely responsible for the price decline after the first World War.

The 1920 decline was the aftermath of a widespread speculative boom, financed by an over-extension of credit. When credit became tight and collateral became impaired, successive waves of forced liquidation caused a typical deflationary spiral. Public confidence was shaken by severe weakness in prices of Government bonds. You may remember that in 1920 long term governments declined to around eighty. I shudder to think what might have happened if a similar decline had taken place this time.

Today, the financial situation is one of unparalleled strength. Interest rates are low and bank credit is readily available. Public confidence in the strength of our banking system could scarcely be greater. Above all, the financial soundness of the United States Government -- which is today the fulcrum of world stability and world peace -- is beyond question.

The business readjustment after World War II has been gradual and orderly. During the postwar period there has been neither excessive credit expansion nor excessive speculation.

Businessmen generally have been unusually cautious in their inventory policies, having in mind the possibility of inventory losses if prices should decline as they did after the first World War. Stocks of goods have remained at moderate levels in relation to sales. There has been no liquidation of goods to pay off bank loans except on a purely voluntary basis. In short, the current business situation is incomparably stronger and on an infinitely sounder foundation than that after the first World War.

There has been some inventory readjustment, as you are well aware, which has been under way since the latter part of 1948. But this readjustment has been associated with the return to normal competitive conditions and normal buyers' markets. It has been an effective protection against an over-extended economy and a consequent business recession. To a large extent, it explains why the economy today holds so firmly against deflationary tendencies.

Ever since the war ended, it was recognized that the shortages of consumer goods which created the sellers' markets of the early postwar years could not continue indefinitely. Eventually it was necessary to get back to normal competitive conditions, and to the normal buyers' markets under which this country in the past has grown and prospered.

This return to a more normal competitive economy has actually been going on since the very close of the war. Some luxury industries were affected in 1946. Machine tools, auto tires, radios, and others followed in 1947. Textiles, shoes, auto trucks, furniture, household equipment, and various other industries started their adjustment in the Spring of 1948. Others, such as rayon and crude petroleum, first began to experience buyers' markets only a few months ago. By this time, many of the adjustments have practically been completed; and, in a number of industries, significant upturns in activity have occurred just recently. These have been sufficient to raise the Federal Reserve Board index of production to 170 in August from 162 in July. Further improvement has occurred in September. This has strengthened the employment picture.

It is clear that, with consumer incomes continuing at close to record levels and with large untapped resources of purchasing power in the hands of business firms as well as individuals, adjustments since the war have not proved severe.

With conditions of plenty returning, of course, business must satisfy the customer, and business is prepared to do that.

In the four years since V-J Day, businessmen in this country have spent the tremendous sum of $85 billion in construction and modernization of plants and for new equipment.

With these huge outlays for capital purposes, our businessmen are showing their determination to make use of recent discoveries and improved techniques to increase the efficiency of their plant operations, better their products, and broaden their markets.

As you know, the recent war compressed many decades of experimentation and research into a few brief years. The development of atomic fission and its possibilities in our future is, of course, the one outstanding development which immediately comes to mind.

But it is less often realized that other phases of physical research -- notably, those generally summed up in the term "electronics" -- have already found their way into many aspects of our daily lives. They are of vital importance today in industry, aviation, navigation, communication, and a great number of trade and household operations.

In the metal industry, for example, electronics has made it possible to pick out flaws in metal sheets as they are passing through the rolling mill. At another stage, the heat of molten metals is precisely controlled by the aid of an electronic device which records the amount of light given off during the process of melting.

Induction heating and new developments in resistance welding are other examples of basic uses which have been found for electronic techniques. Most of us have only recently read of experiments with electronic cooking, in which an entire meal is cooked in a few seconds. But the aluminum industry has already made use of similar techniques to produce a white heat in a fraction of a second on a tiny spot of metal. Under the old methods, metals like aluminum melted down instead of welding. Now, electronic welding operates in a series of sharp thrusts, up to 2,000 a second, to stitch the pieces together; while the metal a few inches away from the stitches remains cool. It is hardly necessary to add that a single discovery, such as this one, opens up a whole new field of usage for the entire light metals industry.

The field of electronic vibration studies, likewise, indicates that we will be able in time to build much less cumbersome factories, apartment buildings, industrial machinery, and automobiles. This is because electronics has made it possible to make precise calculations of capacity loads and to measure the fatigue of metals with exactness -- both beforehand, on an experimental basis, and during the time the finished product is in operation. The result is that the number of allowances which must always be made for unknowns is enormously reduced, and efficiency in use of materials and in operation is correspondingly increased.

I have been taking you rather far afield in order to emphasize some of the really spectacular developments behind the figures on investment in plant and equipment which I cited earlier. But many products which have become commonplace in our daily lives -- for example, neon lights, long distance telephones, radio, and television -- are also at their present stage of development as a result of scientific research in the field of electronics.

Television is particularly noteworthy because it is a striking instance of a new product which has been brought forward -- and already vastly improved -- in response to a shift in consumer demand. Early in 1946, you will all recall, the demand for old-model radios was so great that people were taking them as fast as they could be turned out. There was no incentive to make improvements. But the radio industry was one of the first to experience a buyers' market -- and when that happened, the research of many years was drawn on to develop television on a commercial basis. Already, mass production and the more efficient use of materials and labor have made it possible for the industry to broaden its potential market by offering the consumer an improved product.

Since the war, business conservatism -- based on a hard-headed view of the near-term outlook -- has gone hand in hand with an $85 billion investment in the future. Our industrial plant is the most efficient in the world; and our businessmen are still eagerly searching out every means of modernizing operations and improving products.

We do not know exactly what forms these new developments will take in the years ahead; but we can be sure that new industries will appear which will be as important in our future economic development as our great industrial enterprises are at present.

Despite the high level of investment and the record outflow of consumer goods during the postwar period, however, important sectors of the economy are still suffering from a failure of output to catch up with accumulated demand. Residential construction is an instance in point. In the last 3 years, 1946 through 1948, about 6 million families bought or built houses for their own use. New housing starts so far this year amount to another 647 thousand, close to last year's record total for like months. Yet there still remains an enormous unsatisfied demand for housing. Contract awards in the first three weeks of September for new residential construction were 68 percent higher than in the same period last year.

The need for more housing, however, is only one part of the construction picture. Total construction contract awards in the first three weeks of September were 37 percent higher than last year. We have about 18 million more people in this country than we had before the war; and, in addition, many millions of our citizens have moved to new sections of the country. It is clear that we have hardly made a start on postwar improvements and additions to our schools, hospitals, public institutions, municipal service plants, shopping centers, and highway systems -- to mention only a few areas in which the need for additional facilities is most urgent.

It is estimated that public hospital construction alone this year will run to a record total of almost half a billion dollars -- roughly six times the yearly average in the Nineteen Thirties. Our highway expenditures are totaling several billions. Yet, it is evident from the scope of plans already prepared that we have barely scrateched the surface of our need for improved hospital facilities and for better roads.

I have taken you a little distance away from the day-to-day occurrences in the business world, and have tried to emphasize, instead, the basic foundations of our present strength. That strength emphasizes our confidence in the future of America.

Confidence in the future has been the heritage of each generation of Americans. As the pioneers moved Westward, it gave the new communities the courage to take root -- to build homes and schools and churches which were shaped to the needs of a growing population.

More than that -- it provided an environment in which American inventive genius could flourish. Our young people grew up, generation after generation, in an atmosphere of individual opportunity unknown in any other country in the world. The result was that not only our technicians, but our business planners, managers, and workers were constantly alert for new materials, new products, new and better ways of doing things. As a young, growing country, we believed in abundance in planning for a larger future; we had no faith in scarcities. And our belief was justified. Older industries and older ways of doing things disappeared; and in their place, millions of new jobs opened up. At the same time, productivity -- the true source of our high American standard of living -- constantly increased.

Now, we are faced with a new challenge. Our important position in international affairs has brought with it problems of a new nature.

These, also, we are meeting with the will to find a solution which has characterized our domestic and foreign policies since the founding of this Nation.

Large areas of the world are still confronted with shortages of essential goods -- the result, in part, of war destruction. They are making great efforts to repair the damages of the war. They are trying to achieve an economy of plenty. We have already reached that goal and we have reached it, moreover, without serious dislocation of industry and trade. We do not need to read the future in order to perceive the richness of the opportunities for further progress which are already in our hands.

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S-2131

RELEASE MORNING NEWSPAPERS,
Tuesday, October 11, 1949.

The Secretary of the Treasury announced last evening that the tenders for $900,000,000, or thereabouts, of 91-day Treasury bills to be dated October 13, 1949, and to mature January 12, 1950, which were offered on October 7, 1949, were opened at the Federal Reserve Banks on October 10.

The details of this issue are as follows:

Total applied for - $1,706,716,000
Total accepted - 900,726,000 (includes $107,210,000 entered on a non-competitive basis and accepted in full at the average price shown below)
Average price - 99.735 Equivalent rate of discount approx. 1.050% per annum

Range of accepted competitive bids:

High - 99.750 Equivalent rate of discount approx. 0.989% per annum
Low - 99.733 " " " " " 1.056% " "

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

Federal Reserve District	Total Applied for	Total Accepted
Boston	$ 25,325,000	$ 19,505,000
New York	1,250,411,000	616,221,000
Philadelphia	24,492,000	10,132,000
Cleveland	16,905,000	13,585,000
Richmond	11,355,000	9,655,000
Atlanta	12,923,000	12,523,000
Chicago	180,589,000	102,749,000
St. Louis	12,313,000	10,013,000
Minneapolis	8,496,000	7,616,000
Kansas City	29,356,000	19,736,000
Dallas	40,744,000	19,484,000
San Francisco	93,807,000	59,507,000
Total	$1,706,716,000	$900,726,000

TREASURY DEPARTMENT

Information Service WASHINGTON, D.C.

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St. Louis	12,313,000	10,013,000
Minneapolis	8,496,000	7,616,000
Kansas City	29,356,000	19,736,000
Dallas	40,744,000	19,484,000
San Francisco	93,807,000	59,507,000
TOTAL	$1,706,716,000	$900,726,000

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4. Form 450, Depositary Receipts.--In order to assure maximum accuracy and simplicity in crediting employers with tax deposits, blank forms of a new depositary receipt, Form 450, will be furnished employers for use in making deposits. These blank forms will be validated by the Federal Reserve Banks upon receipt of the deposits, and the validated receipts will be sent to the employers for attachment to their quarterly returns on Form 941.

Employers who are liable for more than $100 of income tax withheld from wages and F.I.C.A. taxes per month will be required to deposit these taxes by the 15th day of the next month following the first and second month of each quarter of the calendar year. (For instance, January tax should be deposited by February 15, and February tax by March 15.) Tax for the third month of the quarter may be deposited any time during the next month (March tax may be deposited any time in April), but such deposits should be made early enough so that the validated receipt will be available for filing with the quarterly return.

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Proposed press release.
September 30, 1949.

George J. Schoeneman, Commissioner of Internal Revenue, today called the attention of employers to plans for streamlining and improving the collection of income tax withheld from the wages of employees and taxes due under the Federal Insurance Contributions Act.

Final regulations will not be issued until late October in order to give interested persons an opportunity to make comments or suggestions. The revised procedure is then expected to take effect January 1, 1950.

Commissioner Schoeneman explained that the proposed changes are expected to save the Treasury Department well over $1,000,000 per year in interest costs, and substantial additional clerical costs in handling documents. The plan also is expected to effect substantial savings to employers generally.

The principal parts of the plan are as follows:

1. Combined Return Form.--A new combined form, Form 941, will be substituted for Form W-1, presently used for reporting income tax withheld from wages, and Form SS-1a, presently used for reporting taxes due under the Federal Insurance Contributions Act. This consolidation, which has been proven completely successful by a year's use in the Maryland collection district, cuts in half the number of such returns that need to be filed by employers and handled by collectors' offices. It also permits employers to pay both taxes with one check, if desired.

2. Deposit~~aries~~ ~~for~~ of F.I.C.A. Taxes.--The system whereby employers make monthly deposits of income tax withheld from wages, and then use the depositary receipts in lieu of cash in making payment on quarterly returns, will be extended to both the employee and employer taxes due under the Federal Insurance Contributions Act.

3. Federal Reserve Depositaries.--Deposits will be made in the twelve Federal Reserve Banks, but employers may, if they desire, give their tax deposits to commercial banks for forwarding to the appropriate Federal Reserve Bank.

authorized ~~qualified~~

9.7.5. ok with noted changes. 10/6/9 TJ.

9/30 10/3 10/3 10/3 10/4/49 10.4.49 10/5/49 10/4/49 10/5/49

STANDARD FORM NO. 64

Office Memorandum • UNITED STATES GOVERNMENT

TO : Mr. James J. Saxon, Assistant to the Secretary DATE: October 6, 1949

FROM : Mr. Irving Perlmeter, Information Officer, I. P.
Bureau of Internal Revenue

SUBJECT: Press release.

Attached is a press release, which we think it important to get out quickly. Since it involves some procedures which are to be operated with the Bureau of Accounts, it should be cleared with Mr. Bartelt or someone in his office, preferably George Stickney (who has been working with us on the matter).

