U.S. Treasury Dept.

Press Releases

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.

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 January 10, 1952, in cash or other immediately available funds or in a like face amount of Treasury bills maturing January 10, 1952. 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

~~Exhibit 1~~

~~ALPHA~~

TREASURY DEPARTMENT
Washington

FOR RELEASE, MORNING NEWSPAPERS,
Thursday, January 3, 1952 (1).

S-2921

The Secretary of the Treasury, by this public notice, invites tenders for $1,200,000,000 (2), or thereabouts, of 91 (3) -day Treasury bills, for cash and in exchange for Treasury bills maturing January 10, 1952 (4), in the amount of $1,200,685,000, to be issued on a discount basis under competitive and non-competitive bidding as hereinafter provided. The bills of this series will be dated January 10, 1952 (5), and will mature April 10, 1952 (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, January 7, 1952 (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.

Others than banking institutions will not be permitted to submit tenders except for their own account. 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,

TREASURY DEPARTMENT

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

RELEASE MORNING NEWSPAPERS,
Thursday, January 3, 1952. S-2921

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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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to provide additional funds and agents for narcotic enforcement, and enactment of the Boggs bill in November providing heavier penalties for narcotic traffickers.

Commissioner Anslinger expressed the belief that a large number of peddlers engaged in supplying narcotics to teen-agers had been caught.

The Bureau of Narcotics has been moving against second and third offenders since the Boggs bill became law. Through tireless and relentless enforcement, the trend toward an increase in teen-age drug addiction has been halted and there has been a sharp reduction in the number of teen-agers applying for hospitalization because of drug addiction.

Another effect of the Boggs bill has been a noticeable shift by narcotic traffickers to other rackets, following the sentencing of a number of second and third offenders to long prison terms.

~~Secretary Snyder announced today that agents of the Bureau of Narcotics had arrested some 500 narcotic peddlers in raids throughout the country beginning in the early hours of today.~~

The nation ~~country~~-wide clean-up of the illicit narcotic traffic represented ~~reported~~ an intensified effort by the Bureau of Narcotics to check drug addiction, particularly among teen-agers.

The raids, which took place in every major city of the United States, beginning in the early morning hours, were conducted under the direction of Commissioner ~~[illegible]~~ Anslinger. ~~of the Bureau of Narcotics.~~

~~It is believed complete reports will show extensive seizures of narcotics in connection with the arrests.~~

Today's clean-up had been carefully planned and organized, following action by Congress recently

Release 3 P.M. EST
Friday, January 4, 1952

S-2922

Secretary Snyder announced ~~today~~ this afternoon that Harry J. Anslinger, Commissioner of Narcotics, had reported during the day the arrest of some 500 narcotic peddlers in raids throughout the country ~~during the day~~.

TREASURY DEPARTMENT

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

RELEASE, 3 P.M., E.S.T.
Friday, January 4, 1952. S-2922

Secretary Snyder announced this afternoon that Harry J. Anslinger, Commissioner of Narcotics, had reported the arrest during the day of some 500 narcotic peddlers in raids throughout the country.

The nation-wide clean-up of the illicit narcotic traffic represented an intensified effort by the Bureau of Narcotics to check drug addiction, particularly among teen-agers.

The raids, which took place in every major city of the United States, beginning in the early morning hours, were conducted under the direction of Commissioner Anslinger.

Today's clean-up had been carefully planned and organized, following action by Congress recently to provide additional funds and agents for narcotic enforcement, and enactment of the Boggs bill in November providing heavier penalties for narcotic traffickers.

Commissioner Anslinger expressed the belief that a large number of peddlers engaged in supplying narcotics to teen-agers had been caught.

The Bureau of Narcotics has been moving against second and third offenders since the Boggs bill became law. Through tireless and relentless enforcement, the trend toward an increase in teen-age drug addiction has been halted and there has been a sharp reduction in the number of teen-agers applying for hospitalization because of drug addiction.

Another effect of the Boggs bill has been a noticeable shift by narcotic traffickers to other rackets, following the sentencing of a number of second and third offenders to long prison terms.

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Immediate Release
Monday, January 7, 1952
distribute at 11 am

~~Draft~~

5-2923

Mrs. Maybelle Kennedy of Pawhuska, Oklahoma, was sworn in today as Assistant Treasurer of the United States. She succeeds the late Mrs. Marion G. Banister.

Mrs. Kennedy has served as trustee, stockholder and director of the National Bank of Commerce in Pawhuska.

She was born in Knox County, Missouri on September 2, 1891, the daughter of the late Hiram S. and Nancy Bryant McClintock. She attended school at Oaklawn College, Novelty, Missouri.

Mrs. Kennedy, who is the mother of five children -- four girls and a boy -- has been an active business woman since the death of her husband, Edward Thomas Kennedy, of Pawhuska, in 1936.

~~Mrs. Kennedy~~ She becomes Assistant to Mrs. Georgia Neese Clark, Treasurer of the United States.

IMMEDIATE RELEASE
Monday, January 7, 1952 S-2923

Mrs. Maybelle Kennedy of Pawhuska, Oklahoma, was sworn in today as Assistant Treasurer of the United States. She succeeds the late Mrs. Marion G. Banister.

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She becomes Assistant to Mrs. Georgia Neese Clark, Treasurer of the United States.

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11

Immediate Release
Monday, January 7, 1952

5-2924

Secretary Snyder today appointed Charles R. McNeill an Assistant General Counsel for the Treasury Department. He succeeds Philip Nichols, who resigned to become General Counsel of the Renegotiation Board. Among his duties as Assistant General Counsel will be supervision of the legal work of the bureaus of Customs and Narcotics.

Mr. McNeill, a Pennsylvanian, has been a member of the staff of the General Counsel since April, 1943.

He is a graduate of Amherst and Harvard Law School. He practiced law for four years in Erie, Pennsylvania, before coming to the Treasury Department.

Mr. McNeill represented the Treasury on the United States delegation to the Fourth Session of the Contracting Parties to the General Agreement on Tariffs and Trade at Geneva, Switzerland.

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TREASURY DEPARTMENT

Information Service WASHINGTON, D.C.

IMMEDIATE RELEASE
Monday, January 7, 1952 S-2924

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Mr. McNeill represented the Treasury on the United States delegation to the Fourth Session of the Contracting Parties to the General Agreement on Tariffs and Trade at Geneva, Switzerland.

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S-2925

RELEASE, MORNING NEWSPAPERS,
Tuesday, January 8, 1952.

The Secretary of the Treasury announced last evening that the tenders for $1,200,000,000, or thereabouts, of 91-day Treasury bills to be dated January 10 and to mature April 10, 1952, which were offered on January 3, were opened at the Federal Reserve Banks on January 7.

The details of this issue are as follows:

Total applied for - $2,104,985,000
Total accepted - 1,201,102,000 (includes $224,209,000 entered on a non-competitive basis and accepted in full at the average price shown below)
Average price - 99.574 Equivalent rate of discount approx. 1.687% per annum

Range of accepted competitive bids: (Excepting one tender of $100,000)

High - 99.583 Equivalent rate of discount approx. 1.650% per annum
Low - 99.571 " " " " " 1.697% " "

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

Federal Reserve District	Total Applied for	Total Accepted
Boston	$ 33,695,000	$ 29,532,000
New York	1,400,849,000	681,809,000
Philadelphia	30,819,000	15,517,000
Cleveland	71,901,000	70,851,000
Richmond	32,428,000	29,148,000
Atlanta	36,382,000	31,222,000
Chicago	223,727,000	151,657,000
St. Louis	55,429,000	39,164,000
Minneapolis	9,189,000	8,889,000
Kansas City	67,920,000	49,410,000
Dallas	82,040,000	42,960,000
San Francisco	60,606,000	50,943,000
TOTAL	$2,104,985,000	$1,201,102,000

TREASURY DEPARTMENT

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

RELEASE MORNING NEWSPAPERS,
Tuesday, January 8, 1952.

S-2925

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TOTAL	$2,104,985,000	$1,201,102,000

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TREASURY DEPARTMENT
Fiscal Service
Washington, Jan. 4, 1952

STATUTORY DEBT LIMITATION

AS OF December 31, 1951

Section 21 of 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 (Act of June 26, 1946; U.S.C., title 31, sec. 757b), 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	$18,101,892,000		
Certificates of indebtedness	29,078,078,000		
Treasury notes	25,942,609,400	$ 73,122,579,400	
Bonds -			
Treasury	76,945,050,950		
Savings (current redemp. value)	57,586,559,212		
Depositary	350,980,500		
Armed Forces Leave	-		
Investment series	13,011,005,000	147,893,595,662	
Special Funds -			
Certificates of indebtedness	21,704,015,000		
Treasury notes	14,198,256,000	35,902,271,000	
Total interest-bearing		256,918,446,062	
Matured, interest-ceased		488,158,007	
Bearing no interest:			
War savings stamps	47,284,782		
Excess profits tax refund bonds	1,949,913		
Special notes of the United States:			
Internat'l Monetary Fund series	1,296,000,000	1,345,234,695	
Total		258,751,838,764	
Guaranteed obligations (not held by Treasury):			
Interest-bearing:			
Debentures: F.H.A.	39,007,886		
Demand obligations: C.C.C.	1,480,455	40,488,341	
Matured, interest-ceased		1,689,625	
		42,177,966	
Grand total outstanding			258,794,016,730
Balance face amount of obligations issuable under above authority			16,205,983,270

Reconcilement with Statement of the Public Debt Dec. 31, 1951
(Date)
(Daily Statement of the United States Treasury, Jan. 2, 1952)
(Date)

Outstanding -	
Total gross public debt	259,418,600,828
Guaranteed obligations not owned by the Treasury	42,177,966
Total gross public debt and guaranteed obligations	259,460,778,794
Deduct - other outstanding public debt obligations not subject to debt limitation	666,762,064
	258,794,016,730

Em WR S-2926

STATUTORY DEBT LIMITATION
AS OF DECEMBER 31, 1951

January 9, 1952

Section 21 of 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 (Act of June 26, 1946; U.S.C., title 31, sec. 757b), 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-2926

Immediate Release
Tuesday, January 8, 1951

S-2927

Secretary Snyder announced today the establishment of revised procedures to expedite the prosecution of criminal tax evasion cases as part of the reorganization of the Bureau of Internal Revenue. Under the new procedure such cases no longer will be required to come to Bureau headquarters in Washington for review, but will be referred directly from the field by the District Penal Attorney of the Bureau of Internal Revenue to the Department of Justice. The Attorney General has agreed to cooperate in ~~aiding the~~ expediting ~~of~~ such cases under the new procedure.

Secretary Snyder said the new arrangement is part of a revamping of Bureau procedures to permit the more effective and prompt prosecution of criminal tax evasion cases. It will eliminate several time-consuming and overlapping stages of successive review and consultation before actual institution of criminal proceedings.

The Bureau of Internal Revenue at the present time has local District Penal Counsel in each of the fourteen field divisions of the Intelligence Unit. There are also four larger districts in the country for supervisory purposes, each under the direction of a Regional Penal Counsel. Overall supervision of the activities of the Penal Division in the field is carried out by the Penal Division of the Office of Chief Counsel in Washington.

Under the old procedure for handling of criminal tax fraud cases, a recommendation which originated with the office of the Special Agent in Charge of the particular district was first reviewed by the District Penal Counsel to determine whether criminal prosecution was warranted. Thereafter the case was reviewed by the Regional Counsel of the Penal Division in the field, from which it went to the headquarters of the Bureau of Internal Revenue in Washington for further review before referral to the Department of Justice with recommendation for prosecution. Under the new procedure, all of these intervening steps of review and consultation will be eliminated, so that the report of the case, together with recommendation for prosecution, will go direct from the first stage of review by the District Penal Counsel in the field to the Department of Justice in Washington.

The Attorney General will continue supervision of the prosecution of such cases and ~~the provision of expert~~ assistance to local United States Attorneys in ~~the actual presentation and~~ the trial of such cases.

TREASURY DEPARTMENT

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

IMMEDIATE RELEASE
Tuesday, January 8, 1951

S-2927

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The Attorney General will continue supervision of the prosecution of such cases and assistance to local United States Attorneys in the trial of such cases.

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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

~~Exhibit~~

~~ALPHA~~

TREASURY DEPARTMENT
Washington

S-2928

FOR RELEASE, MORNING NEWSPAPERS,
Thursday, January 10, 1952.

The Secretary of the Treasury, by this public notice, invites tenders for $1,200,000,000, or thereabouts, of 91-day Treasury bills, for cash and in exchange for Treasury bills maturing January 17, 1952, in the amount of $1,200,321,000, to be issued on a discount basis under competitive and non-competitive bidding as hereinafter provided. The bills of this series will be dated January 17, 1952, and will mature April 17, 1952, 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, January 14, 1952. 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.

Others than banking institutions will not be permitted to submit tenders except for their own account. 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,

TREASURY DEPARTMENT

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

RELEASE MORNING NEWSPAPERS,
Thursday, January 10, 1952. S-2928

The Secretary of the Treasury, by this public notice, invites tenders for $1,200,000,000, or thereabouts, of 91-day Treasury bills, for cash and in exchange for Treasury bills maturing January 17, 1952, in the amount of $1,200,321,000, to be issued on a discount basis under competitive and non-competitive bidding as hereinafter provided. The bills of this series will be dated January 17, 1952, and will mature April 17, 1952, 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, January 14, 1952. 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.

Others than banking institutions will not be permitted to submit tenders except for their own account. 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 January 17, 1952, in cash or other immediately available funds or in a like face amount of Treasury bills maturing January 17, 1952. 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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Immediate Release
ES
Thursday, January 10, 1952

5-2929

~~PRESS RELEASE~~

Announcement was made today that the President had nominated Andrew N. Overby of Washington, D.C., for appointment as Assistant Secretary of the Treasury to fill the vacancy created when William McChesney Martin resigned to accept appointment as Chairman of the Board of Governors of the Federal Reserve System. Mr. Overby is serving as Deputy Managing Director of the International Monetary Fund at the present time, and has held a number of responsible positions in the financial field.

Mr. Overby was born in Cheyenne Agency, South Dakota, on March 27, 1909. He attended the University of Minnesota from 1926 to 1928 before transferring to the School of Business, Columbia University. He graduated from the latter in 1930 with the degree of B.S. and received the degree of M.S. in 1940.

From 1930 through 1941 Mr. Overby was employed by the Irving Trust Company in New York City, serving from 1936 to 1941 as Assistant to the Vice President in charge of portfolio investments. He joined the Federal Reserve Bank of New York in January 1942 and served as special assistant to the Vice Presidents in charge of the international banking and investment functions of the institution until October, 1942, when he accepted a commission as First Lieutenant in the United States Army. He was discharged from the Army in April of 1946 with the rank of Lieutenant Colonel, War Department General Staff Corps. He was awarded the Legion of Merit, and the Army Commendation Ribbon for distinguished military service.

After his discharge from the Army, Mr. Overby returned to the Federal Reserve Bank of New York for a few months and served as Assistant Vice President concerned particularly with international financial relations. In August of 1946 he was appointed Special Assistant to the Secretary of the Treasury in charge of international monetary and financial affairs, and supervised the Division of Monetary Research and Foreign Funds Control. During this period he also served as the Secretary's alternate on the National Advisory Council on International Monetary and Financial Problems. In July of 1947 he was appointed by the President to the position of United States Executive Director of the International Monetary Fund. He continued to serve in this capacity until February of 1949 when he accepted his present position as Deputy Managing Director of the International Monetary Fund.

Mr. and Mrs. Overby reside at 2444 Massachusetts Avenue, Northwest.

TREASURY DEPARTMENT

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

IMMEDIATE RELEASE
Thursday, January 10, 1952 S-2929

Announcement was made today that the President had nominated Andrew N. Overby, of Washington, D. C., for appointment as Assistant Secretary of the Treasury to fill the vacancy created when William McChesney Martin resigned to accept appointment as Chairman of the Board of Governors of the Federal Reserve System. Mr. Overby is serving as Deputy Managing Director of the International Monetary Fund at the present time, and has held a number of responsible positions in the financial field.

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Mr. and Mrs. Overby reside at 2444 Massachusetts Avenue, Northwest.