In selecting a release date, please allow 48 or more hours between the mimeographing time and the release date, in order to give me an opportunity to mail advance copies to our collection offices. Please have someone notify us when arrangements have been completed. Thank you.

Attachment

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September 30, 1949.

Release Morning Newspapers
Thursday, October 13, 1949

S-2132

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Commissioner Schoeneman explained that the proposed changes are expected to save the Treasury Department well over $1,000,000 per year in interest costs, and substantial additional clerical costs in handling documents. The plan also is expected to effect substantial savings to employers generally.

The principal parts of the plan are as follows:

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3. Federal Reserve Depositaries.--Deposits will be made in the twelve Federal Reserve Banks, but employers may, if they desire, give their tax deposits to authorized ~~qualified~~ commercial banks for forwarding to the appropriate Federal Reserve Bank.

TREASURY DEPARTMENT

Information Service WASHINGTON, D.C.

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Thursday, October 13, 1949. S-2132

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COTTON WASTES
(In pounds)

COTTON CARD STRIPS made from cotton having a staple of less than 1-3/16 inches in length, COMBER WASTE, LAP WASTE, SLIVER WASTE, AND ROVING WASTE, WHETHER OR NOT MANUFACTURED OR OTHERWISE ADVANCED IN VALUE: Provided, however, that not more than 33-1/3 percent of the quotas shall be filled by cotton wastes other than comber wastes made from cottons of 1-3/16 inches or more in staple length in the case of the following countries: United Kingdom, France, Netherlands, Switzerland, Belgium, Germany, and Italy:

Country of Origin	Established TOTAL QUOTA	Total imports Sept. 20, 1949, to Sep. 30, 1949	Established 33-1/3% of Total Quota	Imports Sept. 20, 1949, to Sep. 30, 1949 1/
United Kingdom.....	4,323,457	31,309	1,441,152	31,309
Canada............	239,690	113,729	-	-
France............	227,420	-	75,807	-
British India......	69,627	-	-	-
Netherlands........	68,240	-	22,747	-
Switzerland........	44,388	-	14,796	-
Belgium...........	38,559	-	12,853	-
Japan.............	341,535	-	-	-
China.............	17,322	-	-	-
Egypt.............	8,135	-	-	-
Cuba..............	6,544	-	-	-
Germany...........	76,329	-	25,443	-
Italy.............	21,263	404	7,088	404
Totals	5,482,509	145,442	1,599,886	31,713

1/ Included in total imports, column 2.

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IMMEDIATE RELEASE   S-2133
Wed - October 11, 1949 12

The Bureau of Customs announced today that preliminary data on imports of cotton and cotton waste chargeable to the quotas established by the President's proclamation of September 5, 1939, as amended, for the period September 20, 1949, to September 30, 1949, inclusive, are as follows:

COTTON (other than linters)
(In pounds)

Country of Origin	Under 1-1/8" other than rough or harsh under 3/4"		1-1/8" or more but less than 1-11/16" 4/	Less than 3/4" harsh or rough 5/
	Established Quota	Imports Sept. 20, 1949, to Sept. 30, 1949	Imports Sept. 20, 1949, to Sept.30, 1949	Imports Sept. 20, 1949, to September 30,1949
Egypt and the Anglo-Egyptian Sudan	783,816	-	13,724,940	-
Peru	247,952	140,637	654,256	-
British India	2,003,483	-	1,405	696,934
China	1,370,791	-	-	-
Mexico	8,883,259	8,883,259	-	-
Brazil	618,723	-	-	-
Union of Soviet Socialist Republics	475,124	-	-	-
Argentina	5,203	-	-	-
Haiti	237	-	-	-
Ecuador	9,333	-	-	-
Honduras	752	-	-	-
Paraguay	871	-	-	-
Colombia	124	-	-	-
Iraq	195	-	-	-
British East Africa	2,240	-	-	-
Netherlands East Indies	71,388	-	-	-
Barbados	-	-	-	-
Other British West Indies 1/	21,321	-	-	-
Nigeria	5,377	-	-	-
Other British West Africa 2/	16,004	-	-	-
Other French Africa 3/	689	-	-	-
Algeria and Tunisia	-	-	-	-
	14,516,882	9,023,896	14,380,601	696,934

1/ Other than Barbados, Bermuda, Jamaica, Trinidad, and Tobago.
2/ Other than Gold Coast and Nigeria.
3/ Other than Algeria, Tunisia, and Madagascar.
4/ Established Quota - 16,487,042 lbs. for the interim period September 20, 1949, to January 31, 1950, inclusive.
5/ Established Quota - 70,000,000.

TREASURY DEPARTMENT
Washington

IMMEDIATE RELEASE
Wednesday, October 12, 1949

S-2133

The Bureau of Customs announced today that preliminary data on imports of cotton and cotton waste chargeable to the quotas established by the President's proclamation of September 5, 1939, as amended, for the period September 20, 1949, to September 30, 1949, inclusive, are as follows:

COTTON (other than linters)
(In pounds)

Country of Origin	Under 1-1/8" other than rough or harsh under 3/4": Established Quota	Under 1-1/8" other than rough or harsh under 3/4": Imports Sept. 20, 1949, to Sept. 30, 1949	1-1/8" or more but less than 1-11/16" 4/: Imports Sept. 20, 1949, to Sept. 30, 1949	Less than 3/4" harsh or rough 5/: Imports Sept. 20, 1949, to September 30, 1949
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Brazil	618,723	-	-	-
Union of Soviet Socialist Republics	475,124	-	-	-
Argentina	5,203	-	-	-
Haiti	237	-	-	-
Equador	9,333	-	-	-
Honduras	752	-	-	-
Paraguay	871	-	-	-
Colombia	124	-	-	-
Iraq	195	-	-	-
British East Africa	2,240	-	-	-
Netherlands East Indies	71,388	-	-	-
Barbados	-	-	-	-
Other British West Indies 1/	21,321	-	-	-
Nigeria	5,377	-	-	-
Other British West Africa 2/	16,004	-	-	-
Other French Africa 3/	689	-	-	-
Algeria and Tunisia	-	-	-	-
	14,516,882	9,023,896	14,380,601	696,934

1/ Other than Barbados, Bermuda, Jamaica, Trinidad, and Tobago.
2/ Other than Gold Coast and Nigeria.
3/ Other than Algeria, Tunisia, and Madagascar.
4/ Established Quota - 16,487,042 lbs. for the interim period September 20, 1949, to January 31, 1950, inclusive.
5/ Established Quota - 70,000,000.

COTTON WASTES
(In pounds)

COTTON CARD STRIPS made from cotton having a staple of less than 1-3/16 inches in length, COMBER WASTE, LAP WASTE, SLIVER WASTE, AND ROVING WASTE, WHETHER OR NOT MANUFACTURED OR OTHERWISE ADVANCED IN VALUE: Provided, however, that not more than 33-1/3 percent of the quotas shall be filled by cotton wastes other than comber wastes made from cottons of 1-3/16 inches or more in staple length in the case of the following countries: United Kingdom, France, Netherlands, Switzerland, Belgium, Germany, and Italy:

Country of Origin	Established TOTAL QUOTA	Total imports Sept. 20, 1949, to Sept. 30, 1949	Established: 33-1/3% of: Total Quota	Imports Sept. 20, 1949, to Sept. 30, 1949 1/
United Kingdom.....	4,323,457	31,309	1,441,152	31,309
Canada.............	239,690	113,729	-	-
France.............	227,420	-	75,807	-
British India......	69,627	-	-	-
Netherlands........	68,240	-	22,747	-
Switzerland........	44,388	-	14,796	-
Belgium............	38,559	-	12,853	-
Japan..............	341,535	-	-	-
China..............	17,322	-	-	-
Egypt..............	8,135	-	-	-
Cuba...............	6,544	-	-	-
Germany............	76,329	-	25,443	-
Italy..............	21,263	404	7,088	404
Totals	5,482,509	145,442	1,599,886	31,713

1/ Included in total imports, column 2.

-oOo-

COTTON WASTES
(In pounds)

COTTON CARD STRIPS made from cotton having a staple of less than 1-3/16 inches in length, COMBER WASTE, LAP WASTE, SLIVER WASTE, AND ROVING WASTE, WHETHER OR NOT MANUFACTURED OR OTHERWISE ADVANCED IN VALUE: Provided, however, that not more than 33-1/3 percent of the quotas shall be filled by cotton wastes other than comber wastes made from cottons of 1-3/16 inches or more in staple length in the case of the following countries: United Kingdom, France, Netherlands, Switzerland, Belgium, Germany, and Italy:

Country of Origin	Established TOTAL QUOTA	Total imports Sept. 20, 1948, to Sep. 19, 1949	Established 33-1/3% of Total Quota	Imports Sept. 20, 1948, to Sep. 19, 1949 1/
United Kingdom.....	4,323,457	21,845	1,441,152	21,845
Canada............	239,690	235,009	-	-
France............	227,420	-	75,807	-
British India......	69,627	69,627	-	-
Netherlands........	68,240	-	22,747	-
Switzerland........	44,388	-	14,796	-
Belgium............	38,559	-	12,853	-
Japan..............	341,535	-	-	-
China..............	17,322	-	-	-
Egypt..............	8,135	-	-	-
Cuba...............	6,544	-	-	-
Germany............	76,329	-	25,443	-
Italy..............	21,263		7,088	-
Totals	5,482,509	326,481	1,599,886	21,845

1/ Included in total imports, column 2.

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Wek, **IMMEDIATE RELEASE**
October 11, 1949
12

S-2134

The Bureau of Customs announced today that preliminary data on imports of cotton and cotton waste chargeable to the quotas established by the President's proclamation of September 5, 1939, as amended, for the period September 20, 1948, to Sept. 19, 1949, inclusive, are as follows:

COTTON (other than linters)
(In pounds)

Country of Origin	Under 1-1/8" other than rough or harsh under 3/4": Established Quota	Under 1-1/8" other than rough or harsh under 3/4": Imports Sept. 20, 1948, to Sep. 19, 1949	1-1/8" or more but less than 1-11/16" 4/: Imports Sept. 20, 1948, to Sep. 19, 1949	Less than 3/4" harsh or rough 5/: Imports Sept. 20, 1948, to Sept. 19, 1949
Egypt and the Anglo-Egyptian Sudan............	783,816	-	44,117,797	-
Peru.............	247,952	247,952	932,440	-
British India....	2,003,483	292,269	-	26,494,094
China............	1,370,791	-	-	-
Mexico...........	8,883,259	8,883,259	606,183	-
Brazil...........	618,723	460,040	-	-
Union of Soviet Socialist Republics.............	475,124	285,890	-	-
Argentina........	5,203	-	-	-
Haiti............	237	-	-	-
Ecuador..........	9,333	-	-	-
Honduras.........	752	-	-	-
Paraguay.........	871	-	-	-
Colombia.........	124	-	-	-
Iraq.............	195	-	-	-
British East Africa...........	2,240	-	-	-
Netherlands East Indies...........	71,388	-	-	-
Barbados.........	-	-	-	-
Other British West Indies 1/...	21,321	-	-	-
Nigeria..........	5,377	-	-	-
Other British West Africa 2/...	16,004	-	-	-
Other French Africa 3/........	689	-	-	-
Algeria and Tunisia	-	-	-	-
	14,516,882	10,169,410	45,656,420	26,494,094

1/ Other than Barbados, Bermuda, Jamaica, Trinidad, and Tobago.
2/ Other than Gold Coast and Nigeria.
3/ Other than Algeria, Tunisia, and Madagascar.
4/ Established Quota - 45,656,420.
5/ Established Quota - 70,000,000.

TREASURY DEPARTMENT
Washington

IMMEDIATE RELEASE
Wednesday, October 12, 1949

S-2134

The Bureau of Customs announced today that preliminary data on imports of cotton and cotton waste chargeable to the quotas established by the President's proclamation of September 5, 1939, as amended, for the period September 20, 1948, to September 19, 1949, inclusive, are as follows:

COTTON (other than linters)
(In pounds)

Country of Origin	Under 1-1/8" other than rough or harsh under 3/4"		1-1/8" or more but less than 1-11/16" 4/	Less than 3/4" harsh or rough 5/
	Established Quota	Imports Sept. 20, 1948, to Sept. 19, 1949	Imports Sept. 20, 1948, to Sept. 19, 1949	Imports Sept. 20 1948, to Sept. 19, 1949
Egypt and the Anglo-Egyptian Sudan............	783,816	-	44,117,797	-
Peru...............	247,952	247,952	932,440	-
British India.....	2,003,483	292,269	-	26,494,094
China.............	1,370,791	-	-	-
Mexico............	8,883,259	8,883,259	606,183	-
Brazil............	618,723	460,040	-	-
Union of Soviet Socialist Republics..............	475,124	285,890	-	-
Argentina.........	5,203	-	-	-
Haiti.............	237	-	-	-
Ecuador...........	9,333	-	-	-
Honduras..........	752	-	-	-
Paraguay..........	871	-	-	-
Colombia..........	124	-	-	-
Iraq..............	195	-	-	-
British East Africa...........	2,240	-	-	-
Netherlands East Indies...........	71,388	-	-	-
Barbados..........	-	-	-	-
Other British West Indies 1/....	21,321	-	-	-
Nigeria...........	5,377	-	-	-
Other British West Africa 2/....	16,004	-	-	-
Other French Africa 3/........	689	-	-	-
Algeria and Tunisia	-	-	-	-
	14,516,882	10,169,410	45,656,420	26,494,094

1/ Other than Barbados, Bermuda, Jamaica, Trinidad, and Tobago.
2/ Other than Gold Coast and Nigeria.
3/ Other than Algeria, Tunisia, and Madagascar.
4/ Established Quota - 45,656,420.
5/ Established Quota - 70,000,000.