Immediate Release
Thursday, January 10, 1952

S-2930

Secretary Snyder announced today that the Treasury Department has abandoned the policy under which criminal prosecution has not been recommended in cases where taxpayers made voluntary disclosure of intentional violation of the Internal Revenue laws prior to the initiation of the investigation by the Bureau of Internal Revenue. In connection with this change of policy, the Secretary issued the following statement:

"While it has been the long established policy of the Treasury Department to refrain from recommending criminal prosecution where taxpayers make voluntary disclosure of intentional tax evasion prior to the initiation of an investigation by the Bureau of Internal Revenue, it has been concluded that such policy will no longer be followed. Litigation in the courts in recent years has illustrated the controversial nature of the question as to what constitutes a true voluntary disclosure in fact. In the administration of the policy it has been difficult and at times impossible to ascertain whether the disclosure was made because the taxpayer realized he was under investigation or whether the disclosure was in fact voluntary and in reliance on the immunity held out by the policy.

"The intensified enforcement activities of the Bureau's Special Tax Fraud Drive and Racket Squads throughout the country are ferreting out the wilful tax evaders, and resulting in recovery of the additional taxes and penalties due the government. It is the policy of the Treasury Department to recommend criminal prosecution in every case where the facts and circumstances warrant that action."

TREASURY DEPARTMENT

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

IMMEDIATE RELEASE
Thursday, January 10, 1952 S-2930

Secretary Snyder announced today that the Treasury Department has abandoned the policy under which criminal prosecution has not been recommended in cases where taxpayers made voluntary disclosures of intentional violation of the Internal Revenue laws prior to the initiation of the investigation by the Bureau of Internal Revenue. This action was recommended by Commissioner Dunlap. In connection with this change of policy, the Secretary issued the following statement:

"While it has been the long established policy of the Treasury Department to refrain from recommending criminal prosecution where taxpayers make voluntary disclosure of intentional tax evasion prior to the initiation of an investigation by the Bureau of Internal Revenue, it has been concluded that such policy will no longer be followed. Litigation in the courts in recent years has illustrated the controversial nature of the question as to what constitutes a true voluntary disclosure in fact. In the administration of the policy it has been difficult and at times impossible to ascertain whether the disclosure was made because the taxpayer realized he was under investigation or whether the disclosure was in fact voluntary and in reliance on the immunity held out by the policy.

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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, 1951 to Dec. 31, 1951	Established 33-1/3% of Total Quota	Imports 1/ Sept. 20, 1951 to Dec. 31, 1951
United Kingdom	4,323,457	27,370	1,441,152	27,370
Canada	239,690	150,655	-	-
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	-	7,088	-
	5,482,509	178,025	1,599,886	27,370

1/ Included in total imports, column 2.

Prepared by the Bureau of Customs

IMMEDIATE RELEASE
January 14, 1952

5-2931

Preliminary data on imports for consumption of cotton and cotton waste chargeable to the quotas established by the President's Proclamation of September 5, 1939, as amended

COTTON (other than linters) (in pounds)

Cotton under 1-1/8 inches other than rough or harsh under 3/4"
Imports Sept. 20, 1951, to December 31, 1951, inclusive

Country of Origin	Established Quota	Imports
Egypt and the Anglo-Egyptian Sudan	783,816	-
Peru	247,952	21,009
British India	2,003,483	-
China	1,370,791	-
Mexico	8,883,259	1,368,855
Brazil	618,723	103,600
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 E. Indies	71,388	-
Barbados	-	-
1/Other British W. Indies	21,321	-
Nigeria	5,377	-
2/Other British W. Africa	16,004	-
3/Other French Africa ...	689	-
Algeria and Tunisia ...	-	-

1/ Other than Barbados, Bermuda, Jamaica, Trinidad, and Tobago.
2/ Other than Gold Coast and Nigeria.
3/ Other than Algeria, Tunisia, and Madagascar.

Cotton, harsh or rough, of less than 3/4"
Imports Sept. 20, 1951, to December 31, 1951

Established Quota (Global)	Imports
70,000,000	1,043,953

Cotton 1-1/8" or more, but less than 1-11/16"
Imports Feb. 1, 1951, to December 31, 1951

Established Quota (Global)	Imports
45,656,420	Quota Filled

Cotton, harsh or rough (except cotton of perished staple, grabbots, and cotton pickings), white in color, of 1-3/16 inches or more but less than 1-3/8 inches
Imports July 5, 1951, to December 31, 1951

Established Quota (Global)	Imports
1,500,000	172,700

TREASURY DEPARTMENT

TREASURY DEPARTMENT
Washington

IMMEDIATE RELEASE
Monday, January 14, 1952

S-2931

Preliminary data on imports for consumption of cotton and cotton waste chargeable to the quotas established by the President's Proclamation of September 5, 1939, as amended

COTTON (other than linters) (in pounds)
Cotton under 1-1/8 inches other than rough or harsh under 3/4"
Imports Sept. 20, 1951, to December 31, 1951, inclusive

Country of Origin	Established Quota	Imports
Egypt and the Anglo-Egyptian Sudan....	783,816	-
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Argentina	5,203	-
Haiti	237	-
Ecuador	9,333	-
Honduras	752	-
Paraguay	871	-
Colombia	124	-
Iraq	195	-
British East Africa	2,240	-
Netherlands E. Indies ...	71,388	-
Barbados	-	-
1/Other British W. Indies .	21,321	-
Nigeria	5,377	-
2/Other British W. Africa .	16,004	-
3/Other French Africa	689	-
Algeria and Tunisia	-	-

1/ Other than Barbados, Bermuda, Jamaica, Trinidad, and Tobago.
2/ Other than Gold Coast and Nigeria.
3/ Other than Algeria, Tunisia, and Madagascar.

Cotton, harsh or rough, of less than 3/4"
Imports Sept. 20, 1951, to December 31, 1951

Established Quota (Global)	Imports
70,000,000	1,043,953

Cotton 1-1/8" or more, but less than 1-11/16"
Imports Feb. 1, 1951, to December 31, 1951

Established Quota (Global)	Imports
45,656,420	Quota Filled

Cotton, harsh or rough (except cotton of perished staple, grabbots, and cotton pickings), white in color, of 1-3/16 inches or more but less than 1-3/8 inches
Imports July 5, 1951, to December 31, 1951

Established Quota (Global)	Imports
1,500,000	172,700

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, 1951 to Dec. 31, 1951	Established 33-1/3% of Total Quota	Imports 1/ Sept. 20, 1951 to Dec. 31, 1951
United Kingdom	4,323,457	27,370	1,441,152	27,370
Canada	239,690	150,655	-	-
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	-	7,088	-
	5,482,509	178,025	1,599,886	27,370

1/ Included in total imports, column 2.

Prepared by the Bureau of Customs

5-2932

IMMEDIATE RELEASE
January ~~9~~4, 1952

The Bureau of Customs announced today preliminary figures showing the imports for consumption of commodities within tariff-rate quota limitations from the beginning of the quota periods to December 31, 1951, inclusive, as follows:

Commodity	Period and Quantity		Unit of Quantity	Imports as of Dec. 31, 1951
Whole milk, fresh or sour	Calendar year	3,000,000	Gallon	24,167
Cream	Calendar year	1,500,000	Gallon	1,824
Butter	Nov. 1, 1951-Mar.31, 1952	50,000,000	Pound	59,682
Fish, fresh or frozen, filleted, etc., cod, haddock, hake, pollock, cusk, and rosefish ...	Calendar year	29,239,808	Pound	Quota filled
White or Irish Potatoes:				
certified seed	12 months from	150,000,000	Pound	26,651,166
other	Sept. 15, 1951	249,600,000	Pound	11,624,180
Walnuts	Calendar year	5,000,000	Pound	Quota filled
Petroleum and petroleum products	Calendar year			
	Venezuela	2,613,137,096	Gallon	Quota filled
	Netherlands	822,654,271	Gallon	Quota filled
	Other countries	963,429,333	Gallon	Quota filled
Almonds (shelled	Oct. 1, 1951-	*4,500,000	Pound	1,160,836
Almonds (prepared	Sept. 30, 1952			125,963

*Of the total, not more than 500,000 pounds shall be blanched, roasted, or otherwise prepared or preserved almonds (not including almond paste).

TREASURY DEPARTMENT
Washington

IMMEDIATE RELEASE
Monday, January 14, 1952

S-2932

The Bureau of Customs announced today preliminary figures showing the imports for consumption of commodities within tarrif-rate quota limitations from the beginning of the quota periods to December 31, 1951, inclusive, as follows:

Commodity	Period and Quantity		Unit of Quantity	Imports as of Dec. 31, 1951
Whole milk, fresh or sour	Calendar year	3,000,000	Gallon	24,167
Cream	Calendar year	1,500,000	Gallon	1,824
Butter	Nov. 1, 1951-Mar.31, 1952	50,000,000	Pound	59,682
Fish, fresh or frozen, filleted, etc., cod, haddock, hake, pollock, cusk, and rosefish	Calendar year	29,239,808	Pound	Quota filled
White or Irish Potatoes:				
certified seed	12 months from	150,000,000	Pound	26,651,166
other	Sept. 15, 1951	249,600,000	Pound	11,624,180
Walnuts	Calendar year	5,000,000	Pound	Quota filled
Petroleum and petroleum products	Calendar year			
	Venezuela	2,613,137,096	Gallon	Quota filled
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	Other countries	963,429,333	Gallon	Quota filled
Almonds (shelled	Oct. 1, 1951 -	*4,500,000	Pound	1,160,836
Almonds (prepared	Sept. 30, 1952			125,963

*Of the total, not more than 500,000 pounds shall be blanched, roasted, or otherwise prepared or preserved almonds (not including almond paste).

FOR IMMEDIATE RELEASE, 5-2933
January 9, 1952

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, 1951, as follows:

Country of Origin	Wheat		Wheat flour, semolina, crushed or cracked wheat, and similar wheat products	
	Established Quota	Imports May 29, 1951, to December 31, 1951	Established Quota	Imports May 29, 1951, to December 31, 1951
	(Bushels)	(Bushels)	(Pounds)	(Pounds)
Canada	795,000	554,963	3,815,000	3,815,000
China	-	-	24,000	-
Hungary	-	-	13,000	-
Hong Kong	-	-	13,000	11,200
Japan	-	-	8,000	-
United Kingdom	100	-	75,000	62
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	482
Cuba	-	-	12,000	-
France	1,000	10	1,000	115
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	554,973	4,000,000	3,826,859

TREASURY DEPARTMENT
Washington

FOR IMMEDIATE RELEASE,
Monday, January 14, 1952

S-2933

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, 1951, as follows:

Country of Origin	Wheat		Wheat flour, semolina, crushed or cracked wheat, and similar wheat products	
	Established Quota	Imports May 29, 1951, to December 31, 1951	Established Quota	Imports May 29, 1951, to December 31, 1951
	(Bushels)	(Bushels)	(Pounds)	(Pounds)
Canada	795,000	554,963	3,815,000	3,815,000
China	-	-	24,000	-
Hungary	-	-	13,000	-
Hong Kong	-	-	13,000	11,200
Japan	-	-	8,000	-
United Kingdom	100	-	75,000	62
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	482
Cuba	-	-	12,000	-
France	1,000	10	1,000	115
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	554,973	4,000,000	3,826,859

5-2934

IMMEDIATE RELEASE
January 14, 1952

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, 1951, to December 31, 1951, inclusive, as follows:

Products of the Philippines	Established Quota Quantity	Unit of Quantity	Imports as of Dec. 31, 1951
Buttons	850,000	Gross	605,261
Cigars	200,000,000	Number	1,167,620
Coconut Oil.......	448,000,000	Pound	112,558,441
Cordage	6,000,000	"	Quota filled
Rice	1,040,000	"	-
Sugars (refined	1,904,000,000	"	1,000,000
Sugars (unrefined ..			1,377,801,558
Tobacco...........	6,500,000	"	614,662

TREASURY DEPARTMENT
Washington

IMMEDIATE RELEASE
Monday, January 14, 1952

S-2934

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, 1951, to December 31, 1951, inclusive, as follows:

Products of the Philippines	Established Quota Quantity	Unit of Quantity	Imports as of Dec. 31, 1951
Buttons	850,000	Gross	605,261
Cigars	200,000,000	Number	1,167,620
Coconut Oil	448,000,000	Pound	112,558,441
Cordage	6,000,000	"	Quota filled
Rice	1,040,000	"	-
Sugars (refined	1,904,000,000	"	1,000,000
Sugars (unrefined ..			1,377,801,558
Tobacco	6,500,000	"	614,662

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He stated that it was essential in an operation as large as that of the Bureau of Internal Revenue that a direct line of authority and responsibility should be definitely established.

Commissioner Dunlap stated that the valuable experiènce of Collectors in this field of operations has enabled them to be most helpful in suggesting ways and means for the successful launching of the President's Plan.

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through better geographical boundary lines permitting a more equal distribution of work loads, and the application of certain mass operating techniques.

It was explained by the Commissioner that the President's Plan represented the results of several years of careful study by certain groups authorized and qualified to examine the Bureau's organizational structure. These groups include the staff of the House Appropriations Committee, the Advisory Group of the Joint Committee on Internal Revenue Taxation, the Hoover Commission, and outside management engineers.

The number of offices under the Plan would be distributed in such a manner as to assure more efficient service to taxpayers. No wholesale reshuffling of major field offices is contemplated, but it is expected that greater flexibility will be possible in the matter of movement of supervisory officers as between posts of duty.

Included in the staff work now under way towards making the Plan effective promptly is the drafting of delegation orders relating to assessments and lien powers now exercised by the Collectors, the drafting of necessary amendments to regulations, the re-description of Civil Service job sheets, and the re-writing of operating manuals governing internal procedures.

Immediate Release
Monday, January 14, 1952

S-2935

Commissioner John B. Dunlap announced today that he had concluded a conference with all Collectors of Internal Revenue in furtherance of the launching of the President's Reorganization Plan of the Internal Revenue Bureau.

Secretary Snyder spoke to the Collectors briefly at the start of the meeting and emphasized that the Commissioner had called them to Washington for the purpose of requesting their assistance and comments on the best methods for effectuating the Plan. He pointed out that the President's Reorganization Plan was necessitated by the tremendous growth of the Bureau since its organization and by the importance of placing responsibility for proper operations in a straight-line functional organization to provide better control of its offices and better service to taxpayers. ← Insert "A"

The Commissioner indicated that the benefits to be derived under the Plan by taxpayers and the Revenue Service were so numerous and important that he did not want to lose any time in getting under way.

Among the benefits enumerated by the Commissioner were better over-all supervision, facilities for serving taxpayers' needs in respect to all classes of tax matters under one roof, operating economies

TREASURY DEPARTMENT

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

IMMEDIATE RELEASE
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Secretary Snyder spoke to the Collectors briefly at the start of the meeting and emphasized that the Commissioner had called them to Washington for the purpose of requesting their assistance and comments on the best methods for effectuating the Plan. He pointed out that the President's Reorganization Plan was necessitated by the tremendous growth of the Bureau since its organization and by the importance of placing responsibility for proper operations in a straight-line functional organization to provide better control of its offices and better service to taxpayers. He stated that it was essential in an operation as large as that of the Bureau of Internal Revenue that a direct line of authority and responsibility should be definitely established.

The Commissioner indicated that the benefits to be derived under the Plan by taxpayers and the Revenue Service were so numerous and important that he did not want to lose any time in getting under way.

Among the benefits enumerated by the Commissioner were better over-all supervision, facilities for serving taxpayers' needs in respect to all classes of tax matters under one roof, operating economies through better geographical boundary lines permitting a more equal distribution of work loads, and the application of certain mass operating techniques.

It was explained by the Commissioner that the President's Plan represented the results of several years of careful study by certain groups authorized and qualified to examine the Bureau's organizational structure. These groups include the staff of the House Appropriations Committee, the Advisory Group of the Joint Committee on Internal Revenue Taxation, the Hoover Commission, and outside management engineers.

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Commissioner Dunlap stated that the valuable experience of Collectors in this field of operations has enabled them to be most helpful in suggesting ways and means for the successful launching of the President's Plan.

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January 4, 1952

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 December, 1951:

Purchases	$31,050,000
Sales	2,081,900
Net purchases	$28,968,100

(Sgd.) E. O. Barnes

Chief, Division of Investments

Wisecarver 1/4/52

TREASURY DEPARTMENT

Information Service

WASHINGTON, D.C.

RELEASE MORNING NEWSPAPERS
Tuesday, January 15, 1952.

S-2936

During the month of December, 1951, market transactions in direct and guaranteed securities of the Government for Treasury investment and other accounts resulted in net purchases of $28,968,100, Secretary Snyder announced today.

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S-2937

RELEASE, MORNING NEWSPAPERS,
Tuesday, January 15, 1952.

The Secretary of the Treasury announced last evening that the tenders for $1,200,000,000, or thereabouts, of 91-day Treasury bills to be dated January 17 and to mature April 17, 1952, which were offered on January 10, were opened at the Federal Reserve Banks on January 14.

The details of this issue are as follows:

Total applied for - $2,176,725,000
Total accepted - 1,200,201,000 (includes $217,944,000 entered on a non-competitive basis and accepted in full at the average price shown below)
Average price - 99.574/ Equivalent rate of discount approx. 1.684% per annum

Range of accepted competitive bids: (Excepting 3 tenders totaling $2,400,000)

High	- 99.583	Equivalent rate of discount approx. 1.650% per annum
Low	- 99.572	" " " " " 1.693% " "

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

Federal Reserve District	Total Applied for	Total Accepted
Boston	$ 39,600,000	$ 29,410,000
New York	1,454,147,000	658,325,000
Philadelphia	34,086,000	17,086,000
Cleveland	140,854,000	138,874,000
Richmond	32,013,000	29,007,000
Atlanta	30,418,000	23,932,000
Chicago	205,396,000	128,592,000
St. Louis	42,782,000	24,962,000
Minneapolis	11,172,000	10,974,000
Kansas City	64,321,000	45,671,000
Dallas	69,393,000	47,758,000
San Francisco	52,543,000	45,610,000
TOTAL	$2,176,725,000	$1,200,201,000

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TREASURY DEPARTMENT

Information Service WASHINGTON, D.C.

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TREASURY DEPARTMENT

Information Service WASHINGTON, D.C.

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TOTAL	$2,176,725,000	$1,200,201,000

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TREASURY DEPARTMENT

Information Service WASHINGTON, D.C.

IMMEDIATE RELEASE,
Tuesday, January 15, 1952. S-2938

Secretary Snyder today issued the following statement in answer to inquiries concerning the Reorganization Plan for the Bureau of Internal Revenue transmitted by the President to the Congress yesterday:

"Newspaper reports and comments evidence some basic misconception of the effect of the President's Reorganization Plan No. 1 for the Bureau of Internal Revenue. This misconception is that the President's proposal would have the effect of turning over the operating functions now performed in the field by Collectors of Internal Revenue to not more than 25 district offices, and hence deprive some localities of facilities now available to them.

"The President and I are both anxious that it be clear that existing functions of Collectors of Internal Revenue, and additional functions not now available at the local level of each state will be performed at local offices with at least one such fully authorized local office in each state, and in more populous states more than one.

"The misconception as to maintenance of local collection offices apparently arose from the hasty conclusion that the newly proposed offices of District Commissioners, to number not more than 25, were to supplant local collection offices. The fact is that the District Commissioners will be area officers, to effect more complete decentralization to the field of Bureau functions now performed or supervised in Washington. As part of this area decentralization, there will be Deputy District Commissioners, with at least one for each state, and in more populous states more than one, who will take over the functions now performed by Collectors in each state, and in addition bring to the taxpayer at the local level many additional services and functions that are not now available to him in his state.

"I can understand that the misconception on this important aspect of the plan may have arisen from the technical form in which the Reorganization Plan must be presented to the Congress. It was made clear in the statement of the President, issued on January 2, and again in his message to the Congress presented yesterday, that some of the basic structural changes contemplated in the reorganization must be effectuated by a plan of reorganization presented to the Congress, while other changes can be effectuated by use of reorganization powers of the Secretary of the Treasury under Reorganization Plan No. 26 of 1950. From the first announcement of the plan by the President and in the information furnished to the Congress, it has been made clear that local offices will be retained not only to continue their existing functions, but to bring increased functions and responsibilities to the local area.

"Thus in the Reorganization Message presented by the President to the Congress yesterday, it was said:

> '*** all essential collection enforcement and appellate functions can be provided for in each local area and under one roof so far as is practicable. <u>It is not proposed to discontinue any essential facilities which now exist in any local areas.</u> Rather the facilities will be extended and the service to taxpayers improved. These new arrangements should make it possible for the individual taxpayer to conduct his business with the Bureau much more conveniently and expeditiously.'

"Moreover in the statement of the President issued January 2, 1952, it was said: 'Taxpayers hereafter can look to the District Commissioner <u>or his local representative</u> as the official in complete charge of all Federal tax matters in the district.'

"The local representative would be the Deputy District Commissioner, with at least one such office in each state, performing all the functions now performed by the Collector and bringing additional functions to the local area.

"Reference to the explanatory material made available in connection with the announcement of the Plan will further evidence this basic part of the proposed reorganization. In the statement entitled 'General Nature of the Reorganization Plan', it was said: 'The District Commissioners will carry out their responsibilities through direct line officer control of Deputy District Commissioners, with at least one such officer for each state, and in the more populous states more than one.'

"The plan was conceived with the purpose of bringing greater convenience and greater facilities to the taxpayer at the local level; to provide at the local level functions to which the taxpayer must now have distant resort, such as to offices of Revenue Agents in Charge, Special Agents in Charge, Appellate Officers, etc. These offices and their functions are now scattered in varying districts over the country, in fewer locations than contemplated through the new set-up of District Commissioners and Deputy District Commissioners.

"I feel that this essential purpose of increased taxpayer convenience, plus the other advantages of the plan in an improved career service, more effective inspection service, and greater decentralization of functions from Washington to the field with clear direct channels of responsibility, are sufficiently meritorious that it would be unfortunate if they were not made clearly understood at the outset in the consideration of the plan."

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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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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 shal 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 January 24, 1952 , in cash or other immediately available funds or in a like face amount of Treasury bills maturing January 24, 1952 Cash and exchange tenders will receive equal treatment. Cash adjustments will b made for differences between the par value of maturing bills accepted in exchang 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

TREASURY DEPARTMENT
Washington

S-2939

FOR RELEASE, MORNING NEWSPAPERS,
Thursday, January 17, 1952 .

The Secretary of the Treasury, by this public notice, invites tenders for $ 1,200,000,000 , or thereabouts, of 91 -day Treasury bills, for cash and in exchange for Treasury bills maturing January 24, 1952 in the amount of $ 1,200,782,000, to be issued on a discount basis under competitive and non-competitive bidding as hereinafter provided. The bills of this series will be dated January 24, 1952 , and will mature April 24, 1952 , 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, January 21, 1952. 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.

Others than banking institutions will not be permitted to submit tenders except for their own account. 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,

TREASURY DEPARTMENT

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

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Thursday, January 17, 1952.

S-2939

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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.

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the abolition of the statutory offices of Collectors of Internal Revenue; and second, the up-grading of the top administrative positions.

However, above and beyond this, it is essential for the legislative branch of the government to be informed of this plan, to hear the reasons for its need, for without the support of the Congress this far-reaching undertaking cannot be expected to produce the hoped-for results.

specifically established by statute nearly a century ago. This was obviously intended by Congress to be the framework around which the collection system was to be built. I would not change that basic feature of the Bureau's structure, sanctioned for so long by the Congress, without Congressional knowledge.

There are two features of the plan that definitely require the participation of Congress: first, there has been general recognition of essential points.

There may remain in your minds a question as to why it has been found necessary to bring this plan to the attention of the Congress through the Reorganization Act of 1949. The very nature of the plan dictates that it be brought here. It fundamentally and sweepingly changes the Bureau's structure.

The present organization rests on 64 collectors' offices.

"I want to particularly acknowledge the continued assistance which we have received from the Senate Finance Committee, the House Ways and Means Committee, and the King Subcommittee of the House Ways and Means Committee. Their aid has included many valuable suggestions and recommendations.

These groups very naturally did not always agree completely with one another in all of their recommendations. But in the main, the study of the Bureau made by the Staff of the House Committee on Appropriations ~~in early 1948~~. The second~~, also in 1948,~~ was made under the direction of the Joint Committee on Internal Revenue Taxation. The third was made by the Hoover Commission and the fourth by a management engineering firm (Cresap, McCormick and Paget) employed by the Bureau under the authority of the Congress. ~~Appropriation Act of 1949.~~

A plan of this importance had to be developed with the greatest care because of its sweeping nature and many impacts on every taxpayer. The plan has grown out of intensive studies of methods and operations which were begun in the Bureau of Internal Revenue immediately after I became Secretary.

In perfecting the plan we were aided also by four major studies initiated or authorized by the Congress. The first of these was now. As a matter of fact, not only will there be the same facilities available to taxpayers under the Plan as there are at the present time, but these facilities will be expanded to include services which are not now available in all localities where the Bureau now has Collectors' offices.

this point, however, that this does not mean that service to taxpayers will be curtailed in any area since there will be up to 70 suboffices and the present network of zone offices and posts of duty throughout the country which have been established to meet the public's needs just as there are engaged in the enforcement of the alcohol and tobacco taxes.

The Reorganization Plan, as I have said, would combine these various types of offices into not more than 25 regional revenue districts, each of which would be headed by a District Commissioner accountable directly to the office of the Commissioner in Washington. I would like to emphasize as strongly as I can at

Commissioner through 7 different separate line divisions. There are 64 main offices in the field engaged in both collecting taxes and in auditing the smaller returns. There are 39 field districts which concern themselves with auditing the larger classes of returns. There are 14 field districts which deal only with the tax fraud aspects of tax cases. There are 12 field districts of the Bureau's Appellate Staff; and there are 15 field districts career but who naturally want to look forward to opportunities for advancement to top positions in that service for which they may be qualified.

I would like now to tell you why the plan provides for the appointment of "not to exceed 25 District Commissioners." Here again the reason is simple. At the present time there are nearly 200 headquarters field offices reporting to the

Commissioner -- which is on a high policy-making level in tax administration -- would further the principles of the merit system in an agency of our Government which pre-eminently should be free of any hint or suggestion of favoritism or influence.

It should thereby enable us to attract to the service and hold able men and women who are interested in pursuing Government service as a

Secondly, Collectors do not hold the policy-making type of office which should properly be subject to Presidential appointment. Their duties are primarily administrative and technical and are clearly of a type which should be within the framework of our Civil Service System.

Lastly, extension of Civil Service to the position of Collector and all other offices in the Revenue Service, excepting only that of cannot be removed by the Commissioner of Internal Revenue or myself, they are not fully responsive to the control of their superiors in the Treasury Department. Furthermore, there are residence requirements that attach to their appointments which make it difficult for us to rotate or move them from one collection district to another. Added to these impediments is the uncertainty of office-tenure which attaches to their position.

With our phenomenal economic growth, however, our tax system has undergone a steady expansion with a consequent need for continual reappraisal of practices and procedures which have now become either obsolete or cumbersome for the mountainous and complex job that confronts the Revenue Service today. The present system of appointing Collectors of Internal Revenue is one of these practices. Since Collectors are not appointed and

Collectors in those days were relatively light. The principal requirement was one of community leadership to encourage local acceptance of Federal taxes. The taxpayer base was narrow and the Collectors, in a real sense, acted more or less as mere receivers of tax monies and as conduits of returns, claims, and other documents which were required to be forwarded to Washington for processing and decision. In its day, this system worked well.

First, the system as we now know it under which Collectors of Internal Revenue are appointed by the Executive Branch outside the Civil Service is an archaic one of almost a century's standing. It was introduced at a time before the merit system was devised, and then it was perpetuated through decades in our history when our Internal Revenue system was relatively free of highly technical and legal problems. The official responsibilities of plan of reorganization. First, let me comment on that part of the plan which provides that all positions in our Revenue Service, except the position of Commissioner, would be filled by Civil Service men and women. The principal effect of this provision would be to abolish the 64 positions of Collector of Internal Revenue. There are three reasons we are urging this. They are all simple and they are all sound.

the constant and ever increasing efforts on the part of the Department to provide the best Revenue Service which it is humanly possible to provide under the existing structure.

Now we are at the point where we need the basic authority in the President's reorganization plan as the culmination of our efforts in this direction.

9 And I would like now to tell you in simple, non-technical language why we are urging adoption of this

of each case were clearly known.

(5) All Collectors appointed in the past year have been prohibited from having any outside activities which might conflict with the full and proper discharge of their duties.

(6) We have cooperated fully with the Kefauver and King Committees.

All of the above steps reflect

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of each case were clearly known.

(~~5~~ 6) We have cooperated ~~completely~~ fully with the Kefauver and King Committees. ~~We have made a joint effort with the Committees to bring to light any and all cases of misconduct.~~

(~~6~~ 5) All Collectors appointed in the past year have been prohibited from having any outside activities which might conflict with the full and proper discharge of their duties.

15 margin All of the above steps reflect

would reflect their income and net worth. This will be a continuing program.

(2) Employees' tax returns have been subjected to special audit. This too will be a continuing program.

(3) All complaints of misconduct have been and will continue to be promptly investigated.

(4) Quick disciplinary action has been taken as soon as the facts

Revenue any personnel who brought dishonor on the Service. We have taken strong steps to remove any further opportunities for misconduct. Among the actions taken toward this end have been the following:

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We are taking further steps to speed up all our operations. We arm of the Commissioner, by which the operations and the personnel of the Revenue Service are brought under continuous scrutiny to insure efficiency and integrity of performance. The Commissioner is extending the work and expanding the personnel of the Inspection Service so that a closer, more systematic, day-to-day check of the various field and departmental offices of the Revenue Service can be maintained.

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reorganization. As I have said, we had to do first things first. If we had not moved in this way, it would not be physically possible now to effectuate the Reorganization Plan on the schedule we have proposed.

We have been going ahead steadily with the setting up of a strong independent inspection service within the Bureau of Internal Revenue, reporting to the Commissioner.

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7

These improvements give us a strong base for the proposed equipment. We became the first large-scale business users of electronic computers. We have modernized record keeping by microfilming and other means. We have simplified tax collection procedures by introducing a depositary receipt system. We have speeded up our refunding operations.

There have been improvements in the performance of various other major tasks. We have reorganized

48

A vigorous work simplification program was initiated.

To the extent that the present organization permits, we have decentralized operating functions and strengthened headquarters management control. We have strengthened front-line enforcement, notably through the creation of more than 100 special racket squads to run down criminal tax evaders. We have installed tabulating machines and other modern confronted the Bureau in a space of little more than a year.

Let me tell you some of the things we already have done and are doing to meet these problems.

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Let me say at this point that the Collectors of Internal Revenue, as a body, have given great assistance in solving our problems and in making our accomplishments possible. They have shared outstandingly in the assumption of the tremendously increased work loads.

The years elapsed since 1940 witnessed an unprecedented increase in the responsibilities of the

In order to lay the background of the planning which culminated in the basic reorganization proposal now before you, let me tell you some of the more important problems that we faced at the beginning of my tenure as Secretary of the Treasury, and those that developed as the work load of the Bureau increased so rapidly in volume and complexity. It is against this background that we must project the accomplishments of recent years, and the situation employees have succumbed in the past.

A Revenue Service of top efficiency, of unquestioned integrity, and of maximum economy of operation is something to which the American people are entitled. The maintenance of such a service is the greatest assurance for the continued success of our voluntary system of taxpayer compliance, the very foundation of our fiscal strength and economic health. A new, adequate, up-to-date architecture for the service has been planned with these objectives uppermost in mind.

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The Reorganization Plan will permit us to bring the Revenue Service fully up to the requirements of the day. It will enable us to establish maximum efficiency of operation and maximum service to the public. It will bring the Service into accord with the merit system of Government employment. It will help remove temptations to which, unfortunately, some Revenue Service

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As I said before, details and blueprinting of these basic features of the plan will be supplied by the Commissioner and his staff assistants.

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I have stated the essentials. Every American citizen has a direct and vital interest in this plan. The Bureau of Internal Revenue carries a great responsibility for the successful functioning of our Government.

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margin 15

Those are the main outlines of the plan. It is the opposite, you will observe, of a Washington top-heavy centralized plan. It places fuller responsibility at the grass roots level to meet the needs of all taxpayers. The purpose is to assure improved service and groups as Revenue Agents in Charge, Intelligence Division, Alcohol Tax Division, etc., now under separate offices and in varying field locations.

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Let me emphasize that the purpose is to bring to the field many supervisory and operating functions now performed at Washington headquarters, and thus bring them closer to the taxpayer to be served. Another purpose is to bring together in one headquarters under single direction the functions of such

3. To move from Washington to the field many supervisory and operational functions of the Revenue Service. These functions will be performed in geographical districts, to number not more than 25, with a fully deputized district representative of the Commissioner in charge of each district. That official will be known as District Commissioner. He will have charge of all Internal Revenue matters in his district with

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4

2. To provide a continuing and thorough day-to-day check on the performance and conduct of all Bureau employees by the creation of an inspection service which will function under the Commissioner independently of the rest of the Bureau.