COTTON WASTES
(In pounds)

COTTON CARD STRIPS made from cotton having a staple of less than 1-3/16 inches in length, COMBER WASTE, LAP WASTE, SLIVER WASTE, AND ROVING WASTE, WHETHER OR NOT MANUFACTURED OR OTHERWISE ADVANCED IN VALUE: Provided, however, that not more than 33-1/3 percent of the quotas shall be filled by cotton wastes other than comber wastes made from cottons of 1-3/16 inches or more in staple length in the case of the following countries: United Kingdom, France, Netherlands, Switzerland, Belgium, Germany, and Italy:

Country of Origin	Established TOTAL QUOTA	Total imports Sept. 20, 1948, to Sept. 19, 1949	Established: 33-1/3% of: Total Quota	Sept. 20, 1948, to Sept. 19, 1949 1/
United Kingdom......	4,323,457	21,845	1,441,152	21,845
Canada..............	239,690	235,009	-	-
France..............	227,420	-	75,807	-
British India.......	69,627	69,627	-	-
Netherlands.........	68,240	-	22,747	-
Switzerland.........	44,388	-	14,796	-
Belgium.............	38,559	-	12,853	-
Japan...............	341,535	-	-	-
China...............	17,322	-	-	-
Egypt...............	8,135	-	-	-
Cuba................	6,544	-	-	-
Germany.............	76,329	-	25,443	-
Italy...............	21,263	-	7,088	-
Totals	5,482,509	326,481	1,599,886	21,845

1/ Included in total imports, column 2.

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- 5

TREASURY DEPARTMENT
Washington

S-2135

IMMEDIATE RELEASE
Wed, October ~~11~~ 12, 1949

The Bureau of Customs announced today preliminary figures showing the imports for consumption of commodities on which quotas were prescribed by the Philippine Trade Act of 1946, from January 1, 1949, to September 30, 1949, inclusive, as follows:

Products of the Philippines		Established Quota Quantity	Unit of Quantity	Imports as of Sept. 30, 1949
Buttons		850,000	Gross	297,708
Cigars		200,000,000	Number	349,525
Coconut Oil		448,000,000	Pound	86,662,228
Cordage		6,000,000	"	1,428,212
Rice		1,040,000	"	-
Sugars	(refined	1,904,000,000	Pound	26,155
	(unrefined			998,264,386
Tobacco		6,500,000	"	329,974

TREASURY DEPARTMENT
Washington

IMMEDIATE RELEASE
Wednesday, October 12, 1949

S-2135

The Bureau of Customs announced today preliminary figures showing the imports for consumption of commodities on which quotas were prescribed by the Philippine Trade Act of 1946, from January 1, 1949, to September 30, 1949, inclusive, as follows:

Products of the Philippines	Established Quota Quantity	Unit of Quantity	Imports as of Sept. 30, 1949
Buttons	850,000	Gross	297,708
Cigars	200,000,000	Number	349,525
Coconut Oil	448,000,000	Pound	86,662,228
Cordage	6,000,000	"	1,428,212
Rice	1,040,000	"	-
Sugars (refined	1,904,000,000	Pound	26,155
Sugars (unrefined			998,264,386
Tobacco	6,500,000	"	329,974

S-2136

~~FOR~~ IMMEDIATE RELEASE,
Wed, October ~~11~~ 12, 1949

The Bureau of Customs announced today preliminary figures showing the quantities of wheat and wheat flour entered, or withdrawn from warehouse, for consumption under the import quotas established in the President's proclamation of May 28, 1941, as modified by the President's proclamation of April 13, 1942, for the 12 months commencing May 29, 1949, as follows:

Country of Origin	Wheat		Wheat flour, semolina, crushed or cracked wheat, and similar wheat products	
	Established Quota	Imports May 29, 1949, to Sept. 30, 1949	Established Quota	Imports May 29, 1949, to Sept. 30, 1949
	(Bushels)	(Bushels)	(Pounds)	(Pounds)
Canada	795,000	795,000	3,815,000	3,815,000
China	-	-	24,000	1,280
Hungary	-	-	13,000	-
Hong Kong	-	-	13,000	4,000
Japan	-	-	8,000	-
United Kingdom	100	-	75,000	-
Australia	-	-	1,000	200
Germany	100	-	5,000	-
Syria	100	-	5,000	-
New Zealand	-	-	1,000	-
Chile	-	-	1,000	-
Netherlands	100	-	1,000	-
Argentina	2,000	-	14,000	-
Italy	100	-	2,000	-
Cuba	-	-	12,000	-
France	1,000	-	1,000	-
Greece	-	-	1,000	-
Mexico	100	-	1,000	-
Panama	-	-	1,000	-
Uruguay	-	-	1,000	-
Poland and Danzig	-	-	1,000	-
Sweden	-	-	1,000	-
Yugoslavia	-	-	1,000	-
Norway	-	-	1,000	-
Canary Islands	-	-	1,000	-
Rumania	1,000	-	-	-
Guatemala	100	-	-	-
Brazil	100	-	-	-
Union of Soviet Socialist Republics	100	-	-	-
Belgium	100	-	-	-
	800,000	795,000	4,000,000	3,820,480

TREASURY DEPARTMENT
Washington

IMMEDIATE RELEASE
Wednesday, October 12, 1949

S-2136

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China	-	-	24,000	1,280
Hungary	-	-	13,000	-
Hong Kong	-	-	13,000	4,000
Japan	-	-	8,000	-
United Kingdom	100	-	75,000	-
Australia	-	-	1,000	200
Germany	100	-	5,000	-
Syria	100	-	5,000	-
New Zealand	-	-	1,000	-
Chile	-	-	1,000	-
Netherlands	100	-	1,000	-
Argentina	2,000	-	14,000	-
Italy	100	-	2,000	-
Cuba	-	-	12,000	-
France	1,000	-	1,000	-
Greece	-	-	1,000	-
Mexico	100	-	1,000	-
Panama	-	-	1,000	-
Uruguay	-	-	1,000	-
Poland and Danzig	-	-	1,000	-
Sweden	-	-	1,000	-
Yugoslavia	-	-	1,000	-
Norway	-	-	1,000	-
Canary Islands	-	-	1,000	-
Rumania	1,000	-	-	-
Guatemala	100	-	-	-
Brazil	100	-	-	-
Union of Soviet Socialist Republics	100	-	-	-
Belgium	100	-	-	-
	800,000	795,000	4,000,000	3,820,480

TREASURY DEPARTMENT
Washington

S-2137

IMMEDIATE RELEASE
Wed October ~~11~~, 1949
12,

The Bureau of Customs announced today preliminary figures showing the imports for consumption of commodities within quota limitations provided for under the General Agreement on Tariffs and Trade, from the beginning of the quota periods to September 30, 1949, inclusive, as follows:

Commodity	Period and Quantity		Unit of Quantity	Imports as of Sept. 30, 1949
Whole milk, fresh or sour	Calendar year	3,000,000	Gallon	1,956
Cream, fresh or sour	Calendar year	1,500,000	Gallon	894
Butter	Quota ineffective for the period April through October			
Fish, fresh or frozen, filleted, etc., cod, haddock, hake, pollock, cusk, and rosefish	Calendar year	(1) 26,881,369	Pound	Quota filled
White or Irish Potatoes:				
certified seed	12 months from	150,000,000	Pound	64,350
other	Sept. 15, 1949	60,000,000	Pound	9,648,016
Walnuts	Calendar year	5,000,000	Pound	2,118,630

(1) The proviso to Item 717 (b) limits the imports for consumption at the quota rate to 20,161,026 pounds during the first nine months of the calendar year.

Due to a provision of the President's Proclamation No. 2769 of January 30, 1948, in which the entry of a specified quantity of Cuban filler tobacco, unstemmed or stemmed (other than cigarette leaf tobacco) and scrap tobacco, affects the rate of duty on such tobacco from countries other than Cuba, a record is maintained of imports from Cuba. 20,391,211 pounds of such Cuban tobacco were imported for consumption during the period January 1 to September 30, 1949, inclusive.

TREASURY DEPARTMENT
Washington

IMMEDIATE RELEASE
Wednesday, October 12, 1949

S-2137

The Bureau of Customs announced today preliminary figures showing the imports for consumption of commodities within quota limitations provided for under the General Agreement on Tariffs and Trade, from the beginning of the quota periods to September 30, 1949, inclusive, as follows:

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White or Irish Potatoes:				
certified seed	12 months from	150,000,000	Pound	64,350
other	Sept. 15, 1949	60,000,000	Pound	9,648,016
Walnuts	Calendar year	5,000,000	Pound	2,118,630

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ALPHA

purposes of taxation the amount of discount at which Treasury bills are originally sold by the United States shall be considered to be interest. Under Sections 42 and 117 (a) (1) of the Internal Revenue Code, as amended by Section 115 of the Revenue Act of 1941, the amount of discount at which bills issued hereunder are sold shall not be considered to accrue until such bills shall be sold, redeemed or otherwise disposed of, and such bills are excluded from consideration as capital assets. Accordingly, the owner of Treasury bills (other than life insurance companies) issued hereunder need include in his income tax return only the difference between the price paid for such bills, whether on original issue or on subsequent purchase, and the amount actually received either upon sale or redemption at maturity during the taxable year for which the return is made, as ordinary gain or loss.

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.

~~ALPHA~~

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, tenders will be opened at the Federal Reserve Banks and Branches, following which public announcement will be made by the Secretary of the Treasury of the amount and price range of accepted bids. Those submitting tenders will be advised of the acceptance or rejection thereof. The Secretary of the Treasury expressly reserves the right to accept or reject any or all tenders, in whole or in part, and his action in any such respect shall be final. Subject to these reservations, non-competitive tenders for $200,000 or less without stated price from any one bidder will be accepted in full at the average price (in three decimals) of accepted competitive bids. Settlement for accepted tenders in accordance with the bids must be made or completed at the Federal Reserve Bank on October 20, 1949 ~~(8)~~, in cash or other immediately available funds or in a like face amount of Treasury bills maturing October 20, 1949 ~~(9)~~. Cash and exchange tenders will receive equal treatment. Cash adjustments will be made for differences between the par value of maturing bills accepted in exchange and the issue price of the new bills.

The income derived from Treasury bills, whether interest or gain from the sale or other disposition of the bills, shall not have any exemption, as such, and loss from the sale or other disposition of Treasury bills shall not have any special treatment, as such, under the Internal Revenue Code, or laws amendatory or supplementary thereto. The bills shall be subject to estate, inheritance, gift or other excise taxes, whether Federal or State, but shall be exempt from all taxation now or hereafter imposed on the principal or interest thereof by any State, or any of the possessions of the United States, or by any local taxing authority. For

~~Exhibit 1~~

~~ALPHA~~

TREASURY DEPARTMENT
Washington

S-2138

FOR RELEASE, MORNING NEWSPAPERS,
Friday, October 14, 1949
(1)

The Secretary of the Treasury, by this public notice, invites tenders for $900,000,000 (2), or thereabouts, of 91 (3) -day Treasury bills, for cash and in exchange for Treasury bills maturing October 20, 1949 (4), to be issued on a discount basis under competitive and non-competitive bidding as hereinafter provided. The bills of this series will be dated October 20, 1949 (5), and will mature January 19, 1950 (6), when the face amount will be payable without interest. They will be issued in bearer form only, and in denominations of $1,000, $5,000, $10,000, $100,000, $500,000, and $1,000,000 (maturity value).

Tenders will be received at Federal Reserve Banks and Branches up to the closing hour, two o'clock p.m., Eastern Standard time, Monday, October 17, 1949 (7). Tenders will not be received at the Treasury Department, Washington. Each tender must be for an even multiple of $1,000, and in the case of competitive tenders the price offered must be expressed on the basis of 100, with not more than three decimals, e. g., 99.925. Fractions may not be used. It is urged that tenders be made on the printed forms and forwarded in the special envelopes which will be supplied by Federal Reserve Banks or Branches on application therefor.

Tenders will be received without deposit from incorporated banks and trust companies and from responsible and recognized dealers in investment securities. Tenders from others must be accompanied by payment of 2 percent of the face

TREASURY DEPARTMENT

Information Service **WASHINGTON, D.C.**

RELEASE, MORNING NEWSPAPERS,
Friday, October 14, 1949.

S-2138

The Secretary of the Treasury, by this public notice, invites tenders for $900,000,000, or thereabouts, of 91-day Treasury bills, for cash and in exchange for Treasury bills maturing October 20, 1949, to be issued on a discount basis under competitive and non-competitive bidding as hereinafter provided. The bills of this series will be dated October 20, 1949, and will mature January 19, 1950, when the face amount will be payable without interest. They will be issued in bearer form only, and in denominations of $1,000, $5,000, $10,000, $100,000, $500,000, and $1,000,000 (maturity value).