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I would like to assure you of my deep personal interest and whole-hearted support in your effort and of my confidence that our mutual objectives will be attained.

Sincerely yours,

(signed) Robert Ramspeck

Robert Ramspeck
Chairman

I understand that the Civil Service Commission is now studying

Placement Division, and Mr. James Hard, your Director of Personnel, have already started preliminary discussions relative to defining the areas of necessary changes in personnel programming and policy.

The Civil Service Commission greatly appreciates this opportunity to join with you in building and maintaining a civil service career organization to reflect the highest standards of competence, integrity, and loyalty.

reorganization of the Bureau of Internal Revenue will have on existing personnel policies and practices, and requesting our assistance so that the reorganization may be accomplished with a minimum of delay.

You may be assured of the Commission's complete cooperation. We will devote every possible resource to your assistance. I am very happy to say that Mr. Fordyce Luikart, Chief of our Examining and

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UNITED STATES CIVIL SERVICE COMMISSION
WASHINGTON 25, D. C.

January 11, 1952

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Dear Secretary Snyder:

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It is my desire that the personnel of the Bureau of Internal

I sent several days ago to the Chairman of the Civil Service Commission on this subject.

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My dear Mr. Chairman:

Upon my recommendation, the President has announced that he is submitting to the Congress a sweeping plan of reorganization of the Bureau of Internal Revenue. The proposed changes will materially affect the personnel policies and

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clear in his message. But I propose now to give you the plan in its broad design, without reference at this point to existing administrative authority and necessary Congressional sanction. Both areas of authority are needed. The plan as a whole cannot be effectively achieved without action on both sides.

The proposed reorganization of the Bureau has four principal features:

At the outset I want to give you the main outlines of the plan. Commissioner Dunlap and his staff assistants are prepared to give full supplemental charts and specifications.

The contemplated reorganization of the Bureau involves the exercise of both existing administrative authority and the grant of additional Congressional sanction through Reorganization Plan No. 1, as the President made of the Executive Branch of the Government; from studies by outside management engineering firms authorized by the Congress, and lastly from the facts and analyses in the records of the King Subcommittee of the House Ways and Means Committee inquiring into the administration of Internal Revenue laws. The plan draws upon the best features, I believe, of those many important studies.

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I welcome this opportunity to appear before your Committee on Reorganization Plan No. 1 of 1952, submitted to the Congress by the President on January 14. Since I have been Secretary of the Treasury I have devoted a great share of my efforts and taken many steps to improve the operations of the Bureau of Internal Revenue. The

S-2940

STATEMENT BY SECRETARY SNYDER BEFORE

THE COMMITTEE ON EXPENDITURES,

HOUSE OF REPRESENTATIVES

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January 18, 1952

TREASURY DEPARTMENT
Washington

Statement by Secretary Snyder before
the Committee on Expenditures,
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Obviously, the Federal revenue system must have the public's confidence and support. This means the system's integrity must be unquestioned. Commissioner Dunlap and I, with full authority from the President, have acted promptly to eliminate from the Bureau of Internal Revenue any personnel who brought dishonor on the Service. We have taken strong steps to remove any further opportunities for misconduct. Among the actions taken toward this end have been the following:

(1) All supervisory employees and all other employees dealing with the public or handling Government funds -- some 31,000 in all -- have been required to execute and file with the Bureau a statement which would reflect their income and net worth. This will be a continuing program.

(2) Employees' tax returns have been subjected to special audit. This too will be a continuing program.

(3) All complaints of misconduct have been and will continue to be promptly investigated.

(4) Quick disciplinary action has been taken as soon as the facts of each case were clearly known.

(5) All Collectors appointed in the past year have been prohibited from having any outside activities which might conflict with the full and proper discharge of their duties.

(6) We have cooperated fully with the Kefauver and King Committees.

All of the above steps reflect the constant and ever increasing efforts on the part of the Department to provide the best Revenue Service which it is humanly possible to provide under the existing structure.

Now we are at the point where we need the basic authority in the President's reorganization plan as the culmination of our efforts in this direction.

And I would like now to tell you in simple, non-technical language why we are urging adoption of this plan of reorganization. First, let me comment on that part of the plan which provides that all positions in our Revenue Service, except the position of Commissioner, would be filled by Civil Service men and women. The principal effect of this provision would be to abolish the 64 positions of Collector of Internal Revenue. There are three reasons we are urging this. They are all simple and they are all sound.

First, the system as we now know it under which Collectors of Internal Revenue are appointed by the Executive Branch outside the Civil Service is an archaic one of almost a century's standing. It was introduced at a time before the merit system was devised, and then it was perpetuated through decades in our history when our Internal Revenue system was relatively free of highly technical and legal problems. The official responsibilities of Collectors in those days were relatively light. The principal requirement was one of community leadership to encourage local acceptance of Federal taxes. The taxpayer base was narrow and the Collectors, in a real sense, acted more or less as mere receivers of tax monies and as conduits of returns, claims, and other documents which were required to be forwarded to Washington for processing and decision. In its day, this system worked well.

With our phenomenal economic growth, however, our tax system has undergone a steady expansion with a consequent need for continual reappraisal of practices and procedures which have now become either obsolete or cumbersome for the mountainous and complex job that confronts the Revenue Service today. The present system of appointing Collectors of Internal Revenue is one of these practices. Since Collectors are not appointed and cannot be removed by the Commissioner of Internal Revenue or myself, they are not fully responsive to the control of their superiors in the Treasury Department. Furthermore, there are residence requirements which make it difficult for us to rotate or move them from one collection district to another. Added to these impediments is the uncertainty of office-tenure which attaches to their position.

Secondly, Collectors do not hold the policy-making type of office which should properly be subject to Presidential appointment. Their duties are primarily administrative and technical and are clearly of a type which should be within the framework of our Civil Service System.

Lastly, extension of Civil Service to the position of Collector and all other offices in the Revenue Service, excepting only that of Commissioner -- which is on a high policy-making level in tax administration -- would further the principles of the merit system in an agency of our Government which pre-eminently should be free of any hint or suggestion of favoritism or influence.

It should thereby enable us to attract to the service and hold able men and women who are interested in pursuing Government service as a career but who naturally want to look forward to opportunities for advancement to top positions in that service for which they may be qualified.

I would like now to tell you why the plan provides for the appointment of "not to exceed 25 District Commissioners." Here again the reason is simple. At the present time there are nearly 200 headquarters field offices reporting to the Commissioner through 7 different separate line divisions. There are 64 main offices in the field engaged in both collecting taxes and in auditing the smaller returns. There are 39 field districts which concern themselves with auditing the larger classes of returns. There are 14 field districts which deal only with the tax fraud aspects of tax cases. There are 12 field districts of the Bureau's Appellate Staff; and there are 15 field districts engaged in the enforcement of the alcohol and tobacco taxes.

The Reorganization Plan, as I have said, would combine these various types of offices into not more than 25 regional revenue districts, each of which would be headed by a District Commissioner accountable directly to the office of the Commissioner in Washington. I would like to emphasize as strongly as I can at this point, however, that this does not mean that service to taxpayers will be curtailed in any area since there will be up to 70 suboffices and the present network of zone offices and posts of duty throughout the country which have been established to meet the public's needs just as there are now. As a matter of fact, not only will there be the same facilities available to taxpayers under the Plan as there are at the present time, but these facilities will be expanded to include services which are not now available in all localities where the Bureau now has Collectors' offices.

A plan of this importance had to be developed with the greatest care because of its sweeping nature and many impacts on every taxpayer. The plan has grown out of intensive studies of methods and operations which were begun in the Bureau of Internal Revenue immediately after I became Secretary.

In perfecting the plan we were aided also by four major studies initiated or authorized by the Congress. The first of these was the study of the Bureau made by the Staff of the House Committee on Appropriations. The second was made under the direction of the Joint Committee on Internal Revenue Taxation. The third was made by the Hoover Commission and the fourth by a management engineering firm (Cresap, McCormic and Paget) employed by the Bureau under the authority of Congress.

I want to particularly acknowledge the continued assistance which we have received from the Senate Finance Committee, the House Ways and Means Committee, and the King Subcommittee of the House Ways and Means Committee. Their aid has included many valuable suggestions and recommendations.

These groups very naturally did not always agree completely with one another in all of their recommendations. But in the main, there has been general recognition of essential points.

There may remain in your minds a question as to why it has been found necessary to bring this plan to the attention of the Congress through the Reorganization Act of 1949. The very nature of the plan dictates that it be brought here. It fundamentally and sweepingly changes the Bureau's structure.

The present organization rests on 64 collectors' offices, specifically established by statute nearly a century ago. This was obviously intended by Congress to be the framework around which the collection system was to be built. I would not change that basic feature of the Bureau's structure, sanctioned for so long by the Congress, without Congressional knowledge.

There are two features of the plan that definitely require the participation of Congress: first, the abolition of the statutory offices of Collectors of Internal Revenue; and second, the up-grading of the top administrative positions.

However, above and beyond this, it is essential for the legislative branch of the government to be informed of this plan, to hear the reasons for its need, for without the support of the Congress this far-reaching undertaking cannot be expected to produce the hoped-for results.

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During his early career, he served as scientific instructor and athletic coach in high schools in Minnesota and Wisconsin. He joined the United States Marine Corps during World War I and served in the American Expeditionary Forces, attaining the rank of Second Lieutenant.

Mr. Harney entered the government service in June 1920 and for the past thirty-one years has been engaged in law enforcement activities of the Treasury Department. Due to his thorough knowledge of investigative procedures, he has been instrumental in bringing to justice many notorious racketeers, particularly those engaged in the illicit narcotic traffic.

In addition to his duties as Assistant to the Commissioner of Narcotics from December 7, 1941, Pearl Harbor Day, until May 15, 1946, Mr. Harney served as Assistant Coordinator of Treasury Enforcement Agencies and assisted with the building up of the force of guards necessary to protect the property of the Japanese and Germans seized in this country, as well as with the many other assignments which were given to the Chief Coordinator during the War. From January 1947 until November 1948, he was Acting Chief Coordinator, at the same time continuing his activities in the Bureau of Narcotics.

Mr. Harney is married and resides at 4325 Verplanck Place, Northwest.

130

Immediate Release

~~PRESS RELEASE~~

Friday, January 18, 1952

S-2141

Secretary Snyder today announced the appointment of Malachi L. Harney to the newly created career civil service position of Technical Assistant to the Secretary for Enforcement. Since 1936, Mr. Harney has been Assistant to the Commissioner of Narcotics, Treasury Department.

As top technical enforcement adviser to the Secretary, Mr. Harney will report through Under Secretary of the Treasury Edward H. Foley, who supervises all enforcement operations.

The Secretary, simultaneously with the new appointment, issued an order specifying the following duties for the new technical assistant:

Representation of the Secretary in all major law enforcement cases

Development of nation-wide and international Treasury law enforcement policy

Development of improved law enforcement techniques

Control of enforcement operating costs

Appraisal of performance of Treasury enforcement units

Direction of on-the-job training of Treasury agents

Improvement of Treasury enforcement communications

The Office of Chief Coordinator, Treasury Enforcement Agencies, will be absorbed in the new enforcement office.

Mr. Harney was born in Duluth, Minnesota, on June 11, 1895. He was educated in the public schools at Scanlon and Cloquet, Minnesota, and received a B. S. degree from the University of Minnesota College of Agriculture.

TREASURY DEPARTMENT

Information Service WASHINGTON, D.C.

IMMEDIATE RELEASE
Friday, January 18, 1952

S-2941

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133

Immediate Release
~~Friday~~, Jan 18, 1952

PRESS RELEASE 1-2942

The Secretary of the Treasury today announced the issuance of an order prohibiting the sale or other disposition of a steel mill presently located in the United States and belonging to Czechoslovak interests. This action was taken to insure that the mill will be available for disposition in accordance with the defense interests of the United States.

The order, which provides that any attempted acquisition of interests in the steel mill is completely null and void without Treasury approval, was issued after consultation with the Department of State and the National Production Authority.

The steel mill to which the order relates was manufactured in the United States on the order of Czechoslovak interests including Banska e Hutni Spolecnost. It is designed to produce steel strip, steel sheet and ~~tin~~ plate. At the present time the component parts of the mill are located in various warehouses and similar storage facilities, namely, American and Foreign Warehouse, Richmond Street, Philadelphia, Pennsylvania; Sperry Warehouse, Troy, New York; Burma Yard of the Pennsylvania Railroad, Philadelphia, Pennsylvania; and United Engineering and Foundry Company, Newcastle, Pennsylvania and Youngstown, Ohio.

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TREASURY DEPARTMENT

Information Service WASHINGTON, D.C.

IMMEDIATE RELEASE,
Friday, January 18, 1952. S-2942

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S-2943

RELEASE, MORNING NEWSPAPERS,
Tuesday, January 22, 1952.

The Secretary of the Treasury announced last evening that the tenders for $1,200,000,000, or thereabouts, of 91-day Treasury bills to be dated January 24 and to mature April 24, 1952, which were offered on January 17, were opened at the Federal Reserve Banks on January 21.

The details of this issue are as follows:

Total applied for - $2,195,412,000
Total accepted - 1,200,705,000 (includes $211,544,000 entered on a non-competitive basis and accepted in full at the average price shown below)

Average price - 99.596 Equivalent rate of discount approx. 1.599% per annum

Range of accepted competitive bids:

High - 99.608 Equivalent rate of discount approx. 1.551% per annum
Low - 99.593 " " " " " 1.610% " "

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

Federal Reserve District	Total Applied for	Total Accepted
Boston	$ 67,536,000	$ 38,626,000
New York	1,472,677,000	674,076,000
Philadelphia	34,638,000	15,338,000
Cleveland	100,484,000	71,124,000
Richmond	24,917,000	19,857,000
Atlanta	35,411,000	28,921,000
Chicago	186,421,000	128,504,000
St. Louis	46,504,000	34,884,000
Minneapolis	11,545,000	10,703,000
Kansas City	51,842,000	46,638,000
Dallas	41,390,000	29,632,000
San Francisco	122,047,000	102,402,000
TOTAL	$2,195,412,000	$1,200,705,000

TREASURY DEPARTMENT

Information Service WASHINGTON, D.C.

RELEASE MORNING NEWSPAPERS,
Tuesday, January 22, 1952.

S-2943

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Dallas	41,390,000	29,632,000
San Francisco	122,047,000	102,402,000
TOTAL	$2,195,412,000	$1,200,705,000

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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.

ALPHA

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 January 31, 1952 (8), in cash or other immediately available funds or in a like face amount of Treasury bills maturing January 31, 1952. (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

~~Exhibit A~~

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TREASURY DEPARTMENT
Washington

S-2944

FOR RELEASE, MORNING NEWSPAPERS,
Thursday, January 24, 1952 .
(1)

The Secretary of the Treasury, by this public notice, invites tenders for $1,300,000,000 (2), or thereabouts, of 91 (3) -day Treasury bills, for cash and in exchange for Treasury bills maturing January 31, 1952 (4), in the amount of $1,301,680,000, to be issued on a discount basis under competitive and non-competitive bidding as hereinafter provided. The bills of this series will be dated January 31, 1952 (5), and will mature May 1, 1952 (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, January 28, 1952 (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.

Others than banking institutions will not be permitted to submit tenders except for their own account. 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,

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TREASURY DEPARTMENT

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

RELEASE MORNING NEWSPAPERS,
Thursday, January 24, 1952. S-2944

The Secretary of the Treasury, by this public notice, invites tenders for $1,300,000,000, or thereabouts, of 91-day Treasury bills, for cash and in exchange for Treasury bills maturing January 31, 1952, in the amount of $1,301,680,000, to be issued on a discount basis under competitive and non-competitive bidding as hereinafter provided. The bills of this series will be dated January 31, 1952, and will mature May 1, 1952, 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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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 January 31, 1952, in cash or other immediately available funds or in a like face amount of Treasury bills maturing January 31, 1952. 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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Mr Orsley is a member of Beta Gamma Sigma Scholastic Society, and was the recipient of the 1947 national Honor Award voted by the Beta Gamma Sigma chapters.

Lieutenant Colonel, General Staff Corps, and was awarded the Legion of Merit and the Army Commendation Ribbon for distinguished military service. He was released from the Army in April 1946.

From May to August 1946 Mr. Overby was again employed by the Federal Reserve Bank of New York, serving as Assistant Vice President concerned particularly with relations with the International Monetary Fund, the International Bank for Reconstruction and Development, and the Export-Import Bank.