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Tenders will be received without deposit from incorporated banks and trust companies and from responsible and recognized dealers in investment securities. Tenders from others must be accompanied by payment of 2 percent 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, tenders will be opened at the Federal Reserve Banks and Branches, following which public announcement will be made by the Secretary of the Treasury of the amount and price range of accepted bids. Those submitting tenders will be advised of the acceptance or rejection thereof. The Secretary of the Treasury expressly reserves the right to accept or reject any or all tenders, in whole or in part, and his action in any such respect shall be final. Subject to these reservations, non-competitive tenders for $200,000 or less without stated price from any one bidder will be accepted in full at the average price

(in three decimals) of accepted competitive bids. Settlement for accepted tenders in accordance with the bids must be made or completed at the Federal Reserve Bank on October 20, 1949, in cash or other immediately available funds or in a like face amount of Treasury bills maturing October 20, 1949. Cash and exchange tenders will receive equal treatment. Cash adjustments will be made for differences between the par value of maturing bills accepted in exchange and the issue price of the new bills.

The income derived from Treasury bills, whether interest or gain from the sale or other disposition of the bills, shall not have any exemption, as such, and loss from the sale or other disposition of Treasury bills shall not have any special treatment, as such, under the Internal Revenue Code, or laws amendatory or supplementary thereto. The bills shall be subject to estate, inheritance, gift or other excise taxes, whether Federal or State, but shall be exempt from all taxation now or hereafter imposed on the principal or interest thereof by any State, or any of the possessions of the United States, or by any local taxing authority. For purposes of taxation the amount of discount at which Treasury bills are originally sold by the United States shall be considered to be interest. Under Sections 42 and 117 (a) (1) of the Internal Revenue Code, as amended by Section 115 of the Revenue Act of 1941, the amount of discount at which bills issued hereunder are sold shall not be considered to accrue until such bills shall be sold, redeemed or otherwise disposed of, and such bills are excluded from consideration as capital assets. Accordingly, the owner of Treasury bills (other than life insurance companies) issued hereunder need include in his income tax return only the difference between the price paid for such bills, whether on original issue or on subsequent purchase, and the amount actually received either upon sale or redemption at maturity during the taxable year for which the return is made, as ordinary gain or loss.

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.

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October 6, 1949

TO MR. BARTELT:

The following transactions were made in direct and guaranteed securities of the Government for Treasury investment and other accounts during the month of September, 1949:

Purchases	$4,700,000
Sales	127,250
Net Purchases	$4,572,750

(Sgd.) E. O. Barnes

Chief, Division of Investments

Wisecarver 10/6/49

TREASURY DEPARTMENT

Information Service WASHINGTON, D.C.

RELEASE, MORNING NEWSPAPERS,
~~Friday, September 16, 1949.~~
Monday, October 17, 1949

5-2139
~~S-2115~~

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TREASURY DEPARTMENT

Information Service WASHINGTON, D.C.

RELEASE, MORNING NEWSPAPERS,
Monday, October 17, 1949. S-2139

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S-2140

FOR IMMEDIATE RELEASE
October 14, 1949

The Bureau of Customs announced today that 14,544,912 pounds of cotton having a staple of 1-1/8 inches or more but less than 1-11/16 inches (other than linters) have been authorized release as of October 14, 1949, under the global quota of 16,487,042 pounds prescribed in the President's Proclamation of September 3, 1949, for the interim period September 20, 1949, to January 31, 1950, inclusive. Of the amount authorized release, 13,869,694 pounds are of Egyptian, 673,813 pounds of Peruvian, and 1,405 pounds ~~are~~ of Indian origin.

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The Bureau of Customs announced today that 14,544,912 pounds of cotton having a staple of 1-1/8 inches or more but less than 1-11/16 inches (other than linters) have been authorized release as of October 14, 1949, under the global quota of 16,487,042 pounds prescribed in the President's Proclamation of September 3, 1949, for the interim period September 20, 1949, to January 31, 1950, inclusive. Of the amount authorized release, 13,869,694 pounds are of Egyptian, 673,813 pounds of Peruvian, and 1,405 pounds of Indian origin.

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Our foreign trade seems small percentage-wise. It may be only 5%, or 7%, or 9% of our total--but it is my conviction that it is a crucial segment of our economy which makes a decisive contribution to maintaining a rising living standard with a minimum of unemployment, and that without it there is a real possibility of a smaller national income with substantial unemployment and a lower standard of living. The American productive machine depends in part on the re-establishment and development of sound two-way foreign trade. It is obvious that foreign trade at the present time still to a large extent exists on an artificial, government-financed basis, and that our endeavors should be directed toward the expansion of international trade within the framework of a reduction of extraordinary governmental assistance and of greater reliance on the private capital market for foreign capital requirements.

Overseas trade, because of its romantic and pioneering character, lends itself to the best in the American tradition of private enterprise. It is in this field, no less than in our domestic production, that the U. S. opportunity lies to demonstrate to the world the achievements of the American way of life. In the light of the brilliant record of American industry for initiative, inventiveness and efficiency, I think we need never worry about our being able to compete on fair and mutually advantageous terms not only in the domestic market but also in the markets of the world. I feel strongly that the United States has much more to gain than to lose by the relaxation of existing barriers to international trade, and that conversely any action on our part designed to raise such barriers would entail substantial net loss to our economy as a whole. It is no less to our interest than to the interest of our economic neighbors in this hemisphere and across the seas that we work out and promote ways and means of sharing the special talents, skills and resources the nations separately possess.

Therefore, I find it hard to believe that many Americans would consciously favor not only sacrificing our vital export interests but also encouraging an indefinite continuance of foreign aid with little prospect of eventual repayment, merely to curtail an increased inflow of imports into this country. A sustained low volume of imports and the consequent worsening of the dollar position of the European countries would inevitably involve an increase in unemployment as a result of our falling exports. It would involve greater difficulties for foreign countries in their efforts to reduce their dependence on economic aid from the United States. It would involve impeding the processes by which our investors can receive the yield on their investments abroad through the normal movement of goods to the United States market. The net upshot of such a restrictionist policy would be a long-term drain on our national income and our Federal budget with no *quid pro quo* to show for it, along with the very real danger of increasing economic instability and tension throughout the democratic world.

Secondly, imports of raw materials should be at substantially higher levels as a result of higher national income and the wartime depletion of domestic supplies of many such items. Who would have thought, for example, that copper, lead, zinc, iron ore and scrap would ever have been in short supply in the United States?

Thirdly, imports of luxury and semi-luxury items, non-competitive or only partially competitive with United States products, may rise substantially with continuing high national income here and progressive recovery abroad. Moreover, our expanding population will consume larger quantities of goods which are not produced here at all or not in adequate quantities.

The only real hope I see for future normal world trade, the re-establishment of a functioning multilateral trading system with exchange convertibility, and the long run solution of the dollar repayment problem, lies in the expansion of our foreign trade, on both the import and export side, the expansion of our foreign investments, and the eventual development of the import surplus which is normal for a matured industrial economy.

assure rising living standards and economic progress in under-developed areas. It is a role which creates a major policy issue for the United States. For while such investment will undoubtedly mitigate the dollar pressure on foreign countries in the near future, eventually we will have to be prepared to import goods and services in larger amount as the return on our capital investments. As their service charges fall due on past and future investments, borrowing countries will have to develop a surplus on current account over and above their essential requirements in the United States; otherwise, they will either have to restrict payment on their obligations to us or drastically curtail their future imports from this country.

Fortunately, there are several long-run factors which will tend to increase our imports of goods and services:

First, travel expenditures abroad should increase substantially in the postwar world, if for no other reason than the fact that our national income has risen so substantially above prewar levels. In any event, it seems very likely that American tourists will turn out to be an even more important source of dollars for foreign countries than in the past.

in the broadest possible perspective from the point of view of the long term interest of the economy as a whole.

We are faced with a very serious problem in attempting to restore international trade to a satisfactory balance. We cannot maintain our exports at a high and our imports at a low level indefinitely without continuing to finance the gap with funds provided by the American taxpayer. If Europe is to be self-sufficient, we must allow the European countries to earn the dollars they need to pay for the American goods and services which are essential to their economies if they are to avoid social unrest and political instability. Trade will sooner or later have to go back on a more self-balancing basis.

But this is not all. Our own position will require us to continue to invest heavily abroad for a long time to come. Investment of European funds was the keystone of expanding world trade in the 19th century, and investment of U. S. funds--I hope primarily on a private basis--must now take over this role in order to make possible that expansion of production here and abroad which will to improve their dollar position and to move toward a higher level of trade in both directions. However, this action does not constitute a cure-all for the difficult and complex problems currently faced in international payments. Exchange adjustment is but one step, albeit a most important one, which helps to clear the way by removing some obstacles to the effective and fluid functioning of a world price system in accordance with free enterprise incentives.

Foreign countries have been spending $12 billion a year in our market and have been exporting about $6 to $6-1/2 billion of goods a year to us. It is clear that they cannot continue to sustain their current level of imports from us unless they can earn more dollars by increasing their exports of goods and services to the dollar area. If--as is to be hoped--the volume of imports into the United States increases significantly, whether as a result of devaluation or simply because foreign countries increase their sales efforts in this market, it is possible that a few industries will ask for the raising of our tariff rates. I would like to ask you to consider this question and that they would have to be met directly by the United States Government. Accordingly, the logical and necessary bulwarks to the Export-Import Bank reconstruction credits and the British line of credits were the interim aid grants to France, Italy, and Austria, in the winter of 1947 and the ECA grants and loans now being utilized. The emergence of the European Recovery Program reflected the conviction of the Executive Branch and Congress that the remaining post-war dollar aid requirements might extend over a further 4-year period, might amount to as much as $17,000,000,000 and would have to be met largely on a grant rather than a loan basis.

The United States cannot shirk its responsibilities as the greatest economic power and the greatest creditor nation in the world today. The goal of our foreign aid program is a self-sufficient Europe by 1952. While the European countries have made substantial advances under the European Recovery Program, much remains to be done if the dollar gap is to be closed and they are to be able to stand on their feet. Recent adjustments in exchange rates should help many of these countries

European allies repay for all United States aid, even for the shot and shell which had been expended on the field of battle. After World War II, in contrast, there has been a growing appreciation of the fact that we can approach the whole foreign lending problem only from the point of view of a true appraisal of the recipient countries' capacity to repay.

In the case of Europe, there is an increasing recognition that we cannot reasonably expect Europe to repay all, or perhaps even a major part, of the total economic aid required from the United States. It was the original hope of this Government that the emergency reconstruction process could be met entirely through loans. As we all recall, a large measure of dollar aid was rendered in 1946 and 1947 on a straight loan basis. There were the British loan of $3,750,000,000, Export-Import Bank reconstruction credits of over $2,000,000,000, and surplus-property and post-VJ-day lend-lease credits of over $2,000,000,000.

By the middle of 1947, however, it had become generally recognized that some new way of financing the dollar aid requirements of Europe had to be found, Accordingly, I want briefly to review with you this morning what the United States has been doing with its foreign aid programs, and how the growing importance of our foreign trade is directly connected with our Federal budget.

We in the Treasury, like yourselves, are looking forward to an early end of United States extraordinary economic assistance. No one likes to give away money indefinitely, nor do self-reliant people enjoy receiving on such a basis. Let us not fail to recognize, nevertheless, the crucial importance of our postwar aid and the vital necessity of continuing the Economic Cooperation Administration until Europe is more nearly self-supporting than it is at present.

It seems to me that the whole approach taken by the American Government after this war contrasts most favorably with the approach taken at the end of World War I. In no area is this reflected more clearly than in the contrasting attitude toward the repayment problem after the two wars.

After World War I, we insisted, without any regard to the feasibility of repayment in real goods, that our complexities of management the Treasury now faces. The advice and understanding of the entire financial community is needed, as never before.

My particular sphere of responsibility in the Treasury, however, is in the field of International Finance and its relation to the problems of our fiscal and monetary policies. The Office of International Finance in the Treasury advises the Secretary on the formulation and execution of programs and policies in the international financial and monetary field. In doing this, its purpose is to see that the money spent in our foreign financial activities is expended wisely and to promote policies which will ultimately reduce the strain on our own budget. The advice and criticism of groups such as this will always be welcome and it is my hope to hear from many of you from time to time as to any suggestions you may have toward furthering this objective.

World War II has brought about important changes in the structure of world commerce, and we must squarely face the new responsibilities which the changing character of the world economy has thrust upon us.

REMARKS BY THE HONORABLE WM. McCHESNEY MARTIN, JR., ASSISTANT SECRETARY OF THE TREASURY, AT THE FORTY-SEVENTH ANNUAL CONVENTION OF THE SAVINGS BANKS' ASSOCIATION OF CONNECTICUT
WHITEFIELD, NEW HAMPSHIRE, OCTOBER 18, 1949

11:30 A.M. (for Release on Delivery)

FOREIGN AID AND THE TREASURY

It is an honor, indeed, for me to be the guest of the Savings Banks' Association of Connecticut and have a chance to get acquainted with you. I am delighted to have this opportunity to learn from you how the Treasury can serve you better and to share with you some of our thinking.