From August 1946 to July 1947 Mr. Overby served as Special Assistant to the Secretary of the Treasury in charge of international monetary and financial affairs, supervising the Division of Monetary Research and Foreign Funds Control. He also served as the Secretary's Alternate on the National Advisory Council on International Monetary and Financial Problems. In July 1947, President Truman appointed him United States Executive Director of the International Monetary Fund. In February 1949 he became Deputy Managing Director of the Fund. From July 1947 to February 1949 he continued to serve as Special Assistant to the Secretary of the Treasury in an advisory capa

On January 10, 1952, President Truman appointed Mr. Overby as Assistant Secretary of the Treasury, and he was confirmed by the Senate January 27.

Mr. and Mrs. Overby reside at 2444 Massachusetts Avenue, Northwest, Washington, D. C.

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ANDREW N. OVERBY

Mr. Overby was born in Cheyenne Agency, South Dakota, on March 27, 1909. He received his early education in the public schools of Minneapolis, Minnesota. He attended the University of Minnesota from 1926 to 1928, and graduated from ~~the School of Business~~, Columbia University, New York, in 1930 with the degree of B.S. In 1940 he received the degree of M.S. from Columbia University School of Business.

From 1930 to 1941 Mr. Overby was employed by the Irving Trust Company in New York City, serving principally in foreign banking work and as Assistant to the Vice President in charge of portfolio investments. In January, 1942, he joined the Federal Reserve Bank of New York and served as special assistant to the Vice Presidents in charge of international banking and investment functions of the institution until October 1942, at which time he entered the U.S. Army as First Lieutenant.

During his service with the Army, Mr. Overby was in charge of the procurement of supplies, services and facilities from our Allies under reverse lend-lease, and later became Executive Officer to the Director of Materiel, who had responsibility for staff supervision of ~~in charge of procurement, contract termination and surplus property disposal, and related~~ procurement activities of the Army Service Forces. Mr. Overby attained the rank of

Immediate Release
~~Thursday~~ January 24, 1952

5 - 2945

Andrew N. Overby of Washington, D.C., was sworn in at the Treasury today as Assistant Secretary of the Treasury.

He fills a vacancy created when William McChesney Martin, Jr., resigned last year to accept appointment as Chairman of the Board of Governors of the Federal Reserve System.

Secretary Snyder stated that Mr. Overby would supervise the activities of the Office of International Finance of the Treasury, and additionally would assist the Secretary in his Federal Reserve relations and in Government borrowing operations.

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TREASURY DEPARTMENT

Information Service WASHINGTON, D.C.

IMMEDIATE RELEASE,
Thursday, January 24, 1952. S-2945

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On January 10, 1952, President Truman appointed Mr. Overby as Assistant Secretary of the Treasury, and he was confirmed by the Senate January 22.

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Mr. and Mrs. Overby reside at 2444 Massachusetts Avenue, Northwest, Washington, D. C.

oOo

January 1952

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TREASURY DEPARTMENT

INFORMATION SERVICE WASHINGTON, D.C.

5-2946

IMMEDIATE RELEASE,
~~Friday, January 25, 1952~~

Secretary ~~of the Treasury~~ Snyder today announced that the savings bond regulations have been amended effective February 1, 1952, to broaden the conditions under which bonds registered in the names of two individuals as coowners may be reissued in the name of either coowner alone or with a new coowner or with a beneficiary. The new bonds issued to effect such changes in registration will be dated as of the same month and year as the original bonds. The amendment, which requires the signature of both coowners as a condition of reissue, applies to cases in which the coowners whose bonds are to be reissued bear certain specified relationships to each other either by blood, marriage or adoption. In order to obtain reissue both coowners must be of full age and legally competent except that a minor coowner of sufficient competency and understanding to comprehend the nature of the transaction may join in the request if all of the bonds are to be reissued in his name alone or with a new coowner or a beneficiary.

The amendment, although not so limited, was designed primarily for the convenience of family groups which with the passage of time often have occasion to readjust their holdings because of changed financial or other conditions.

The new provisions are set forth in the Ninth Amendment dated January 18, 1952, to Department Circular No. 530, Sixth Revision. Any information with respect thereto may be obtained from the Treasury Department ~~here~~ in Washington or from the Chicago Office of the Bureau of the Public Debt, Merchandise Mart, Chicago 54, Illinois, or from any Federal Reserve Bank or Branch. The Federal Reserve Banks and Branches because of their geographical location will be able to answer inquiries and handle transactions involving reissue of the bonds more promptly.

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TREASURY DEPARTMENT

Information Service WASHINGTON, D.C.

IMMEDIATE RELEASE,
Friday, January 25, 1952. S-2946

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RELEASE MORNING NEWSPAPERS,
Tuesday, January 29, 1952.

A-2947

The Secretary of the Treasury announced last evening that the tenders for $1,300,000,000, or thereabouts, of 91-day Treasury bills to be dated January 31 and to mature May 1, 1952, which were offered on January 24, were opened at the Federal Reserve Banks on January 28.

The details of this issue are as follows:

Total applied for - $2,283,826,000
Total accepted - 1,301,483,000 (includes $180,896,000 entered on a non-competitive basis and accepted in full at the average price shown below)

Average price - 99.598/ Equivalent rate of discount approx. 1.589% per annum

Range of accepted competitive bids:

High - 99.625 Equivalent rate of discount approx. 1.484% per annum
Low - 99.596 " " " " " 1.598% " "

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

Federal Reserve District	Total Applied for	Total Accepted
Boston	$ 37,219,000	$ 27,719,000
New York	1,590,120,000	778,213,000
Philadelphia	31,116,000	15,116,000
Cleveland	65,981,000	58,026,000
Richmond	24,634,000	19,359,000
Atlanta	35,147,000	31,882,000
Chicago	218,247,000	143,527,000
St. Louis	37,342,000	24,617,000
Minneapolis	6,465,000	6,465,000
Kansas City	69,126,000	56,812,000
Dallas	54,110,000	38,657,000
San Francisco	114,319,000	101,090,000
Total	$2,283,826,000	$1,301,483,000

TREASURY DEPARTMENT

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Information Service WASHINGTON, D.C.

RELEASE MORNING NEWSPAPERS,
Tuesday, January 29, 1952.

S-2947

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Richmond	24,634,000	19,359,000
Atlanta	35,147,000	31,882,000
Chicago	218,247,000	143,527,000
St. Louis	37,342,000	24,617,000
Minneapolis	6,465,000	6,465,000
Kansas City	69,126,000	56,812,000
Dallas	54,110,000	38,657,000
San Francisco	114,319,000	101,090,000
TOTAL	$2,283,826,000	$1,301,483,000

oOo

To those who have thus placed their stamp of approval on the plan, and indeed to all American citizens, with their direct and vital interest in it, I want to give the assurance that in putting the plan into effect we shall make every possible effort to see to it that their expectations of far-reaching public benefit are fully realized.

has approached consideration of the proposal. The King Subcommittee, as you know, has spent long months in close, careful study of the operations of the Bureau of Internal Revenue, and Chairman King's strong statement in support of the plan in his appearance before the House Expenditures Committee is, in my opinion, significant the press and public throughout the country, from the Civil Service Commission and from many other sources. The action of the House Expenditures Committee in supporting the plan by rejecting a resolution to disapprove it, after intensive examination of the plan during its hearings, reflects the constructive and cooperative spirit with which the Congress the Bureau's structure. It is therefore essential for the legislative branch of the government to be informed of this plan and to hear the reasons for its need, for without the support of the Congress this far-reaching undertaking cannot be expected to produce the hoped-for results.

We have been much heartened by the support which the plan has received from the Congress, from

This was obviously intended by Congress to be the framework around which the collection system was to be built. In any case I would not want to change that basic feature of the Bureau's structure, sanctioned for so long by the Congress, without Congressional knowledge.

But there is another reason why the plan has been brought to Congress, and that is because the plan fundamentally and sweepingly changes

(1) the abolition of the statutory offices of Collectors of Internal Revenue and

(2) the up-grading of the top administrative positions.

As to the first point, the present organization of the Bureau rests, as you know, on 64 Collectors' offices, specifically established by statute nearly a century ago.

Reorganization of the Bureau of Internal Revenue has been brought to the attention of the Congress because, as the President made clear in his message, it involves the grant of Congressional sanction in addition to the exercise of administrative authority. The two features of the reorganization plan which definitely require the participation of Congress are:

Next, merging of the various enforcement operations under one authority should reduce enforcement costs by eliminating duplication of effort arising from the present division of enforcement activities.

Further decentralization of activities to the field should reduce costs by eliminating multiple handling of mail and records.

expenses.

Savings will result from a wider use of mass processing techniques which will be made possible by the consolidation and merging of operations.

Eventual placement of all personnel in one building in each locality should make for potentially large economies in the use of both personnel and space.

not specific estimates.

But I do want to indicate some actual areas where substantial economies are likely to result from effectuation of the plan.

The consolidation and simplification of certain functions now widely scattered is one of these areas.

Another is the expected merging of offices.

Still another is the prospective reduction in travel bearing on the character and cost of the verification and enforcement job."

The impossibility of trying to pin-point specific dollar and cent savings resulting from reorganization was recognized also in the hearings on the Reorganization Act of 1949. It seems clear from the legislative history of that Act that what is required is assurance of substantial savings, a 2-to 4-year period to analyze and diagnose its management problems and to test and experiment with possible solutions. For this activity it should employ the best talent and techniques that are available, both within and without the Bureau organization. The importance of an effective housekeeping job in connection with the collection of the internal revenue is not limited to the economies involved but has an important

Bureau procedure will require time to be put into effect. Shortages of appropriate office space in suitable locations, lack of highly specialized mechanical equipment (some of which should be custom-designed for Bureau operations) and the sheer magnitude of the task make it impossible to effect large economies in this housekeeping job within a brief period of time. The Bureau needs amount of savings that may result, particularly before the plan is actually in operation.

The difficulties of attempting to make precise estimates of savings were recognized and well-stated in a report to the Joint Committee on Internal Revenue Taxation in 1948. This report as published by the Joint Committee said:

"Any substantial change in

and in the Bureau who have given intensive study to this plan, and have observed the economies resulting from the management improvements already put in effect over the last few years, are confident that effectuation of this plan is capable of producing potentially large savings. I think it right and proper to point out here, however, that we cannot make a specific estimate of the actual been established to meet the public's needs just as there are now. As a matter of fact, not only will there be the same facilities available to taxpayers under the Plan as there are at the present time, but these facilities will be expanded to include services which are not now available in all localities where the Bureau now has Collectors' offices.

Those of us in the Treasury

districts, each of which would be headed by a District Commissioner accountable directly to the office of the Commissioner in Washington. I would like to emphasize as strongly as I can at this point, however, that this does not mean that service to taxpayers will be curtailed in any area since there will be up to 70 suboffices and the present network of zone offices and posts of duty throughout the country which have the larger classes of returns. There are 14 field districts which deal only with the tax fraud aspects of tax cases. There are 12 field districts of the Bureau's Appellate Staff; and there are 15 field districts engaged in the enforcement of the alcohol and tobacco taxes.

The Reorganization Plan, as I have said, would combine these various types of offices into not more than 25 regional revenue appointment of "not to exceed 25 District Commissioners." Here again the reason is simple. At the present time there are almost 200 headquarters field offices reporting to the Commissioner through 7 different separate line divisions. There are 64 main offices in the field engaged in both collecting taxes and in auditing the smaller returns. There are 39 field districts which concern themselves with auditing

Civil Service Commission.

I want to remark here that as a body, the Collectors of Internal Revenue have done excellent work. They have given great assistance in solving our problems and in making possible our accomplishments, and they have borne their full share of the tremendously increased Revenue Service work loads.

I would like now to tell you why the plan provides for the are eligible to be appointed to any position, provided they meet the qualification standards prescribed by the United States Civil Service Commission. All such appointments are subject to the approval of the Civil Service Commission.

The remaining Collectors may compete in Civil Service examinations for other positions if they meet the standards prescribed by the

It should thereby enable us to attract to the service and hold able men and women who are interested in pursuing Government service as a career but who naturally want to look forward to opportunities for advancement to top positions in that service for which they may be qualified.

Some of the present Collectors have Civil Service status. They

Lastly, extension of Civil Service to the positions replacing that of Collector, and all other offices in the Revenue Service, excepting only that of Commissioner -- which is on a high policy-making level in tax administration -- would further the principles of the merit system in an agency of our Government which pre-eminently should be free of any hint or suggestion of favoritism or influence.

Added to this impediment is the uncertainty of office-tenure which attaches to their position.

Secondly, Collectors do not hold the policy-making type of office which should properly be subject to Presidential appointment. Their duties are primarily administrative and technical and are clearly of a type which should be within the framework of our Civil Service System.

either obsolete or cumbersome for the mountainous and complex job that confronts the Revenue Service today. The present system of appointing Collectors of Internal Revenue is one of these practices. Since Collectors are not appointed and cannot be removed by the Commissioner of Internal Revenue or myself, they are not fully responsive to the control of their superiors in the Treasury Department.

tax monies and as conduits of returns, claims, and other documents which were required to be forwarded to Washington for processing and decision. In its day, this system worked well.

With our phenomenal economic growth, however, our tax system has undergone a steady expansion with a consequent need for continual reappraisal of practices and procedures which have now become in our history when our Internal Revenue system was relatively free of highly technical and legal problems. The official responsibilities of Collectors in those days were relatively light. The principal requirement was one of community leadership to encourage local acceptance of Federal taxes. The taxpayer base was narrow and the Collectors, in a real sense, acted more or less as mere receivers of

There are three reasons we are urging this. They are all simple and they are all sound.

First, the system as we now know it under which Collectors of Internal Revenue are appointed by the Executive Branch outside the Civil Service is an archaic one of almost a century's standing. It was introduced at a time before the merit system was devised, and then it was perpetuated through decades

I would like now to tell you why we are urging adoption of this plan of reorganization. First, let me comment on that part of the plan which provides that all positions in our Revenue Service, except the position of Commissioner, would be filled by Civil Service men and women. The principal effect of this provision would be to abolish the 64 positions of Collector of Internal Revenue.

the various field and departmental offices of the Revenue Service can be maintained.

It functions directly under the Commissioner and is therefore independent of the rest of the Bureau. It will correct the major defects of the past inspection system which functioned separately in each major division of the Bureau and was responsible separately to each division head.

the Revenue Bureau.

The Inspection Service is the arm of the Commissioner, by which the operations and the personnel of the Revenue Service are brought under continuous scrutiny to insure efficiency and integrity of performance. The Commissioner is extending the work and expanding the personnel of the Inspection Service so that a closer, more systematic, day-to-day check of activities of the District Commissioners. Another will supervise the Inspection Service, and the third will look after technical matters.

The Commissioner of Internal Revenue will be appointed by the President, by and with the advice of the Senate.

Because of its fundamental importance, I want to revert for a moment to the Inspection Service of

Commissioner at Washington.

The total of not to exceed 25 operating field officers who will report directly to the Commissioner at Washington under the plan compares with almost 200 field officers reporting directly to Washington under the present organizational setup.

The plan provides for three Assistant Commissioners, one of whom will supervise the operational last Chg on P9 38

~~about 5 million, thereby obtaining~~

~~an~~ adequate distribution of the workload

~~population~~ among the District

Commissioners.

Each of the District

Commissioners will have complete

charge of all Revenue Service

matters in his district.

The District Commissioners

will be the only operating field

officials who will report to the

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official to be known as District Commissioner of Internal Revenue.

There will be not to exceed 25 District Commissioners, each having supervision over 2 or more Deputy District Commissioners. The District Commissioner will be suitably located in his region.

Each of the regions supervised by a District Commissioner will embrace geographical sections ~~having a minimum population of~~ which will insure a fairly areas roughly corresponding to the present 64 internal revenue collection districts. His office will be physically situated in the city in which the office of Collector of Internal Revenue is located today. Thus there will be a Deputy District Commissioner in every state, and in the more populous states more than one.

The 64 or more Deputy District Commissioners will report to an

The number of such local offices will at least equal the number of local offices maintained today, and additional ones will be provided as population changes make it appropriate to establish new ones.

The men in charge in local communities will report directly to an official to be known as a Deputy District Commissioner.

The Deputy District Commissioner will have supervision of geographical revenue business can complete his business there, whether it be to purchase revenue stamps, to get tax forms, to get information or assistance in making out a tax return of any type, to pay any and all classes of tax, to have his return checked, or to appeal a proposed assessment.

laws throughout the country.

In the taxpayer's local community, it will place the great bulk of tax administration under one man and eventually under one roof. The plan also puts all Revenue employees in a local community under one man.

A taxpayer coming into a local office on internal has been planned for the Revenue Service with these objectives in mind.

This reorganization plan, which grew out of your studies and efforts and ours, will localize Revenue Service operations. Its effect will be to bring the Revenue Service closer to the taxpayer in his own community. The plan will leave to the Washington headquarters of the Service the proper duty and responsibility of establishing standards and policies for uniform application, administration and enforcement of the revenue

Service employees have succumbed in the past.

A Revenue Service of top efficiency, of unquestioned integrity, and of maximum economy of operation certainly is something to which the American people are entitled. The maintenance of such a Service is the strongest sort of protection for the further success of our voluntary system of taxpayer compliance. A new, adequate, up-to-date architecture provide under the existing structure.

The Reorganization Plan will permit us to bring the Revenue Service fully up to the requirements of the present day. It will enable us to establish maximum efficiency of operation, and maximum service to the public. It will bring the Service into closer accord with the merit system of Government employment. It will help remove temptations to which, unfortunately, a few Revenue in the past year have been prohibited from having any outside activities which might conflict with the full and proper discharge of their duties.

(6) We have cooperated fully with the Kefauver and King Committees.

All of the above steps reflect the constant and ever increasing efforts on the part of the Department to provide the best Revenue Service which it is humanly possible to worth. This will be a continuing program.

(2) Employees' tax returns have been subjected to special audit. This too will be a continuing program.

(3) All complaints of misconduct have been and will continue to be promptly investigated.

(4) Quick disciplinary action has been taken as soon as the facts of each case were clearly known.

(5) All Collectors appointed

dishonor on the Service. We have taken strong steps to remove any further opportunities for misconduct. Among the actions taken toward this end have been the following:

(1) All supervisory employees and all other employees dealing with the public or handling Government funds -- some 31,000 in all -- have been required to execute and file with the Bureau a statement which would reflect their income and net

These new procedures will in nowise reduce the rights of honest taxpayers.

Obviously, the Federal revenue system must have the public's confidence and support. This means the system's integrity must be unquestioned. Commissioner Dunlap and I, with full authority from the President, have acted promptly to eliminate from the Bureau of Internal Revenue any personnel who brought controversial nature as reflected in court decisions, complexities of administration, and the abuses which arose.

These important policy changes will lend impetus to the intensified enforcement activities of the Bureau's special tax fraud drive and racket squad work throughout the country, which are ferreting out the willful tax evaders and resulting in the recovery of additional taxes and penalties due the Government.

of the taxpayer's health to weigh against our determination that the case is one warranting criminal prosecution. The health of the taxpayer can more appropriately be taken into account by the prosecuting authority or by judicial process.

We have also announced the abandonment of the former voluntary disclosure policy. We abandoned this policy because of its of nearly a thousand cases of tax fraud. The new procedure will mean a saving on the average of four months or more in each case.

As a part of our reexamination of these procedures, and to eliminate delaying factors, we have recently announced two other important changes in enforcement policy.

We announced that we will no longer permit the collateral factor the Bureau, so that one division through one operating head can more effectively do the job formerly done by separate units.

We are taking further steps to speed up all our operations. We have already instituted a new procedure for the reference of criminal tax cases directly from the field to the Department of Justice for prosecution. This change is the result of the study strong independent inspection service within the Bureau of Internal Revenue, reporting to the Commissioner.

We are also proceeding with management improvements and the combination of functions which will permit greater efficiency within the scope of the present structure. This is being accomplished, for example, by combining the separate Wage and Excise Tax Divisions of divisions along functional lines. We have streamlined the field organization by combining the Excise Tax Agents with the field offices of the Income Tax Division. We have completed an audit control program aimed at more effective selection of returns for investigation. We have improved and simplified tax forms and instructions.

We have been going ahead steadily with the setting up of a first large-scale business users of electronic computers. We have modernized record keeping by microfilming and other means. We have simplified tax collection procedures by introducing a depositary receipt system. We have speeded up our refunding operations.

There have been improvements in the performance of various other major tasks. We have reorganized some of the major administrative

To the extent that the present organization permits, we have decentralized operating functions and strengthened headquarters management control. We have strengthened front-line enforcement, notably through the creation of more than 100 special racket squads to run down criminal tax evaders. We have installed tabulating machines and other modern equipment. We became the taken have been in the general direction of the Reorganization Plan's objectives, and I think it would be helpful to you, as a further presentation of the Plan's background, if I reviewed some of these steps.

I have already referred to studies which were initiated in order to get at the root of the Bureau's problems. Here are some of the specific results.

the Hoover Commission, have been drawn upon in the development of the reorganization plan now before you.

They have been drawn upon also in our constant efforts to correct weaknesses and improve the efficiency of the Revenue Service to the greatest extent possible under existing authority and within the existing organizational structure. The steps already administrative problems. In September 1948, Congress authorized the employment of an outstanding firm of management engineers to make a broad-scale study of the Bureau. The firm's report and recommendations were received in August 1949.

The reports and recommendations from these sources, as well as the information and suggestions coming from the Congressional groups and month later there was established a special committee on administration to analyze the suggestions made at this conference; the report of this committee was received in August 1947. In July 1948, I created a committee of highly qualified men from both inside and outside the Government to direct the management studies of the Bureau of Internal Revenue and to act as consultant in the solution of us in 1946 by the passage of Public Law 600, which authorized the Treasury to pay cash awards for meritorious suggestions.

In October 1946 the first large-scale conference in several years was held in Washington between field and departmental officials of the revenue service in order to survey its operational and administrative problems. A considered, in order not to disrupt or hamper day-to-day operations. With these thoughts uppermost in my mind, I initiated a program of management improvement. The program began with the introduction of a Work Simplification Program, which started at the grass roots by tapping the accumulated knowledge and experience of every employee. This was our first step on the road to reorganization. Congress assisted service inevitably has suffered in many directions from stresses and strains.

When I took office I realized that the tremendous expansion which took place during the World War II period was certain to have revealed organizational and procedural weaknesses. I realized also that any change in the organization of the Revenue Service had to be well thought out, with every detail

Act of 1950, the Excess Profits Tax Act of 1950 and the Revenue Act of 1951. Moreover, these developments have been accompanied by an increase in appellate work and cases in litigation; at the present time the uncollected taxes backed up in the appellate pipeline amount to $1.8 billion.

With a continuing expansion of these tremendous proportions, the organization of the revenue the last several years stand at almost five times the 1940 level.

The heavy volume of recent tax legislation, designed to finance defense expenditures, has severely tried the administrative forces of the revenue service. In the space of a little more than a year the Bureau's staff was required to assimilate four major enactments -- the Social Security Act of 1950, the Revenue fraud cases, beginning with the drive on black marketeers in 1945, and extending through the current drive on racketeers, has absorbed more and more time and manpower.

Increase in personnel has not kept pace with this increase in burden. However, the number of returns audited has been more than doubled over the past five years. The additional tax assessments resulting from audit in each of

The increased workload has by no means been limited to such matters as the processing of returns and tax collection and refund procedures. There has been as striking a growth in the other main operational responsibilities of the revenue service -- tax enforcement, administration of new tax statutes and settlement of disputed cases. On the enforcement front, the investigation and prosecution of the broadening of the base of the personal income tax, wage and salary withholding was introduced, creating many new problems, not the least of which was that of mass refunding operations. The excess profits tax, the extension of social security coverage, and the wagering tax, has each made a new and substantial contribution to the workload. Our tax system today bears scarcely any resemblance to that of 1940.

of the workload of the Bureau of Internal Revenue in recent years and the steps which have already been taken to meet these problems. The last decade has brought a revolutionary increase in the responsibilities of the revenue service to meet the exigencies of war and defense financing. In this decade the number of returns has increased fourfold and the volume of tax collections tenfold. With

Senate and House Appropriation Committees. The extensive studies of the Hoover Commission on Organization of the Executive Branch of the Government produced findings and recommendations of great aid.

In order that you might better understand the background of the Reorganization Plan, I shall first address myself to the basic problems resulting from the growth grant of authority and powers under the earlier parent Reorganization Plan No. 26. Assistance and encouragement came also from the Senate Finance Committee, the Joint Committee on Internal Revenue Taxation, the House Committee on Ways and Means, the House Expenditures Committee, the Kefauver Committee, the King Subcommittee of the House Ways and Means Committee, and also the

The organizational improvement of the Bureau is a matter which has been of deep concern to me since I assumed my present office in June of 1946.

I know that it has been a matter of deep concern equally to the Congress and its committees. The many and painstaking studies which led to the preparation of Reorganization Plan No. 1 included valuable work by this Committee, particularly in connection with the

Mr. Chairman and Members of the Committee: I welcome this opportunity to discuss with you Reorganization Plan No. 1 of 1952, providing for reorganization of the Bureau of Internal Revenue. This Plan, which the President upon my recommendation transmitted to the Congress on January 14, is a culminating step in the continuing process of improving the efficiency and integrity of the Revenue Service.

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STATEMENT BY SECRETARY SNYDER

BEFORE

SENATE EXPENDITURES COMMITTEE

Wednesday, January 30, 1952

TREASURY DEPARTMENT
Washington

Statement by Secretary Snyder before
Senate Committee on Expenditures
January 30, 1952

Mr. Chairman and Members of the Committee:

I welcome this opportunity to discuss with you Reorganization Plan No. 1 of 1952, providing for reorganization of the Bureau of Internal Revenue. This Plan, which the President upon my recommendation transmitted to the Congress on January 14, is a culminating step in the continuing process of improving the efficiency and integrity of the Revenue Service. The organizational improvement of the Bureau is a matter which has been of deep concern to me since I assumed my present office in June of 1946.

I know that it has been a matter of deep concern equally to the Congress and its committees. The many and painstaking studies which led to the preparation of Reorganization Plan No. 1 included valuable work by this Committee, particularly in connection with the grant of authority and powers under the earlier parent Reorganization Plan No. 26. Assistance and encouragement came also from the Senate Finance Committee, the Joint Committee on Internal Revenue Taxation, the House Committee on Ways and Means, the House Expenditures Committee, the Kefauver Committee, the King Subcommittee of the House Ways and Means Committee, and also the Senate and House Appropriation Committees. The extensive studies of the Hoover Commission on Organization of the Executive Branch of the Government produced findings and recommendations of great aid.

In order that you might better understand the background of the Reorganization Plan, I shall first address myself to the basic problems resulting from the growth of the workload of the Bureau of Internal Revenue in recent years and the steps which have already been taken to meet these problems. The last decade has brought a revolutionary increase in the responsibilities of the revenue service to meet the exigencies of war and defense financing. In this decade the number of returns has increased fourfold and the volume of tax collections tenfold. With the broadening of the base of the personal income tax, wage and salary withholding was introduced, creating many new problems, not the least of which was that of mass refunding operations. The excess profits tax, the extension of social security coverage, and the wagering tax, has each made a new and substantial contribution to the workload. Our tax system today bears scarcely any resemblance to that of 1940.

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The increased workload has by no means been limited to such matters as the processing of returns and tax collection and refund procedures. There has been as striking a growth in the other main operational responsibilities of the revenue service -- tax enforcement, administration of new tax statutes and settlement of disputed cases. On the enforcement front, the investigation and prosecution of fraud cases, beginning with the drive on black marketeers in 1945, and extending through the current drive on racketeers, has absorbed more and more time and manpower.

Increase in personnel has not kept pace with this increase in burden. However, the number of returns audited has been more than doubled over the past five years. The additional tax assessments resulting from audit in each of the last several years stand at almost five times the 1940 level.

The heavy volume of recent tax legislation, designed to finance defense expenditures, has severely tried the administrative forces of the revenue service. In the space of a little more than a year the Bureau's staff was required to assimilate four major enactments -- the Social Security Act of 1950, the Revenue Act of 1950, the Excess Profits Tax Act of 1950 and the Revenue Act of 1951. Moreover, these developments have been accompanied by an increase in appellate work and cases in litigation; at the present time the uncollected taxes backed up in the appellate pipeline amount to $1.8 billion.

With a continuing expansion of these tremendous proportions, the organization of the revenue service inevitably has suffered in many directions from stresses and strains.

When I took office I realized that the tremendous expansion which took place during the World War II period was certain to have revealed organizational and procedural weaknesses. I realized also that any change in the organization of the Revenue Service had to be well thought out, with every detail considered, in order not to disrupt or hamper day-to-day operations. With these thoughts uppermost in my mind, I initiated a program of management improvement. The program began with the introduction of a Work Simplification Program, which started at the grass roots by tapping the accumulated knowledge and experience of every employee. This was our first step on the road to reorganization. Congress assisted us in 1946 by the passage of Public Law 600, which authorized the Treasury to pay cash awards for meritorious suggestions.

In October 1946 the first large-scale conference in several years was held in Washington between field and departmental officials of the revenue service in order to survey its operational and administrative problems. A month later there was established a special committee on administration to analyze the suggestions made at this conference; the report of this committee was received in August 1947. In July 1948, I created a committee of highly qualified men from both inside and outside the Government to direct the management studies of the Bureau of Internal Revenue and to act as consultant in the solution of administrative problems. In September 1948, Congress authorized the employment of an outstanding firm of management engineers to make a broad-scale study of the Bureau. The firm's report and recommendations were received in August 1949.

The reports and recommendations from these sources, as well as the information and suggestions coming from the Congressional groups and the Hoover Commission, have been drawn upon in the development of the reorganization plan now before you.

They have been drawn upon also in our constant efforts to correct weaknesses and improve the efficiency of the Revenue Service to the greatest extent possible under existing authority and within the existing organizational structure. The steps already taken have been in the general direction of the Reorganization Plan's objectives, and I think it would be helpful to you, as a further presentation of the Plan's background, if I reviewed some of these steps.

I have already referred to studies which were initiated in order to get at the root of the Bureau's problems. Here are some of the specific results.

To the extent that the present organization permits, we have decentralized operating functions and strengthened headquarters management control. We have strengthened front-line enforcement, notably through the creation of more than 100 special racket squads to run down criminal tax evaders. We have installed tabulating machines and other modern equipment. We became the first large-scale business users of electronic computers. We have modernized record keeping by microfilming and other means. We have simplified tax collection procedures by introducing a depositary receipt system. We have speeded up our refunding operations.

There have been improvements in the performance of various other major tasks. We have reorganized some of the major administrative divisions along functional lines. We have streamlined the field organization by combining the Excise Tax Agents with the field offices of the Income Tax Division. We have completed an audit control program aimed at more effective selection of returns for investigation. We have improved and simplified tax forms and instructions.

We have been going ahead steadily with the setting up of a strong independent inspection service within the Bureau of Internal Revenue, reporting to the Commissioner.

We are also proceeding with management improvements and the combination of functions which will permit greater efficiency within the scope of the present structure. This is being accomplished, for example, by combining the separate Wage and Excise Tax Divisions of the Bureau, so that one division through one operating head can more effectively do the job formerly done by separate units.

We are taking further steps to speed up all our operations. We have already instituted a new procedure for the reference of criminal tax cases directly from the field to the Department of Justice for prosecution. This change is the result of the study of nearly a thousand cases of tax fraud. The new procedure will mean a saving on the average of four months or more in each case.

As a part of our reexamination of these procedures, and to eliminate delaying factors, we have recently announced two other important changes in enforcement policy.

We announced that we will no longer permit the collateral factor of the taxpayer's health to weigh against our determination that the case is one warranting criminal prosecution. The health of the taxpayer can more appropriately be taken into account by the prosecuting authority or by judicial process.

We have also announced the abandonment of the former voluntary disclosure policy. We abandoned this policy because of its controversial nature as reflected in court decisions, complexities of administration, and the abuses which arose.

These important policy changes will lend impetus to the intensified enforcement activities of the Bureau's special tax fraud drive and racket squad work throughout the country, which are ferreting out the willful tax evaders and resulting in the recovery of additional taxes and penalties due the Government.

These new procedures will in nowise reduce the rights of honest taxpayers.

Obviously, the Federal revenue system must have the public's confidence and support. This means the system's integrity must be unquestioned. Commissioner Dunlap and I, with full authority from the President, have acted promptly to eliminate from the Bureau of Internal Revenue any personnel who brought dishonor on the Service. We have taken strong steps to remove any further opportunities for misconduct. Among the actions taken toward this end have been the following:

(1) All supervisory employees and all other employees dealing with the public or handling Government funds -- some 31,000 in all -- have been required to execute and file with the Bureau a statement which would reflect their income and net worth. This will be a continuing program.

(2) Employees' tax returns have been subjected to special audit. This too will be a continuing program.