Naturally, a group like this has a primary interest in the management of a Federal debt in excess of $250 billion. The policies pursued cut across the fields of money, credit, prices, wages, taxes, interest rates, and the formation of capital. How effectively the debt is handled in terms of reduction, whenever possible, distribution to meet the needs of all investor groups, and relationship to monetary and credit control, is a matter of vital concern to every citizen of this country. Difficult as was the task of raising these staggering sums, it is likely, in retrospect, to prove child's play compared with the

TREASURY DEPARTMENT

Washington

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S-2141

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But this is not all. Our own position will require us to continue to invest heavily abroad for a long time to come. Investment of European funds was the keystone of expanding world trade in the 19th century, and investment of U. S. funds -- I hope primarily on a private basis -- must now take over this role in order to make possible that expansion of production here and abroad which will assure rising living standards and economic progress in under-developed areas. It is a role which creates a major policy issue for the United States. For while such investment will undoubtedly mitigate the dollar pressure on foreign countries in the near future, eventually we will have to be prepared to import goods and services in larger amount as the return on our capital investments. As their service charges fall due on past and future investments, borrowing countries will have to develop a surplus on current account over and above their essential requirements in the United States; otherwise, they will either have to restrict payment on their obligations to us or drastically curtail their future imports from this country.

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RELEASE MORNING NEWSPAPERS,
Tuesday, October 18, 1949.

S-2142

The Secretary of the Treasury announced last evening that the tenders for $900,000,000, or thereabouts, of 91-day Treasury bills to be dated October 20, 1949, and to mature January 19, 1950, which were offered on October 14, 1949, were opened at the Federal Reserve Banks on October 17.

The details of this issue are as follows:

Total applied for - $1,777,093,000
Total accepted - 902,756,000 (includes $98,002,000 entered on a non-competitive basis and accepted in full at the average price shown below)
Average price - 99.740 ≠ Equivalent rate of discount approx. 1.027% per annum

Range of accepted competitive bids:

High - 99.744 Equivalent rate of discount approx. 1.013% per annum
Low - 99.739 " " " " " 1.033% " "

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

Federal Reserve District		Total Applied for	Total Accepted
Boston		$ 23,584,000	$ 14,896,000
New York		1,375,294,000	655,882,000
Philadelphia		30,030,000	15,530,000
Cleveland		27,581,000	16,431,000
Richmond		11,915,000	10,815,000
Atlanta		10,933,000	5,513,000
Chicago		134,860,000	63,800,000
St. Louis		16,684,000	9,009,000
Minneapolis		13,305,000	11,041,000
Kansas City		23,586,000	16,938,000
Dallas		22,212,000	16,452,000
San Francisco		87,109,000	66,449,000
	Total	$1,777,093,000	$902,756,000

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TREASURY DEPARTMENT

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TOTAL	$1,777,093,000	$902,756,000

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I again congratulate you members and sponsors of the Town Hall World Tour upon what you are accomplishing in the interests of peace, freedom, and security.

the people of the inherent dignity of man. It is evidenced by tolerance, patience, and good will.

I advocate more Town Meetings for America and for the world. In the wisdom and mutual respect that is generated through the free exchange and discussion of ideas, both within America and among the people of all nations, rests one of the bright hopes for the building of a better world.

address last January, President Truman restated those essential principles of the faith by which we live, when he said that we believe that all men have the right to freedom of thought and expression.

The laws and the principles and declarations of governments, however, can not provide the moral force for the establishment of this freedom throughout the world. For, such a force stems from the recognition by develops knowledge, sharpens understanding, and directs action. Time and again, we have proved beyond doubt the benefit which the individual derives when he gives his time, his thought, and his constructive action not only to his own gain, but to the problems of his community and his nation as a whole.

The people of the United States have traditionally fostered freedom of expression. In his inaugural personal interest, of individual concern. It deserves and needs the active attention of everyone. Yet many thinking people are seriously concerned over the fact that many of their fellow citizens, seemingly unmindful of the obligations of democracy, are apathetic toward the affairs of their government. Vigorous public discussion of ideas and issues is a duty which we owe to government and to ourselves. It have not only the intelligent consent but the vigorous guidance and support of its citizens. Otherwise, the people of a democracy must share much of the blame for any of its shortcomings, for no truly democratic government can progress much farther or more rapidly than its citizens permit. Its policies are shaped and molded in each individual community in the Nation.

Good government is a matter of

of the seminars as object lessons in the working out of the cardinal American doctrine that minds must be free and expression of thought unfettered if we are to have good government.

The policies of government can never satisfy all of the people; democratic government must, of necessity, be one of many compromises. But the conduct of government, if it is responsive to its purposes, should generated.

It is interesting to note from the reports that your spokesmen were questioned on numerous occasions during the tour's seminars as to whether we felt that democracy had reached perfection here in America. These questioners as a rule had specific points to raise.

All questions appear to have been answered candidly. I am sure that such candor proved the value

This interest was indeed broad and diverse. It was manifested in active discussion among foreign government officials and private citizens whom I had the pleasure of meeting.

In the face-to-face contacts made on the Town Hall world tour, and in the friendly exchanges of information and ideas about our democratic hopes and aspirations, many currents of thought toward world democracy must have been summary reports on the events and discussions of the trip prepared by Mr. Chester S. Williams.

My visits to some of the capitals preceded the arrival of the Town Hall representatives by a very few days. In those instances, I had an unusual opportunity of gaining an impression of the interest shown in the approaching visit of the Town Hall group.

pioneering in the stimulation of thought that Mr. Denny and his associates were prompted to plan and carry out the world tour which has just ended.

To organize a group of upwards of three dozen leaders of the chief fields of American life, and take them on so extensive an exploration, was indeed a challenging task. I hope that all of you have had or will have an opportunity to read the

The efforts which have gone into the success of Town Hall have included those of a long list of distinguished citizens who have served the organization as trustees, as officers, or as friends and well wishers. I think all present this afternoon will agree that these builders of the Town Hall of today are entitled to recognition as public benefactors.

It was in the same spirit of

possible our progress, our prosperity, and our leadership in the world today.

Town Hall has stimulated in great measure the advance of knowledge. Through Town Hall's cultural activities, minds have been enriched. Its lecture series, its classroom courses, its concert, radio and television programs bring a great many Americans, and a great many foreign friends of Americans, into the orbit of vigorous thought and active expression of that thought.

express their thoughts freely, the very right to have an opinion is denied. And it is then that all basic freedoms vanish or are at the whim of irresponsible forces.

Without freedom of thought and speech, this nation of ours could never have reached the greatness it has achieved. The unfettered exchange and discussion of ideas have provided an avenue for our great advances in knowledge and skill. They have made

Meeting is a deep-rooted American tradition. If we could expand it to world-wide proportions, many of the existing reasons for international anxiety and fear would vanish.

For freedom of expression and discussion is the cornerstone upon which all liberties rest. So long as this cornerstone is secure, all freedoms can be nurtured and can grow. But when men are unable to many other ways in which the United States can work for a free world, and I shall be listening with interest to the views which you present on tonight's Town Meeting of the Air.

But one of the <u>great</u> contributions we can make is exemplified by the World Town Hall Seminar itself through its encouragement of the free exchange and discussion of ideas among all peoples. The institution of the Town bound together with those of other democratic, freedom-loving nations. It is in acknowledgment of this fact that the United States launched the European Recovery Program, and gave its support to the United Nations, the International Trade Organization, the Reciprocal Trade Program, the North Atlantic Treaty, and the provision of technical assistance for under-developed areas.

There undoubtedly are a great

I happened to be in Europe and the Near East during part of the time that the Town Hall group was there, and I know from first hand of the warm welcome which greeted you.

I note that tonight's Town Meeting of the Air will be a report by Seminar members of their ideas on how America can continue to contribute to the concept of a free world. We know that our hopes for peace and our own security and prosperity are understanding.

The United States is giving considerable effort to a great cooperative program for world peace and economic stability. It is inspiring to me that, at such a time, the leaders in so many diverse fields of interest and endeavor should combine -- as you have done -- to provide the world with a graphic demonstration of the faith and the good will of the American people.

Mr. Denny, members of the World Town Hall Seminar, and distinguished guests: I am very pleased to have the opportunity of meeting with the Seminar members today. I want to commend and congratulate you for your part in taking "America's Town Meeting" and the Town Hall World Seminar to our friends around the globe. In my opinion, your endeavors have been most effective in helping cement the foundations of international

"INTERNATIONAL EXCHANGE OF IDEAS --
A TWO-WAY MISSION"

ADDRESS BY SECRETARY SNYDER

BEFORE LUNCHEON MEETING OF THE

TOWN HALL, INCORPORATED

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Washington Hotel
Washington, D. C.

October 18, 1949

TREASURY DEPARTMENT

Washington

The following address by Secretary Snyder before the Washington Homecoming of the 'Round-the-World Town Meeting and World Town Hall Seminar at the Hotel Washington, Washington, D.C., is scheduled for delivery at 1:00 P.M. EST Tuesday, October 18, 1949, and is for release at that time.

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INTERNATIONAL EXCHANGE OF IDEAS -- A TWO-WAY MISSION

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S-2143

TREASURY DEPARTMENT

Washington

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There undoubtedly are a great many other ways in which the United States can work for a free world, and I shall be listening with interest to the views which you present on tonight's Town Meeting of the Air.

But one of the great contributions we can make is exemplified by the World Town Hall Seminar itself through its encouragement of the free exchange and discussion of ideas among all peoples. The institution of the Town Meeting is a deep-rooted American tradition. If we could expand it to world-wide proportions, many of the existing reasons for international anxiety and fear would vanish.

For freedom of expression and discussion is the cornerstone upon which all liberties rest. So long as this cornerstone is secure, all freedoms can be nurtured and can grow. But when men are unable to express their thoughts freely, the very right to have an opinion is denied. And it is then that all basic freedoms vanish or are at the whim of irresponsible forces.

Without freedom of thought and speech, this nation of ours could never have reached the greatness it has achieved. The unfettered exchange and discussion of ideas have provided an avenue for our great advances in knowledge and skill. They have made possible our progress, our prosperity, and our leadership in the world today.

Town Hall has stimulated in great measure the advance of knowledge. Through Town Hall's cultural activities, minds have been enriched. Its lecture series, its classroom courses, its concert, radio and television programs bring a great many Americans, and a great many foreign friends of Americans, into the orbit of vigorous thought and active expression of that thought.

The efforts which have gone into the success of Town Hall have included those of a long list of distinguished citizens who have served the organization as trustees, as officers, or as friends and well wishers. I think all present this afternoon will agree that these builders of the Town Hall of today are entitled to recognition as public benefactors.

It was in the same spirit of pioneering in the stimulation of thought that Mr. Denny and his associates were prompted to plan and carry out the world tour which has just ended.

To organize a group of upwards of three dozen leaders of the chief fields of American life, and take them on so extensive an exploration, was indeed a challenging task. I hope that all of you have had or will have an opportunity to read the summary reports on the events and discussions of the trip prepared by Mr. Chester S. Williams.

My visits to some of the capitals preceded the arrival of the Town Hall representatives by a very few days. In those instances, I had an unusual opportunity of gaining an impression of the interest shown in the approaching visit of the Town Hall group.

This interest was indeed broad and diverse. It was manifested in active discussion among foreign government officials and private citizens whom I had the pleasure of meeting.

In the face-to-face contacts made on the Town Hall world tour, and in the friendly exchanges of information and ideas about our democratic hopes and aspirations, many currents of thought toward world democracy must have been generated.

It is interesting to note from the reports that your spokesmen were questioned on numerous occasions during the tour's seminars as to whether we felt that democracy had reached perfection here in America. These questioners as a rule had specific points to raise.

All questions appear to have been answered candidly. I am sure that such candor proved the value of the seminars as object lessons in the working out of the cardinal American doctrine that minds must be free and expression of thought unfettered if we are to have good government.

The policies of government can never satisfy all of the people; democratic government must, of necessity, be one of many compromises. But the conduct of government, if it is responsive to its purposes, should have not only the intelligent consent but the vigorous guidance and support of its citizens. Otherwise, the people of a democracy must share much of the blame for any of its shortcomings, for no truly democratic government can progress much farther or more rapidly than its citizens permit. Its policies are shaped and molded in each individual community in the Nation.

Good government is a matter of personal interest, of individual concern. It deserves and needs the active attention of everyone. Yet many thinking people are seriously concerned over the fact that many of their fellow citizens, seemingly unmindful of the obligations of democracy, are apathetic toward the affairs of their government. Vigorous public discussion of ideas and issues is a duty which we owe to government and to ourselves. It develops knowledge, sharpens understanding, and directs action. Time and again, we have proved beyond doubt the benefit which the individual derives when he gives his time, his thought, and his constructive action not only to his own gain, but to the problems of his community and his nation as a whole.

The people of the United States have traditionally fostered freedom of expression. In his inaugural address last January, President Truman restated those essential principles of the faith by which we live, when he said that we believe that all men have the right to freedom of thought and expression.

The laws and the principles and declarations of governments, however, can not provide the moral force for the establishment of this freedom thoughout the world. For, such a force stems from the recognition by the people of the inherent dignity of man. It is evidenced by tolerance, patience, and good will.

I advocate more Town Meetings for America and for the world. In the wisdom and mutual respect that is generated through the free exchange and discussion of ideas, both within America and among the people of all nations, rests one of the bright hopes for the building of a better world.

I again congratulate you members and sponsors of the Town Hall World Tour upon what you are accomplishing in the interests of peace, freedom, and security.

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IMMEDIATE RELEASE
October 18, 1949

S-2144

The Bureau of Customs announced today that of the quota of 60,000,000 pounds of white or Irish potatoes, other than certified seed, approximately 21,000,000 pounds have been entered for consumption during the quota period September 15 through October 8, 1949.

Collectors of customs have been instructed to require the deposit of estimated duties at the full tariff rate on entries for consumption of such potatoes as of October 18, 1949.

TREASURY DEPARTMENT

Information Service WASHINGTON, D.C.

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purposes of taxation the amount of discount at which Treasury bills are originally sold by the United States shall be considered to be interest. Under Sections 42 and 117 (a) (1) of the Internal Revenue Code, as amended by Section 115 of the Revenue Act of 1941, the amount of discount at which bills issued hereunder are sold shall not be considered to accrue until such bills shall be sold, redeemed or otherwise disposed of, and such bills are excluded from consideration as capital assets. Accordingly, the owner of Treasury bills (other than life insurance companies) issued hereunder need include in his income tax return only the difference between the price paid for such bills, whether on original issue or on subsequent purchase, and the amount actually received either upon sale or redemption at maturity during the taxable year for which the return is made, as ordinary gain or loss.

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.

~~ALPHA~~

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, tenders will be opened at the Federal Reserve Banks and Branches, following which public announcement will be made by the Secretary of the Treasury of the amount and price range of accepted bids. Those submitting tenders will be advised of the acceptance or rejection thereof. The Secretary of the Treasury expressly reserves the right to accept or reject any or all tenders, in whole or in part, and his action in any such respect shall be final. Subject to these reservations, non-competitive tenders for $200,000 or less without stated price from any one bidder will be accepted in full at the average price (in three decimals) of accepted competitive bids. Settlement for accepted tenders in accordance with the bids must be made or completed at the Federal Reserve Bank on October 27, 1949 ~~(8)~~, in cash or other immediately available funds or in a like face amount of Treasury bills maturing October 27, 1949 ~~(9)~~. Cash and exchange tenders will receive equal treatment. Cash adjustments will be made for differences between the par value of maturing bills accepted in exchange and the issue price of the new bills.

The income derived from Treasury bills, whether interest or gain from the sale or other disposition of the bills, shall not have any exemption, as such, and loss from the sale or other disposition of Treasury bills shall not have any special treatment, as such, under the Internal Revenue Code, or laws amendatory or supplementary thereto. The bills shall be subject to estate, inheritance, gift or other excise taxes, whether Federal or State, but shall be exempt from all taxation now or hereafter imposed on the principal or interest thereof by any State, or any of the possessions of the United States, or by any local taxing authority. For

~~Exhibit 1~~

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TREASURY DEPARTMENT
Washington

S - 2145

FOR RELEASE, MORNING NEWSPAPERS,
Friday, October 21, 1949.
~~(1)~~

The Secretary of the Treasury, by this public notice, invites tenders for $900,000,000 ~~(2)~~, or thereabouts, of 91 ~~(3)~~ -day Treasury bills, for cash and in exchange for Treasury bills maturing October 27, 1949 ~~(4)~~, to be issued on a discount basis under competitive and non-competitive bidding as hereinafter provided. The bills of this series will be dated October 27, 1949 ~~(5)~~, and will mature January 26, 1950 ~~(6)~~, when the face amount will be payable without interest. They will be issued in bearer form only, and in denominations of $1,000, $5,000, $10,000, $100,000, $500,000, and $1,000,000 (maturity value).

Tenders will be received at Federal Reserve Banks and Branches up to the closing hour, two o'clock p.m., Eastern Standard time, Monday, October 24, 1949 ~~(7)~~. Tenders will not be received at the Treasury Department, Washington. Each tender must be for an even multiple of $1,000, and in the case of competitive tenders the price offered must be expressed on the basis of 100, with not more than three decimals, e. g., 99.925. Fractions may not be used. It is urged that tenders be made on the printed forms and forwarded in the special envelopes which will be supplied by Federal Reserve Banks or Branches on application therefor.

Tenders will be received without deposit from incorporated banks and trust companies and from responsible and recognized dealers in investment securities. Tenders from others must be accompanied by payment of 2 percent of the face

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TREASURY DEPARTMENT

Information Service **WASHINGTON, D.C.**

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Friday, October 21, 1949.

S-2145

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Tenders will be received without deposit from incorporated banks and trust companies and from responsible and recognized dealers in investment securities. Tenders from others must be accompanied by payment of 2 percent 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, tenders will be opened at the Federal Reserve Banks and Branches, following which public announcement will be made by the Secretary of the Treasury of the amount and price range of accepted bids. Those submitting tenders will be advised of the acceptance or rejection thereof. The Secretary of the Treasury expressly reserves the right to accept or reject any or all tenders, in whole or in part, and his action in any such respect shall be final. Subject to these reservations, non-competitive tenders for $200,000 or less without stated price from any one bidder will be accepted in full at the average price

(in three decimals) of accepted competitive bids. Settlement for accepted tenders in accordance with the bids must be made or completed at the Federal Reserve Bank on October 27, 1949, in cash or other immediately available funds or in a like face amount of Treasury bills maturing October 27, 1949. Cash and exchange tenders will receive equal treatment. Cash adjustments will be made for differences between the par value of maturing bills accepted in exchange and the issue price of the new bills.

The income derived from Treasury bills, whether interest or gain from the sale or other disposition of the bills, shall not have any exemption, as such, and loss from the sale or other disposition of Treasury bills shall not have any special treatment, as such, under the Internal Revenue Code, or laws amendatory or supplementary thereto. The bills shall be subject to estate, inheritance, gift or other excise taxes, whether Federal or State, but shall be exempt from all taxation now or hereafter imposed on the principal or interest thereof by any State, or any of the possessions of the United States, or by any local taxing authority. For purposes of taxation the amount of discount at which Treasury bills are originally sold by the United States shall be considered to be interest. Under Sections 42 and 117 (a) (1) of the Internal Revenue Code, as amended by Section 115 of the Revenue Act of 1941, the amount of discount at which bills issued hereunder are sold shall not be considered to accrue until such bills shall be sold, redeemed or otherwise disposed of, and such bills are excluded from consideration as capital assets. Accordingly, the owner of Treasury bills (other than life insurance companies) issued hereunder need include in his income tax return only the difference between the price paid for such bills, whether on original issue or on subsequent purchase, and the amount actually received either upon sale or redemption at maturity during the taxable year for which the return is made, as ordinary gain or loss.

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.

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TREASURY DEPARTMENT
Fiscal Service
Washington, Oct. ~~5~~ 25, 1949

STATUTORY DEBT LIMITATION
AS OF September 30, 1949

Section 21 of the Second Liberty Bond Act, as amended, provides that the face amount of obligations issued under authority of that Act, and the face amount of obligations guaranteed as to principal and interest by the United States (except such guaranteed obligations as may be held by the Secretary of the Treasury), "shall not exceed in the aggregate $275,000,000,000 outstanding at any one time. For purposes of this section the current redemption value of any obligation issued on a discount basis which is redeemable prior to maturity at the option of the holder shall be considered as its face amount."

The following table shows the face amount of obligations outstanding and the face amount which can still be issued under this limitation:

Total face amount that may be outstanding at any one time			$275,000,000,000
Outstanding			
Obligations issued under Second Liberty Bond Act, as amended			
Interest-bearing:			
Treasury bills	$ 12,315,448,000		
Certificates of indebtedness	30,441,453,000		
Treasury notes	10,492,500,600	$ 53,249,401,600	
Bonds -			
Treasury	109,133,072,450		
Savings (current redemp.value)	56,600,382,245		
Depositary	376,740,500		
Armed Forces Leave	367,636,325		
Investment series	953,915,000	167,431,746,520	
Special Funds -			
Certificates of indebtedness	17,681,972,000		
Treasury notes	16,232,374,000	33,914,346,000	
Total interest-bearing		254,595,494,120	
Matured, interest-ceased		216,380,205	
Bearing no interest:			
War savings stamps	50,436,047		
Excess profits tax refund bonds	4,381,007		
Special notes of the United States:			
Internat'l Bank for Reconst. and Development series	-		
Internat'l Monetary Fund series	1,057,000,000	1,111,817,054	
Total		255,923,691,379	
Guaranteed obligations (not held by Treasury):			
Interest-bearing:			
Debentures: F.H.A.	14,362,436		
Demand obligations: C.C.C.	11,967,642	26,330,078	
Matured, interest-ceased		3,029,200	
		29,359,278	
Grand total outstanding			255,953,050,657
Balance face amount of obligations issuable under above authority			19,046,949,343

Reconcilement with Statement of the Public Debt - September 30, 1949
(Daily Statement of the United States Treasury, October 3, 1949

Outstanding -	
Total gross public debt	256,679,558,717
Guaranteed obligations not owned by the Treasury	29,359,278
Total gross public debt and guaranteed obligations	256,708,917,995
Deduct - other outstanding public debt obligations not subject to debt limitation	755,867,338
	255,953,050,657

2146

STATUTORY DEBT LIMITATION
As of September 30, 1949

October 25, 1949

Section 21 of the Second Liberty Bond Act, as amended, provides that the face amount of obligations issued under authority of that Act, and the face amount of obligations guaranteed as to principal and interest by the United States (except such guaranteed obligations as may be held by the Secretary of the Treasury), "shall not exceed in the aggregate $275,000,000,000 outstanding at any one time. For purposes of this section the current redemption value of any obligation issued on a discount basis which is redeemable prior to maturity at the option of the holder shall be considered as its face amount."

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S-2146

RELEASE MORNING NEWSPAPERS,
Tuesday, October 25, 1949.

S-2147

The Secretary of the Treasury announced last evening that the tenders for $900,000,000, or thereabouts, of 91-day Treasury bills to be dated October 27, 1949, and to mature January 26, 1950, which were offered on October 21, 1949, were opened at the Federal Reserve Banks on October 24.

The details of this issue are as follows:

Total applied for - $1,618,878,000
Total accepted - 900,403,000 (includes $84,135,000 entered on a non-competitive basis and accepted in full at the average price shown below)
Average price - 99.738/ Equivalent rate of discount approx. 1.036% per annum

Range of accepted competitive bids:

High	- 99.746	Equivalent rate of discount approx.	1.005% per annum
Low	- 99.737	" " " " "	1.040% " "

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

Federal Reserve District	Total Applied for	Total Accepted
Boston	$ 14,162,000	$ 12,562,000
New York	1,264,501,000	619,121,000
Philadelphia	24,838,000	13,583,000
Cleveland	40,480,000	40,480,000
Richmond	5,336,000	5,336,000
Atlanta	11,849,000	10,799,000
Chicago	113,963,000	75,863,000
St. Louis	16,528,000	13,973,000
Minneapolis	7,590,000	7,590,000
Kansas City	14,932,000	14,932,000
Dallas	23,609,000	21,299,000
San Francisco	81,090,000	64,865,000
TOTAL	$1,618,878,000	$900,403,000

TREASURY DEPARTMENT

Information Service WASHINGTON, D.C.

RELEASE MORNING NEWSPAPERS,
Tuesday, October 25, 1949.

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Chicago	113,963,000	75,863,000
St. Louis	16,528,000	13,973,000
Minneapolis	7,590,000	7,590,000
Kansas City	14,932,000	14,932,000
Dallas	23,609,000	21,299,000
San Francisco	81,090,000	64,865,000
TOTAL	$1,618,878,000	$900,403,000

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to instruct its field officers to collect estimated duties on an importation on the basis of the highest rate last certified, while suspending appraisement and liquidation until further information and instructions could be formulated and issued.

Commissioner Dow said that the delays occasioned by this former procedure will be obviated to a large degree by the new general instructions.

~~These provide, in a single package, a mechanism~~ whereby, as soon as Customs field officers are in possession of sufficient information regarding a particular currency, they can collect estimated duties on the basis of the rate or ~~rates~~ appearing ~~to~~ be applicable under the instructions. This rate will ~~not~~ always be ~~the~~ highest one certified. Customs officers then ~~may~~ proceed with appraisement and liquidation, applying the appropriate certified rate in each instance as soon as they have sufficient information to apply the general instructions.

The necessity of waiting for the issuance of instructions by the Department as to each currency is eliminated.

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Immediate Press Release

S-2148

Frank Dow, Commissioner of Customs, today announced application, throughout the Customs Service, of new, general instructions designed to expedite clearance of imported merchandise in situations where multiple rates of exchange are involved.

Multiple rate situations arise where the laws of a foreign country provide for different rates of exchange for different kinds of transactions, with the result that there may be two or more rates for the same currency applicable to different merchandise.

The determination, under the law, of applicable duties in these situations sometimes presents a formidable problems for Customs and importers.