(3) All complaints of misconduct have been and will continue to be promptly investigated.

(4) Quick disciplinary action has been taken as soon as the facts of each case were clearly known.

(5) All Collectors appointed in the past year have been prohibited from having any outside activities which might conflict with the full and proper discharge of their duties.

(6) We have cooperated fully with the Kefauver and King Committees.

All of the above steps reflect the constant and ever increasing efforts on the part of the Department to provide the best Revenue Service which it is humanly possible to provide under the existing structure.

The Reorganization Plan will permit us to bring the Revenue Service fully up to the requirements of the present day. It will enable us to establish maximum efficiency of operation, and maximum service to the public. It will bring the Service into closer accord with the merit system of Government employment. It will help remove temptations to which, unfortunately, a few Revenue Service employees have succumbed in the past.

A Revenue Service of top efficiency, of unquestioned integrity, and of maximum economy of operation certainly is something to which the American people are entitled. The maintenance of such a Service is the strongest sort of protection for the further success of our voluntary system of taxpayer compliance. A new, adequate, up-to-date architecture has been planned for the Revenue Service with these objectives in mind.

This reorganization plan, which grew out of your studies and efforts and ours, will localize Revenue Service operations. Its effect will be to bring the Revenue Service closer to the taxpayer in his own community. The plan will leave to the Washington headquarters of the Service the proper duty and responsibility of establishing standards and policies for uniform application, administration and enforcement of the revenue laws throughout the country.

In the taxpayer's local community, it will place the great bulk of tax administration under one man and eventually under one roof. The plan also puts all Revenue employees in a local community under one man.

A taxpayer coming into a local office on internal revenue business can complete his business there, whether it be to purchase revenue stamps, to get tax forms, to get information or assistance in making out a tax return of any type, to pay any and all classes of tax, to have his return checked, or to appeal a proposed assessment.

The number of such local offices will at least equal the number of local offices maintained today, and additional ones will be provided as population changes make it appropriate to establish new ones.

The men in charge in local communities will report directly to an official to be known as a Deputy District Commissioner.

The Deputy District Commissioner will have supervision of geographical areas roughly corresponding to the present 64 internal revenue collection districts. His office will be physically situated in the city in which the office of Collector of Internal Revenue is located today. Thus there will be a Deputy District Commissioner in every state, and in the more populous states more than one.

The 64 or more Deputy District Commissioners will report to an official to be known as District Commissioner of Internal Revenue.

There will be not to exceed 25 District Commissioners, each having supervision over 2 or more Deputy District Commissioners. The District Commissioner will be suitably located in his region.

Each of the regions supervised by a District Commissioner will embrace geographical sections which will insure a fairly adequate distribution of the workload among the District Commissioners.

Each of the District Commissioners will have complete charge of all Revenue Service matters in his district.

The District Commissioners will be the only operating field officials who will report to the Commissioner at Washington.

The total of not to exceed 25 operating field officers who will report directly to the Commissioner at Washington under the plan compares with almost 200 field officers reporting directly to Washington under the present organizational setup.

The plan provides for three Assistant Commissioners, one of whom will supervise the operational activities of the District Commissioners. Another will supervise the Inspection Service, and the third will look after technical matters.

The Commissioner of Internal Revenue will be appointed by the President, by and with the advice of the Senate.

Because of its fundamental importance, I want to revert for a moment to the Inspection Service of the Revenue Bureau.

The Inspection Service is the arm of the Commissioner, by which the operations and the personnel of the Revenue Service are brought under continuous scrutiny to insure efficiency and integrity of performance. The Commissioner is extending the work and expanding the personnel of the Inspection Service so that a closer, more systematic, day-to-day check of the various field and departmental offices of the Revenue Service can be maintained.

It functions directly under the Commissioner and is therefore independent of the rest of the Bureau. It will correct the major defects of the past inspection system which functioned separately in each major division of the Bureau and was responsible separately to each division head.

I would like now to tell you why we are urging adoption of this plan of reorganization. First, let me comment on that part of the plan which provides that all positions in our Revenue Service, except the position of Commissioner, would be filled by Civil Service men and women. The principal effect of this provision would be to abolish the 64 positions of Collector of Internal Revenue. There are three reasons we are urging this. They are all simple and they are all sound.

First, the system as we now know it under which Collectors of Internal Revenue are appointed by the Executive Branch outside the Civil Service is an archaic one of almost a century's standing. It was introduced at a time before the merit system was devised, and then it was perpetuated through decades in our history when our Internal Revenue system was relatively free of highly technical and legal problems. The official responsibilities of Collectors in those days were relatively light. The principal requirement was one of community leadership to encourage local acceptance of Federal taxes. The taxpayer base was narrow and the Collectors, in a real sense, acted more or less as mere receivers of tax monies and as conduits of returns, claims, and other documents which were required to be forwarded to Washington for processing and decision. In its day, this system worked well.

With our phenomenal economic growth, however, our tax system has undergone a steady expansion with a consequent need for continual reappraisal of practices and procedures which have now become either obsolete or cumbersome for the mountainous and complex job that confronts the Revenue Service today. The present system of appointing Collectors of Internal Revenue is one of these practices. Since Collectors are not appointed and cannot be removed by the Commissioner of Internal Revenue or myself, they are not fully responsive to the control of their superiors in the Treasury Department. Added to this impediment is the uncertainty of office-tenure which attaches to their position.

Secondly, Collectors do not hold the policy-making type of office which should properly be subject to Presidential appointment. Their duties are primarily administrative and technical and are clearly of a type which should be within the framework of our Civil Service System.

Lastly, extension of Civil Service to the positions replacing that of Collector, and all other offices in the Revenue Service, excepting only that of Commissioner -- which is on a high policy-making level in tax administration -- would further the principles of the merit system in an agency of our Government which pre-eminently should be free of any hint or suggestion of favoritism or influence.

It should thereby enable us to attract to the service and hold able men and women who are interested in pursuing Government service as a career but who naturally want to look forward to opportunities for advancement to top positions in that service for which they may be qualified.

Some of the present Collectors have Civil Service status. They are eligible to be appointed to any position, provided they meet the qualification standards prescribed by the United States Civil Service Commission. All such appointments are subject to the approval of the Civil Service Commission.

The remaining Collectors may compete in Civil Service examinations for other positions if they meet the standards prescribed by the Civil Service Commission.

I want to remark here that as a body, the Collectors of Internal Revenue have done excellent work. They have given great assistance in solving our problems and in making possible our accomplishments, and they have borne their full share of the tremendously increased Revenue Service work loads.

I would like now to tell you why the plan provides for the appointment of "not to exceed 25 District Commissioners." Here again the reason is simple. At the present time there are almost 200 headquarters field offices reporting to the Commissioner through 7 different separate line divisions. There are 64 main offices in the field engaged in both collecting taxes and in auditing the smaller returns. There are 39 field districts which concern themselves with auditing the larger classes of returns. There are 14 field districts which deal only with the tax fraud aspects of tax cases. There are 12 field districts of the Bureau's Appellate Staff; and there are 15 field districts engaged in the enforcement of the alcohol and tobacco taxes.

The Reorganization Plan, as I have said, would combine these various types of offices into not more than 25 regional revenue districts, each of which would be headed by a District Commissioner accountable directly to the office of the Commissioner in Washington. I would like to emphasize as strongly as I can at this point, however, that this does not mean that service to taxpayers will be curtailed in any area since there will be up to 70 suboffices and the present network of zone offices and posts of duty throughout the country which have been established to meet the public's needs just as there are now. As a matter of fact, not only will there be the same facilities available to taxpayers under the Plan as there are at the present time, but these facilities will be expanded to include services which are not now available in all localities where the Bureau now has Collectors' offices.

Those of us in the Treasury and in the Bureau who have given intensive study to this plan, and have observed the economies resulting from the management improvements already put in effect over the last few years, are confident that effectuation of this plan is capable of producing potentially large savings. I think it right and proper to point out here, however, that we cannot make a specific estimate of the actual amount of savings that may result, particularly before the plan is actually in operation.

The difficulties of attempting to make precise estimates of savings were recognized and well-stated in a report to the Joint Committee on Internal Revenue Taxation in 1948. This report as published by the Joint Committee said:

> "Any substantial change in Bureau procedure will require time to be put into effect. Shortages of appropriate office space in suitable locations, lack of highly specialized mechanical equipment (some of which should be custom-designed for Bureau operations) and the sheer magnitude of the task make it impossible to effect large economies in this housekeeping job within a brief period of time. The Bureau needs a 2-to 4-year period to analyze and diagnose its management problems and to test and experiment with possible solutions.

For this activity it should employ the best talent and techniques that are available, both within and without the Bureau organization. The importance of an effective housekeeping job in connection with the collection of the internal revenue is not limited to the economies involved but has an important bearing on the character and cost of the verification and enforcement job."

The impossibility of trying to pin-point specific dollar and cent savings resulting from reorganization was recognized also in the hearings on the Reorganization Act of 1949. It seems clear from the legislative history of that Act that what is required is assurance of substantial savings, not specific estimates.

But I do want to indicate some actual areas where substantial economies are likely to result from effectuation of the plan.

The consolidation and simplification of certain functions now widely scattered is one of these areas.

Another is the expected merging of offices.

Still another is the prospective reduction in travel expenses.

Savings will result from a wider use of mass processing techniques which will be made possible by the consolidation and merging of operations.

Eventual placement of all personnel in one building in each locality should make for potentially large economies in the use of both personnel and space.

Next, merging of the various enforcement operations under one authority should reduce enforcement costs by eliminating duplication of effort arising from the present division of enforcement activiites.

Further decentralization of activities to the field should reduce costs by eliminating multiple handling of mail and records.

Reorganization of the Bureau of Internal Revenue has been brought to the attention of the Congress because, as the President made clear in his message, it involves the grant of Congressional sanction in addition to the exercise of administrative authority. The two features of the reorganization plan which definitely require the participation of Congress are:

(1) the abolition of the statutory offices of Collectors of Internal Revenue and

(2) the up-grading of the top administrative positions.

As to the first point, the present organization of the Bureau rests, as you know, on 64 Collectors' offices, specifically established by statute nearly a century ago. This was obviously intended by Congress to be the framework around which the collection system was to be built. In any case I would not want to change that basic feature of the Bureau's structure, sanctioned for so long by the Congress, without Congressional knowledge.

But there is another reason why the plan has been brought to Congress, and that is because the plan fundamentally and sweepingly changes the Bureau's structure. It is therefore essential for the legislative branch of the government to be informed of this plan and to hear the reasons for its need, for without the support of the Congress this far-reaching undertaking cannot be expected to produce the hoped-for results.

We have been much heartened by the support which the plan has received from the Congress, from the press and public throughout the country, from the Civil Service Commission and from many other sources. The action of the House Expenditures Committee in supporting the plan by rejecting a resolution to disapprove it, after intensive examination of the plan during its hearings, reflects the constructive and cooperative spirit with which the Congress has approached consideration of the proposal. The King Subcommittee, as you know, has spent long months in close, careful study of the operations of the Bureau of Internal Revenue, and Chairman King's strong statement in support of the plan in his appearance before the House Expenditures Committee is, in my opinion, significant.

To those who have thus placed their stamp of approval on the plan, and indeed to all American citizens, with their direct and vital interest in it, I want to give the assurance that in putting the plan into effect we shall make every possible effort to see to it that their expectations of far-reaching public benefit are fully realized.

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ALPHA

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.

ALPHA

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 February 7, 1952 (8), in cash or other immediately available funds or in a like face amount of Treasury bills maturing February 7, 1952. (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

TREASURY DEPARTMENT
Washington

S-2949

FOR RELEASE, MORNING NEWSPAPERS,
Thursday, January 31, 1952 .
(1)

The Secretary of the Treasury, by this public notice, invites tenders for $1,300,000,000 (2), or thereabouts, of 91 (3) -day Treasury bills, for cash and in exchange for Treasury bills maturing February 7, 1952 (4), in the amount of $1,300,275,000, to ~~be issued on~~ a discount basis under competitive and non-competitive bidding as hereinafter provided. The bills of this series will be dated February 7, 1952 (5), and will mature May 8, 1952 (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, February 4, 1952 (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.

Others than banking institutions will not be permitted to submit tenders except for their own account. 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,

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Information Service WASHINGTON, D.C.

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~~claim with the Treasury Department, alleging that he had destroyed the bonds accidentally when he burned some trash at his home. James was arrested for filing a false claim, was convicted and sentenced to serve four years in prison and to pay a fine of $1,250.~~

An event of current and historic importance affecting the Secret Service took place during the year, Chief Baughman said. Congress passed a bill which gave permanent legal status to the Secret Service by defining its powers and duties in a Federal statute. Since its establishment in 1865 the Secret Service derived its authority from appropriation acts passed by the Congress every year. The new law, cited as Public Law 79, 82nd Congress, did not grant the Secret Service any new duties or powers except the power to serve arrest warrants. It was approved by the President on July 16.

At the close of the year, the Secret Service also released a new 16 millimeter educational motion picture, "The Secret Service Story," showing how to detect counterfeit bills and how storekeepers may guard against losses due to forged Government checks. The film also shows for the first time some of the methods used by the Secret Service in the protection of the President of the United States.

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The fastest check thief on record was caught in Washington, D.C., in October. He located an apartment house where the hall mailboxes were so constructed that he could secrete himself in a narrow space in the rear of the boxes, which he did. When the mail carrier arrived, several tenants were in the hall to get their mail. Since the carrier did not know the tenants by name, he properly placed all mail in the boxes and locked them. Each tenant would then proceed to open his own box. As fast as the carrier put the mail in the receptacles and closed the doors, the hidden check thief withdrew the envelopes containing checks. Moments later, when the tenants looked in the boxes, several of them complained that Government checks they expected had not been delivered. "I could hear 'em squawking," the thief said later, "and I had the checks in my pocket."

Bond forgers continued to steal U. S. Defense Bonds from bond owners who failed to keep the bonds in safe places. No bond owners suffered losses, however, because they can always get duplicate bonds if the originals are lost, stolen, or destroyed, Chief Baughman ~~declared~~ said. One luckless gentleman, who tried to fleece the Government because of this policy wound up in prison instead. He was John L. James, who owned $1,500 in bonds which were payable on death to his wife. This couple was divorced at Huntington, W. Va., and as part of the proceedings the court ordered that the $1,500 in bonds become the property of Mrs. James exclusively. The bonds were given to Mrs. James, who delivered them to her attorney for safe-keeping. Later, the divorced husband filed a

18 to 25 years, were admitted narcotic addicts who said they stole and forged Government checks to get money to buy illicit drugs. One defendant has been convicted and sent to prison. The others are awaiting prosecution.

Narcotic addicts with the same motivation were organized by Nathaniel Pearson, proprietor of a New Orleans cocktail lounge. Pearson, himself an addict, said he required $100 a day to buy drugs. He directed the check-stealing activity of a gang of fellow-addicts and actually paid out the stolen checks with forged endorsements to wholesalers in the purchase of liquor and other supplies for his bar. Pearson also used his Pekinese dog in getting veterinarians to cash the stolen checks. Members of the gang took the healthy dog to animal hospitals with stories about its alleged ailments. Within three days the ~~poor beast~~ dog was given three separate treatments. ~~for tapeworms and rabies.~~ Each ~~treatment was~~ paid for with a forged Government check. Pearson and four of his accomplices are now serving a combined total of 11½ years in prison.

In Chattanooga, Tennessee, the Secret Service encountered the first case in history where a stolen Government check was altered for a loss. A 16-year-old boy stole and forged an Army dependency check for $147.50. Deciding he was too young to be considered the rightful owner of a check for such a large amount, he altered the check to $47.50. Ironically enough, he cashed the check without any difficulty with a merchant who did not even ask him for identification, and could undoubtedly have cashed it in the original amount. He was later arrested and delivered to Tennessee juvenile authorities for prosecution as a delinquent.

He admitted having made and passed coins for the previous six months. He was convicted and sentenced.

Chief Baughman reported that one of the most unusual instances of public cooperation in catching a counterfeiting offender occurred at a county fair in Athens, Alabama. A passer used a counterfeit $20 bill to buy two tickets for a ride on the ferris wheel. While the wheel was in motion the cashier discovered that the bill was no good and summoned a police officer. The wheel was kept in motion to prevent the passer's escape. Six more counterfeits were found on his person by the arresting officers.

During the year, the Secret Service received for investigation 29,455 forged Government checks and 4,748 forged bonds. Agents investigated 35,957 forged checks worth $2,679,598.40 and 6,263 forged bonds worth $431,730.10. These included cases pending from the previous year.