The procedures now being effected are embodied in Treasury Decision 52328, published in the Federal Register on October 25, 1949, and which in the near future also will be reproduced in the official publication, "Treasury Decisions." Notice of the proposed issuance of the regulations previously was published under the Administrative Procedure Act to give interested persons an opportunity to present their views.

Treasury Decision 52328 is described as providing general instructions for the conversion of all foreign currencies for which the Federal Reserve Bank of New York, pursuant to statute, has certified multiple rates of exchange for use in the assessment and collection of duties on imported merchandise.

In the past, when multiple rates of exchange were certified or certification was suspended by the Federal Reserve Bank pending a study of the problem, it was necessary in each such case for the Treasury Department

TREASURY DEPARTMENT

Information Service WASHINGTON, D.C.

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Wednesday, October 26, 1949. S-2148

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Customs can readily check on the accuracy of such statements. Attempts to bring merchandise in under personal exemptions, as an accommodation to others, have also brought penalties to a number of tourists.

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In no case is the $200 exemption allowable more often than once in any 31 day period.

Mr. Dow pointed out that other provisions of the tariff act provide for an additional personal exemption on merchandise, to the extent of $300 in value, where the traveler has been out of the country for at least 12 days. This exemption must not have been claimed within six months prior to the return from a trip abroad.

Liquors and cigars may not be included in the $300 exemption, and, under the new $200 basic exemption, not more than one wine gallon of alcoholic beverages, nor more than 100 cigars may be included.

Members of a family residing in one household, and traveling together on their return to the United States may combine their exemptions and apply the total of exemptions to the value of all articles which they acquired on the trip.

Commissioner Dow pointed out that expenditures by American tourists constitute an important source of dollar exchange for other nations desiring to trade with us.

Such travel appears to have been at record levels this year, with passengers arriving in the United States by automobile alone exceeding 7,000,000 in August, the latest month for which figures are available.

Mr. Dow urged returning travelers to be careful to report accurately to customs the time and circumstances of their trips, and the value of articles purchased abroad. He said the vast majority of residents are completely honest in their dealings with customs, but that penalties have had to be assessed a number of travelers during the past season for false declarations on such matters as frequency of trips and time spent out of the country.

Immediate

P~~roposed~~ Press Release

S-2149

United States residents returning from abroad under circumstances conforming to requirements as to duration of trip and intervals between trips now are entitled to bring in merchandise for personal use, duty free, ~~to the extent of an additional $100 in value. This means that, subject to specific limitations on liquor and cigars, the traveler may be entitled to a personal exemption of~~ of value up to $200 on short trips, and of as much as $500 on stays out of the country of more than 12 days.

Frank Dow, Commissioner of Customs today announced that Customs officers at all ports of entry have begun applying the provisions of ~~Public Law~~ legislation, signed Tuesday by the President, raising the basic exemption figure from $100 to $200.

To qualify for duty free treatment, such merchandise must be acquired abroad as an incident of the trip, for personal or household use, and be properly declared at the port of arrival in the United States. Articles acquired as an accommodation to others, or for commercial purposes are not entitled to exemption from duty.

The basic exemption of $200 applies usually only when the traveler has been abroad for at least 48 hours. However, a traveler returning through a port along the California-Mexico border need be abroad only 24 hours to qualify for the exemption; and upon return through a port in Texas, Arizona, or NewMexico, there is no time restriction at all for articles acquired in Mexico.

TREASURY DEPARTMENT

Information Service WASHINGTON, D.C.

IMMEDIATE RELEASE,
Wednesday, October 26, 1949. S-2149

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Mr. Dow urged returning travelers to be careful to report accurately to customs the time and circumstances of their trips, and the value of articles purchased abroad. He said the vast majority of residents are completely honest in their dealings with customs, but that penalties have had to be assessed a number of travelers during the past season for false declarations on such matters as frequency of trips and time spent out of the country.

Customs can readily check on the accuracy of such statements. Attempts to bring merchandise in under personal exemptions, as an accommodation to others, have also brought penalties to a number of tourists.

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before. But we in America are accustomed to overcoming difficulties. We are not dismayed by change. We have made it clear that we will continue to devote all of our energies and all of our will to strengthening the foundations of our individual freedom, and our own way of living.

this because they have found that working together for the common welfare pays; that only joint efforts -- on a voluntary basis -- can provide the clear thinking and bold actions so urgently needed in meeting the complex problems of today.

Our problems will not be easy, and -- on both the domestic and the foreign fronts -- we may be sure that they will seldom take the exact form of problems which we have met just as truly as the record of our other achievements, reflects these advances. Today, bankers are undertaking their broader responsibilities in the life of the Nation with the utmost earnestness and integrity of purpose. They are making great contributions to the successful functioning of our free enterprise system and our democratic form of Government in all of its many aspects. And they are doing which we have overcome our postwar difficulties, and forged ahead, lies in the fact that we have had faith in our American system and in our American ways of doing things.

We accepted our responsibilities, whether domestic or foreign, in that same spirit of confidence which has marked American endeavor since this Nation's earliest days.

Yes, much has already been accomplished; and our banking history, Such influences as these will provide continued strong support to our economy in the days ahead.

In addition, I could mention many new developments resulting from our wartime discoveries which may well provide a volume of demand for new and improved products unprecedented in the business history of this country.

In my belief, an important explanation of the success with demands for many types of construction, and for the building of new roads and highways. Their powerful influence is seen in the unusually high volume of building activity so far this year, and in the number of commitments already made for the future. Contract awards in September for new residential construction were 88 percent higher than a year earlier; while total construction awards were 43 percent higher./

decentralization of housing, shopping centers, and service facilities.

We have 8 million more families in the United States today than we had in 1940 -- this increase alone, for example, is greater than the number of families now living in all of Canada. These people must be fed, clothed, housed, educated, and provided with a wide variety of community services.

These developments mean new

requirements for new construction, particularly of new houses and community facilities.

For many years, the repair and modernization of these facilities were allowed to lag. We have now a greatly increased rate of population growth; we have had vast shifts in population between different sections of the country; and in all of our metropolitan areas there has been a tremendous movement toward a alike have taken precautions that credit did not become over-extended during the inflationary period. But as inflationary pressures diminished, credit was immediately available in needed quantities.

Therefore, starting with a basically sound present situation we face the future with many demands which industry has thus far been unable to meet. Outstanding among these are the continued urgent the latest month available, were only 2 percent lower than last year in dollar value, and were higher than last year in actual unit volume. Demand has been sustained not only by the continued high level of incomes, but also by the backlog of purchasing power inherent in our all-time record volume of personal savings.

The financial situation, likewise, could scarcely be in a sounder position. As you know, bankers and businessmen employment, the number of workers employed has risen more than seasonally since July. This is particularly significant, since manufacturing activities were among the first to be affected by inventory adjustments during the past 12 months.

kept pa[illegible]

Throughout this period, the continued high volume of retail sales has provided unmistakable evidence of the strength of consumer demand. Total retail sales in September, the main business trend over the months ahead. I shall not attempt to forecast the duration of current work stoppages, which, in any event, can dominate the business picture only temporarily. Serious as they appear today, when they are finally settled, the strong underlying forces will again come into full play, and production will be expanded to build up depleted stocks.

In the vital area of manufacturing

of the total labor force.

Since mid-summer, as you know, there has been a noticeable improvement in many lines of activity and trade. This has been reflected in a number of the indexes which sum up business trends; and it has been reflected, also, in a more confident attitude on the part of the business community.

I am speaking, of course, of basic conditions, which will determine pull us back.

Both incomes and jobs -- in the aggregate -- have held up, month after month, at close to the all-time record level of last year. Incomes, so far this year, have averaged even higher than in the same months of the highly prosperous 1948. Total civilian employment in recent months has been practically at the 60 million figure; and unemployment, at its seasonal peak during the summer, amounted to a little over 6 percent proven unfounded. We have experienced business readjustments -- many of them -- throughout the economy. Certain industries and localities have, of course, felt the impact of the adjustment more severely than others.

On the broader front of the national economy, however, it has become increasingly apparent as the year went forward that the basic factors making for our continued growth and progress have been far stronger than the forces tending to

These needs and aspirations will change -- just as they have changed in the past. This year, in particular, we have had to adjust ourselves to many new circumstances. But the basic strength of our country has again been demonstrated.

American business is having another tremendous year in 1949. The predictions of the pessimists that we could not return to conditions of abundant supply without severe dislocations of the economy have learned in the course of democratic living. As you will note, I have chosen only the ones which are closest to your own everyday experience -- and to mine. But wherever we look, our institutions and our ways of doing things provide clear evidence that our democratic system of Government works; that it can be adapted to meet all the needs and all the aspirations of a free people.

voluntarily did not come about by chance, and it could not have been achieved by statute. It came about because we believed in our free institutions sufficiently to devote time and energy, year after year, to shaping our laws and adapting our customs generally to fit the changing requirements of a vigorous, growing Nation.

There are many other examples of the lessons which we Americans have would be many times their present amount, while the receipts realized by the Government would be much lower. Indeed, there is considerable doubt as to whether our present broadly based income tax could be continued at all in the absence of a spirit of genuine cooperation on the part of the great majority of our taxpaying citizens.

This basic willingness of our citizens to comply with the tax laws

Just remember that ours is one of the few countries in the world today that is able to rely for the major portion of its revenue on taxes that are voluntarily reported and paid by the mass of its citizens. During the past three years, an average of 96 percent of all internal revenue taxes collected have been on the basis of voluntary assessment and payment.

Under any other than voluntary self-assessment and payment -- we may be sure -- the costs of tax administration

Today, the public service activities of commercial bankers have become so commonplace that they are apt to be taken for granted. But it is important to recognize that they are of tremendous consequence in the daily conduct of our business life.

The distance we have gone along this cooperative road is illustrated even more strikingly in another area of governmental finance -- our revenue system.

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of this country you have learned that our democratic system can only function on the basis of certain fundamental principles of good citizenship: free discussion -- active participation -- and a primary concern for the general welfare.

There are numerous other instances of the voluntary participation of the commercial bankers of this country in activities which contribute primarily to the sound functioning

Treasury reduce bank-held debt and distribute Federal securities more widely among the people of the country.

There have been many other occasions on which you have urged the Government to take a course of action which, viewed in the narrow sense, was in conflict with your own short-term interests. But your advice has been frankly offered, nevertheless, because as citizens

Washington voluntarily to give the Government the benefit of their best thinking on the financial problems which confront the Nation. And often, the advice given is against their own immediate interests.

One striking instance is the position which was taken by the representatives of your Association during the period of inflationary pressures. At that time, you bankers did not hesitate to recommend that the changes which have been occurring in our own field -- banking and finance. In the short space of time since your Association was founded, bankers in this country have become more than bankers; they have learned to disassociate themselves from their strictly personal interests and to participate more actively in national and international affairs.

Today, bankers and representatives of other business groups come to of Americans in acting together for a common purpose. We have transmitted our heritage of freedom, guaranteed by the Bill of Rights, from one generation to the next, yet each generation, out of its full measure of rich and varied experience has preserved and strengthened this priceless heritage. We must continue to add greater strength to the moral fabric of our nation.

Let me illustrate this by the

do as respected members of our communities.

It is important to realize that the changes over the years in the ethical values which govern our daily actions are equally as striking as the spectacular achievements in the material field. And it is important to realize, also, that the high standards which govern our conduct today have grown out of the experience of successive generations

But our real progress is not to be measured by material things alone. In a deeper sense, it can only be judged by the changes which take place, year by year, in the scale of values which we as a people apply to our daily living.

Many of these values are codified into law, but fundamentally they rest on our concepts of right and wrong, of what is fair and decent, and of what we will do and will not

Nation as a whole.

For the very reason, however, that economic conditions and business practices have changed so radically during the past 75 years, we Americans are apt to think of our progress solely in terms of material achievements. Certainly we have every reason to take pride in these achievements; for they have brought better living and richer opportunities for development to all of our citizens.

The farsighted cooperation of American banking has made a great contribution to American progress. Down through the years, banking practice and banking operation have grown with our economy. Today, you bankers must be specialists in the whole broad field of business analysis and customers' needs. You must be able to interpret business and economic trends, not only in your own communities, but in the which inventive and productive genius could flourish.

As a young, growing country, we believed in change and in planning for a larger future. And our belief was justified. Productivity -- the true source of our high American standard of living -- has constantly increased. Obsolete industries and outmoded ways of doing things have given away to new products and new techniques, and in the process, millions of new jobs were created.

American banking during the lifetime of your Association, and of the increasing capacity which you have shown for productive work of national significance.

When we look back over the past three quarters of a century, a momentous period in our history, the fact that impresses us most is that here in America, more than in any other country in the world, the environment has been provided in of the four years just passed. They are the real measure of the distance we have gone since V-J Day.

In a broader sense, however, they are the fruit of our much longer experience in working together to make our democratic system function.

This year the American Bankers Association has entered its 75th year of cooperative endeavor. You can be proud of the great contributions you have made to

On the domestic front, our economy has shown a flexibility and a capacity for uninterrupted progress which we would not have dared predict four years ago. And in the area of international relations, our people have shown a sympathetic understanding and a willingness to offer assistance which has greatly strengthened the efforts of free nations the world over to live and work together.

These are the real achievements

entire reversal of opinion on the part of those who narrowly limited their vision to surface changes in the business scene.

When we look at these past four years as a whole -- and separate the important from the less important -- one major fact stands out. And that is the strength which our system of private enterprise and democratic Government has demonstrated in the face of constantly changing situations.

But we can gain real encouragement, and readjust our perspective, if we look back a little. It has been four years since V-J Day -- four years of such rapid change that it is hard to recall the problems which seemed so formidable during the early postwar period, let alone the predictions of what was to happen. Even the short space of six months -- the last six months, specifically -- has been long enough to bring an evaluate; there has been a need for new decisions in the field of international finance; and there have been serious new trials of our determination to win the peace. You bankers, as leaders in your communities and in the Nation, have, I know, been giving all of these matters your most serious thought.

At times, the size and number of the difficulties which confront us may have seemed discouraging.

It is a real pleasure to be here today with the bankers of America. This occasion brings back many pleasant memories of other meetings which I have attended with the members of your Association -- both nationally assembled, as today, and in the conferences held by your State Associations.

This year, many current issues have given us concern. There have been business readjustments to

Mr. Saxon
For Mimeo

ADDRESS BY SECRETARY SNYDER

BEFORE THE

AMERICAN BANKERS ASSOCIATION

San Francisco, California

November 1, 1949

TREASURY DEPARTMENT

Washington

The following address by Secretary Snyder before the American Bankers Association, at the Curran Theatre, San Francisco, California, is scheduled for delivery about 10:00 a.m., P.S.T., Tuesday, November 1, 1949, and is for release on delivery.

S-2150

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Many of these values are codified into law, but fundamentally they rest on our concepts of right and wrong, of what is fair and decent, and of what we will do and will not do as respected members of our communities.

It is important to realize that the changes over the years in the ethical values which govern our daily actions are equally as striking as the spectacular achievements in the material field. And it is important to realize, also, that the high standards which govern our conduct today have grown out of the experience of successive generations of Americans in acting together for a common purpose. We have transmitted our heritage of freedom, guaranteed by the Bill of Rights, from one generation to the next, yet each generation, out of its full measure of rich and varied experience has preserved and strengthened this priceless heritage. We must continue to add greater strength to the moral fabric of our nation.

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Today, the public service activities of commercial bankers have become so commonplace that they are apt to be taken for granted. But it is important to recognize that they are of tremendous consequence in the daily conduct of our business life.

The distance we have gone along this cooperative road is illustrated even more strikingly in another area of governmental finance — our revenue system.

Just remember that ours is one of the few countries in the world today that is able to rely for the major portion of its revenue on taxes that are voluntarily reported and paid by the mass of its citizens. During the past three years, an average of 96 percent of all internal revenue taxes collected have been on the basis of voluntary assessment and payment.

Under any other than voluntary self-assessment and payment — we may be sure — the costs of tax administration would be many times their present amount, while the receipts realized by the Government would be much lower. Indeed, there is considerable doubt as to whether our present broadly based income tax could be continued at all in the absence of a spirit of genuine cooperation on the part of the great majority of our taxpaying citizens.

This basic willingness of our citizens to comply with the tax laws voluntarily did not come about by chance, and it could not have been achieved by statute. It came about because we believed in our free institutions sufficiently to devote time and energy, year after year, to shaping our laws and adapting our customs generally to fit the changing requirements of a vigorous, growing Nation.

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These needs and aspirations will change — just as they have changed in the past. This year, in particular, we have had to adjust ourselves to many new circumstances. But the basic strength of our country has again been demonstrated.

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purposes of taxation the amount of discount at which Treasury bills are originally sold by the United States shall be considered to be interest. Under Sections 42 and 117 (a) (1) of the Internal Revenue Code, as amended by Section 115 of the Revenue Act of 1941, the amount of discount at which bills issued hereunder are sold shall not be considered to accrue until such bills shall be sold, redeemed or otherwise disposed of, and such bills are excluded from consideration as capital assets. Accordingly, the owner of Treasury bills (other than life insurance companies) issued hereunder need include in his income tax return only the difference between the price paid for such bills, whether on original issue or on subsequent purchase, and the amount actually received either upon sale or redemption at maturity during the taxable year for which the return is made, as ordinary gain or loss.

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.

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, tenders will be opened at the Federal Reserve Banks and Branches, following which public announcement will be made by the Secretary of the Treasury of the amount and price range of accepted bids. Those submitting tenders will be advised of the acceptance or rejection thereof. The Secretary of the Treasury expressly reserves the right to accept or reject any or all tenders, in whole or in part, and his action in any such respect shall be final. Subject to these reservations, non-competitive tenders for $200,000 or less without stated price from any one bidder will be accepted in full at the average price (in three decimals) of accepted competitive bids. Settlement for accepted tenders in accordance with the bids must be made or completed at the Federal Reserve Bank on November 3, 1949, in cash or other immediately available funds or in a like face amount of Treasury bills maturing November 3, 1949. Cash and exchange tenders will receive equal treatment. Cash adjustments will be made for differences between the par value of maturing bills accepted in exchange and the issue price of the new bills.

The income derived from Treasury bills, whether interest or gain from the sale or other disposition of the bills, shall not have any exemption, as such, and loss from the sale or other disposition of Treasury bills shall not have any special treatment, as such, under the Internal Revenue Code, or laws amendatory or supplementary thereto. The bills shall be subject to estate, inheritance, gift or other excise taxes, whether Federal or State, but shall be exempt from all taxation now or hereafter imposed on the principal or interest thereof by any State, or any of the possessions of the United States, or by any local taxing authority. For

~~Exhibit I~~

~~ALPHA~~

TREASURY DEPARTMENT
Washington

FOR RELEASE, MORNING NEWSPAPERS,
Friday, October 28, 1949.

S-215-1

The Secretary of the Treasury, by this public notice, invites tenders for $ 1,000,000,000 , or thereabouts, of 91 -day Treasury bills, for cash and in exchange for Treasury bills maturing November 3, 1949 , to be issued on a discount basis under competitive and non-competitive bidding as hereinafter provided. The bills of this series will be dated November 3, 1949 , and will mature February 2, 1950 , when the face amount will be payable without interest. They will be issued in bearer form only, and in denominations of $1,000, $5,000, $10,000, $100,000, $500,000, and $1,000,000 (maturity value).

Tenders will be received at Federal Reserve Banks and Branches up to the closing hour, two o'clock p.m., Eastern Standard time, Monday, October 31, 1949 . Tenders will not be received at the Treasury Department, Washington. Each tender must be for an even multiple of $1,000, and in the case of competitive tenders the price offered must be expressed on the basis of 100, with not more than three decimals, e. g., 99.925. Fractions may not be used. It is urged that tenders be made on the printed forms and forwarded in the special envelopes which will be supplied by Federal Reserve Banks or Branches on application therefor.

Tenders will be received without deposit from incorporated banks and trust companies and from responsible and recognized dealers in investment securities. Tenders from others must be accompanied by payment of 2 percent of the face

TREASURY DEPARTMENT

Information Service WASHINGTON, D.C.

RELEASE MORNING NEWSPAPERS,
Friday, October 28, 1949.

S-2151

The Secretary of the Treasury, by this public notice, invites tenders for $1,000,000,000, or thereabouts, of 91-day Treasury bills, for cash and in exchange for Treasury bills maturing November 3, 1949, to be issued on a discount basis under competitive and non-competitive bidding as hereinafter provided. The bills of this series will be dated November 3, 1949, and will mature February 2, 1950, when the face amount will be payable without interest. They will be issued in bearer form only, and in denominations of $1,000, $5,000, $10,000, $100,000, $500,000, and $1,000,000 (maturity value).

Tenders will be received at Federal Reserve Banks and Branches up to the closing hour, two o'clock p.m., Eastern Standard time, Monday, October 31, 1949. Tenders will not be received at the Treasury Department, Washington. Each tender must be for an even multiple of $1,000, and in the case of competitive tenders the price offered must be expressed on the basis of 100, with not more than three decimals, e. g., 99.925. Fractions may not be used. It is urged that tenders be made on the printed forms and forwarded in the special envelopes which will be supplied by Federal Reserve Banks or Branches on application therefor.

Tenders will be received without deposit from incorporated banks and trust companies and from responsible and recognized dealers in investment securities. Tenders from others must be accompanied by payment of 2 percent 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, tenders will be opened at the Federal Reserve Banks and Branches, following which public announcement will be made by the Secretary of the Treasury of the amount and price range of accepted bids. Those submitting tenders will be advised of the acceptance or rejection thereof. The Secretary of the Treasury expressly reserves the right to accept or reject any or all tenders, in whole or in part, and his action in any such respect shall be final. Subject to these reservations, non-competitive tenders for $200,000 or less without stated price from any one bidder will be accepted in full at the average price

(in three decimals) of accepted competitive bids. Settlement for accepted tenders in accordance with the bids must be made or completed at the Federal Reserve Bank on November 3, 1949, in cash or other immediately available funds or in a like face amount of Treasury bills maturing November 3, 1949. Cash and exchange tenders will receive equal treatment. Cash adjustments will be made for differences between the par value of maturing bills accepted in exchange and the issue price of the new bills.

The income derived from Treasury bills, whether interest or gain from the sale or other disposition of the bills, shall not have any exemption, as such, and loss from the sale or other disposition of Treasury bills shall not have any special treatment, as such, under the Internal Revenue Code, or laws amendatory or supplementary thereto. The bills shall be subject to estate, inheritance, gift or other excise taxes, whether Federal or State, but shall be exempt from all taxation now or hereafter imposed on the principal or interest thereof by any State, or any of the possessions of the United States, or by any local taxing authority. For purposes of taxation the amount of discount at which Treasury bills are originally sold by the United States shall be considered to be interest. Under Sections 42 and 117 (a) (1) of the Internal Revenue Code, as amended by Section 115 of the Revenue Act of 1941, the amount of discount at which bills issued hereunder are sold shall not be considered to accrue until such bills shall be sold, redeemed or otherwise disposed of, and such bills are excluded from consideration as capital assets. Accordingly, the owner of Treasury bills (other than life insurance companies) issued hereunder need include in his income tax return only the difference between the price paid for such bills, whether on original issue or on subsequent purchase, and the amount actually received either upon sale or redemption at maturity during the taxable year for which the return is made, as ordinary gain or loss.

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.

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S-215-2

IMMEDIATE RELEASE
October 28, 1949

The Bureau of Customs announced today that 14,002,350 pounds of Egyptian, 674,285 pounds of Peruvian, and 1,405 pounds of Indian cotton, making a total of 14,678,040 pounds of cotton having a staple of 1-1/8 inches or more but less than 1-11/16 inches (other than linters), have been authorized release as of October 28, 1949, under the global quota of 16,487,042 pounds prescribed in the President's Proclamation of September 3, 1949, for the interim period September 20, 1949, to January 31, 1950, inclusive.

TREASURY DEPARTMENT

Information Service WASHINGTON, D.C.

IMMEDIATE RELEASE,
Friday, October 28, 1949. S-2152

The Bureau of Customs announced today that 14,002,350 pounds of Egyptian, 674,285 pounds of Peruvian, and 1,405 pounds of Indian cotton, making a total of 14,678,040 pounds of cotton having a staple of 1-1/8 inches or more but less than 1-11/16 inches (other than linters), have been authorized release as of October 28, 1949, under the global quota of 16,487,042 pounds prescribed in the President's Proclamation of September 3, 1949, for the interim period September 20, 1949, to January 31, 1950, inclusive.

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Immediate - Monday
~~Proposed~~ Press Release

S-2153

British, Canadian, and United States representatives today began a series of discussions of Customs procedural problems affecting trade between the three nations. The discussions, which will continue throughout the week, will be at the technical level.

Provision for continuing study of mutual problems in the Customs field were made at the recent Tri-Partite Economic conference held in Washington.

Under Secretary of the Treasury Edward H.Foley,Jr. and Customs Commissioner Frank Dow greeted the visiting experts at a preliminary session held in the Treasury at 11 o'clock Monday morning. Working sessions will begin Monday afternoon, in the Bureau of Customs.

It is anticipated that Commissioner Dow and his staff will have other discussions with representatives of other nations that have similar problems, during the next few months.

British technicians in the talks beginning today are Edmund Smith and R.Ashford, Customs; and J.A.E.Smart of the Board of Trade.

Canada is represented by W.Plumptre, Department of External Affairs; Hubert Kemp, Department of Trade; and Andrew Brown and Norman Sharkey of Customs.

In the United States group are, for Treasury, Phillip Nichols, Jr. and George Bronz, General Counsel's office; Morris Fields, Office of International Finance, and Kennedy Watkins, office of Assistant Secretary John S.Graham; and for Customs, W.R.Johnson, Special Assistant to the Commissioner; M.H.Rawlyns, Organization and Methods Examiner, and Wilbur H. Ziehl, Acting Deputy Commissioner.

Other Customs personnel will be called into the discussions of specific items.

TREASURY DEPARTMENT

Information Service WASHINGTON, D.C.

IMMEDIATE RELEASE,
Monday, October 31, 1949. S-2153

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