In Los Angeles, California, when a group of check thieves descended upon house mailboxes to steal checks sent to veterans and others last October, the culprits walked into the waiting handcuffs of one of the biggest teams of law-enforcement officers ever assembled to fight the forgery racket. Cooperating with the Secret Service and the Post Office Inspectors, the Los Angeles Police Department supplied 34 plainclothesmen to work with the Government investigators. Surveillance of certain mailboxes paid off when five men tried to steal the contents of the boxes and were taken into custody. The men, ranging in age from drove to the Secret Service field office at Springfield and surrendered himself, making a confession which resulted in the arrest of his partner, ~~Walton C.~~ Romans, on August 9. Both men pleaded guilty in September and were sentenced.

Two other Illinois men set up a counterfeiting plant on wheels, but were captured with $40,000 in trailer-made $20 bills before they could travel. Roy O. Reime and Leonard J. Olson were arrested in June at Aurora, Illinois, for manufacturing the counterfeits in a house-trailer at Creve Coeur, Illinois. Olson and Reime, the latter an engineer and commercial artist, printed advertising literature in the trailer, but decided counterfeit money would be more profitable. They managed to pass a few of the bills before their arrest. Each was sentenced to eight years.

An old joke lost all its humor for Robert McCauley, arrested November 15 in New York City for manufacturing and passing counterfeit U. S. nickels and counterfeit Canadian dimes. The original gag went like this:

He: "I put two slugs in a slot at the Automat and what do you think came out?"
She: "I don't know. What?"
He: "The manager."

McCauley, with a craving for coconut pie and coffee, visited Automats frequently, using his home-cooked coins in the food slots. Secret Service agents kept the pie slots under observation and when three counterfeit nickels thudded into one receptacle, the pie went out and so did the agents and the manager. McCauley had in his pockets 22 counterfeit nickels, 10 counterfeit Canadian dimes, and six metal washers the size of quarters.

"I can't understand it," he said. "I was sure my bills were so good this time that it would be at least two or three years before you'd catch up with me!"

Williams was convicted and sentenced to 15 years.

In one case in Springfield, Illinois, a counterfeiter gave himself up within 24 hours after he passed his first counterfeit $10 bill because he believed his capture by the Secret Service would be inevitable. Involved in the story were Walton C. Romans and Edward F. Schindler of Decatur, Illinois, who had been fraternity brothers at Millikin University there, they joined forces in a counterfeiting plant, and After six months of experimenting they produced $1,500 in phony $10 bills on August 5, 1951. The next day Schindler went to Belleville, Illinois, and passed four notes. On the fifth attempt, the counterfeit was detected by the victim, a tavern keeper, who told Schindler the money was no good.

Schindler acted surprised, and volunteered to summon the Belleville police. He telephoned police headquarters and asked that officers come to the tavern. He then told the victim that the police had instructed him to bring the counterfeit to police headquarters, and he walked away with the bill. The victim, however, recorded the license number of Schindler's car and gave it to the officers who arrived a few minutes later. Word was flashed to the Secret Service immediately.

Schindler ~~promptly~~ took his plates, negatives, and stock of counterfeits to a wooded section near East St. Louis, Illinois, and tried to destroy them. Returning to ~~Arriving at~~ his home in Decatur, he learned that Secret Service agents from Springfield were on his trail. ~~Frightened,~~ he

One four-time offender suffered a blow to his artistic ego when he was arrested in a cabin in the Pacific Northwest in July with an extensive layout for making counterfeit $5, $10 and $20 bills. He was Marion J. Williams, who was first arrested in 1924 for making counterfeit coins, and again in 1926 for a similar offense. In 1932 he tried it again and was sent to a Federal penitentiary for 3 to 8 years. While in prison he acquired considerable knowledge in the art of photo-engraving and soon after his release he began to experiment with counterfeit paper money. In 1943 he decided he could make passable money and went into partnership with another ex-counterfeiter, ~~but~~ within a few weeks they were caught by the Secret Service and each was sentenced to six years.

A model prisoner, Williams ~~made a serious study of the graphic arts and considered himself an expert when he~~ won his freedom on parole in 1950. ~~While on parole he disappeared.~~ In December, 1950, a new and deceptive counterfeit $20 bill appeared in circulation in the mid-West, then in the far West. In quick succession, new and expertly-made counterfeit $5, $10 and $20 bills circulated in various cities.

An analysis of the paper, inks and workmanship led the Secret Service to suspect Williams as the manufacturer, and special agents were assigned to track him down. He was traced to the Pacific Northwest and kept under surveillance until it was established that he was again in the counterfeiting business. In July, 1951, he was arrested by the Secret Service in a cabin where he had his plant. When confronted by the agents, Williams was surprised and disappointed.

Release Sunday Feb 3

(~~Press Release~~
~~U. S. Secret Service~~
~~Calendar Year 1951)~~

S-2950

Secret Service Agents contributed 95,000 hours of unpaid overtime to wage a relentless campaign against counterfeiters and check forgers in 1951, according to a year-end report by Secret Service Chief U. E. Baughman to Secretary of the Treasury John W. Snyder, made public today. The overtime was the equivalent of about 52 agents working normal hours for a full year, Chief Baughman declared.

Although handicapped by an accumulation of more than 18,000 pending investigations at the beginning of the year, the Secret Service arrested 247 persons for counterfeiting, 2,304 for check and bond forgery, and 212 for other offenses, and ~~actually~~ completed 49,952 investigations of all types during the year.

Chief Baughman credited his agents with smashing a number of counterfeiting plants before they could roll into full production. ~~Although~~ Seizures of counterfeit bills and coins totaled $1,380,882.44, and the Secret Service captured $932,322.30 of this amount before it could be passed on the public. Retail storekeepers lost $448,560.14 to counterfeiters in 1951, as compared with $617,389 lost in 1950.

TREASURY DEPARTMENT

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Schindler acted surprised, and volunteered to summon the Belleville police. He telephoned police headquarters and asked that officers come to the tavern. He then told the victim that the police had instructed him to bring the counterfeit to police headquarters, and he walked away with the bill. The victim, however, recorded the license number of Schindler's car and gave it to the officers who arrived a few minutes later. Word was flashed to the Secret Service immediately.

Schindler took his plates, negatives, and stock of counterfeits to a wooded section near East St. Louis, Illinois, and tried to destroy them. Returning to his home in Decatur, he learned that Secret Service agents from Springfield were on his trail. He drove to the Secret Service field office at Springfield and surrendered himself, making a confession which resulted in the arrest of his partner, Romans, on August 9. Both men pleaded guilty in September and were sentenced.

Two other Illinois men set up a counterfeiting plant on wheels, but were captured with $40,000 in trailer-made $20 bills before they could travel. Roy O. Reime and Leonard J. Olson were arrested in June at Aurora, Illinois, for manufacturing the counterfeits in a house-trailer at Creve Coeur, Illinois. Olson and Reime, the latter an engineer and commercial artist, printed advertising literature in the trailer, but decided counterfeit money would be more profitable. They managed to pass a few of the bills before their arrest. Each was sentenced to eight years.

An old joke lost all its humor for Robert McCauley, arrested November 15 in New York City for manufacturing and passing counterfeit U. S. nickels and counterfeit Canadian dimes. The original gag went like this:

He: "I put two slugs in a slot at the Automat and what do you think came out?"

She: "I don't know. What?"

He: "The manager."

McCauley, with a craving for coconut pie and coffee, visited Automats frequently, using his home-cooked coins in the food slots. Secret Service agents kept the pie slots under observation and when three counterfeit nickels thudded into one receptacle, the pie went out and so did the agents and the manager. McCauley had in his pockets 22 counterfeit nickels, 10 counterfeit Canadian dimes, and six metal washers the size of quarters. He admitted having made and passed coins for the previous six months. He was convicted and sentenced.

Chief Baughman reported that one of the most unusual instances of public cooperation in catching a counterfeiting offender occurred at a county fair in Athens, Alabama. A passer used a counterfeit $20 bill to buy two tickets for a ride on the ferris wheel. While the wheel was in motion the cashier discovered that the bill was no good and summoned a police officer. The wheel was kept in motion to prevent the passer's escape. Six more counterfeits were found on his person by the arresting officers.

During the year, the Secret Service received for investigation 29,455 forged Government checks and 4,748 forged bonds. Agents investigated 35,957 forged checks worth $2,679,598.40 and 6,263 forged bonds worth $431,730.10. These included cases pending from the previous year.

In Los Angeles, California, when a group of check thieves descended upon house mailboxes to steal checks sent to veterans and others last October, the culprits walked into the waiting handcuffs of one of the biggest teams of law-enforcement officers ever assembled to fight the forgery racket. Cooperating with the Secret Service and the Post Office Inspectors, the Los Angeles Police Department supplied 34 plainclothesmen to work with the Government investigators. Surveillance of certain mailboxes paid off when five men tried to steal the contents of the boxes and were taken into custody. The men, ranging in age from 18 to 25 years, were admitted narcotic addicts who said they stole and forged Government checks to get money to buy illicit drugs. One defendant has been convicted and sent to prison. The others are awaiting prosecution.

Narcotic addicts with the same motivation were organized by Nathaniel Pearson, proprietor of a New Orleans cocktail lounge. Pearson, himself an addict, said he required $100 a day to buy drugs. He directed the check-stealing activity of a gang of fellow-addicts and actually paid out the stolen checks with forged endorsements to wholesalers in the purchase of liquor and other supplies for his bar. Pearson also used his Pekinese dog in getting veterinarians to cash the stolen checks. Members of the gang took the healthy dog to animal hospitals with stories about its alleged ailments. Within three days the dog was given three separate treatments, paid for with a forged Government check. Pearson and four of his accomplices are now serving a combined total of $11\frac{1}{2}$ years in prison.

The fastest check thief on record was caught in Washington, D. C., in October. He located an apartment house where the hall mailboxes were so constructed that he could secrete himself in a narrow space in the rear of the boxes, which he did. When the mail carrier arrived, several tenants were in the hall to get their mail. Since the carrier did not know the tenants by name, he properly placed all mail in the boxes and locked them. Each tenant would then proceed to open his own box. As fast as the carrier put the mail in the receptacles and closed the doors, the hidden check thief withdrew the envelopes containing checks. Moments later, when the tenants looked in the boxes, several of them complained that Government checks they expected had not been delivered. "I could hear 'em squawking," the thief said later, "and I had the checks in my pocket."

An event of current and historic importance affecting the Secret Service took place during the year, Chief Baughman said. Congress passed a bill which gave permanent legal status to the Secret Service by defining its powers and duties in a Federal statute. Since its establishment in 1865 the Secret Service derived its authority from appropriation acts passed by the Congress every year. The new law, cited as Public Law 79, 82nd Congress, did not grant the Secret Service any new duties or powers except the power to serve arrest warrants. It was approved by the President on July 16.

At the close of the year, the Secret Service also released a new 16 millimeter educational motion picture, "The Secret Service Story," showing how to detect counterfeit bills and how storekeepers may guard against losses due to forged Government checks. The film also shows for the first time some of the methods used by the Secret Service in the protection of the President of the United States.

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S-2957

FOR IMMEDIATE RELEASE
Friday, February 1, 1952

The Bureau of Customs announced today that for the quota period September 20, 1951 - September 19, 1952, the total 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) has been authorized release.

The entry which completed the quota was presented on January 30 and authorized release by the Bureau on January 31, 1952. The greater portion was filled by entries of cotton made during January 1952.

TREASURY DEPARTMENT

Information Service WASHINGTON, D.C.

IMMEDIATE RELEASE,
Friday, February 1, 1952. S-2951

The Bureau of Customs announced today that for the quota period September 20, 1951 -- September 19, 1952, the total 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) has been authorized release.

The entry which completed the quota was presented on January 30 and authorized release by the Bureau on January 31, 1952. The greater portion was filled by entries of cotton made during January 1952.

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S-2952

RELEASE MORNING NEWSPAPERS,
Tuesday, February 5, 1952.

The Secretary of the Treasury announced last evening that the tenders for $1,300,000,000, or thereabouts, of 91-day Treasury bills to be dated February 7 and to mature May 8, 1952, which were offered on January 31, were opened at the Federal Reserve Banks on February 4.

The details of this issue are as follows:

Total applied for - $2,136,035,000
Total accepted - 1,302,024,000 (includes $182,605,000 entered on a non-competitive basis and accepted in full at the average price shown below)
Average price - 99.600 Equivalent rate of discount approx. 1.584% per annum

Range of accepted competitive bids:

High - 99.625 Equivalent rate of discount approx. 1.484% per annum
Low - 99.598 " " " " " 1.590 " "

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

Federal Reserve District	Total Applied for	Total Accepted
Boston	$ 42,212,000	$ 36,431,000
New York	1,379,938,000	684,536,000
Philadelphia	44,202,000	22,562,000
Cleveland	109,766,000	106,658,000
Richmond	15,130,000	13,430,000
Atlanta	29,258,000	22,078,000
Chicago	237,896,000	179,044,000
St. Louis	43,754,000	33,222,000
Minneapolis	19,350,000	16,946,000
Kansas City	44,104,000	41,926,000
Dallas	62,915,000	55,125,000
San Francisco	107,510,000	90,066,000
Total	$2,136,035,000	$1,302,024,000

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TREASURY DEPARTMENT

Information Service WASHINGTON, D.C.

RELEASE MORNING NEWSPAPERS,
Tuesday, February 5, 1952. S-2952

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Kansas City	44,104,000	41,926,000
Dallas	62,915,000	55,125,000
San Francisco	107,510,000	90,066,000
TOTAL	$2,136,035,000	$1,302,024,000

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FOR IMMEDIATE RELEASE
Monday, February 4, 1952

S-2953

The Bureau announced today that 16,203,717 pounds of cotton having a staple of 1-1/8 inches or more but less than 1-11/16 inches were presented for entry at the opening of the yearly global quota of 45,656,420 pounds at 12 noon e.s.t. on February 1, 1952.

The total amounts presented in the various collection districts were authorized release for consumption.

TREASURY DEPARTMENT

Information Service WASHINGTON, D.C.

IMMEDIATE RELEASE,
Monday, February 4, 1952 S-2953

The Bureau announced today that 16,203,717 pounds of cotton having a staple of 1-1/8 inches or more but less than 1-11/16 inches were presented for entry at the opening of the yearly global quota of 45,656,420 pounds at 12 noon e.s.t. on February 1, 1952.

The total amounts presented in the various collection districts were authorized release for consumption.

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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.

~~ALPHA~~

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 February 14, 1952, in cash or other immediately available funds or in a like face amount of Treasury bills maturing February 14, 1952. 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

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TREASURY DEPARTMENT
Washington

S-2954

FOR RELEASE, MORNING NEWSPAPERS,
Thursday, February 7, 1952 .
(1)

The Secretary of the Treasury, by this public notice, invites tenders for $1,300,000,000 (2), or thereabouts, of 91 (3) -day Treasury bills, for cash and in exchange for Treasury bills maturing February 14, 1952 (4) in the amount of $1,302,909,000, to be issued on a discount basis under competitive and non-competitive bidding as hereinafter provided. The bills of this series will be dated February 14, 1952 (5), and will mature May 15, 1952 (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, February 11, 1952 (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.

Others than banking institutions will not be permitted to submit tenders except for their own account. 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,

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TREASURY DEPARTMENT

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

RELEASE MORNING NEWSPAPERS,
Thursday, February 7, 1952.

S-2954

The Secretary of the Treasury, by this public notice, invites tenders for $1,300,000,000, or thereabouts, of 91-day Treasury bills, for cash and in exchange for Treasury bills maturing February 14, 1952, in the amount of $1,302,909,000, to be issued on a discount basis under competitive and non-competitive bidding as hereinafter provided. The bills of this series will be dated February 14, 1952, and will mature May 15, 1952, 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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Others than banking institutions will not be permitted to submit tenders except for their own account. 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 February 14, 1952, in cash or other immediately available funds or in a like face amount of Treasury bills maturing February 14, 1952. 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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STATUTORY DEBT LIMITATION

AS OF January 31, 1952

TREASURY DEPARTMENT
Fiscal Service
Washington, February 5, 1952

Section 21 of 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 (Act of June 26, 1946; U.S.C., title 31, sec. 757b), 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	$18,103,705,000		
Certificates of indebtedness	29,079,235,000		
Treasury notes	25,960,417,350	$73,143,357,350	
Bonds -			
Treasury	76,943,490,950		
Savings (current redemp. value)	57,663,740,771		
Depositary	357,853,500		
Armed Forces Leave	-		
Investment series	12,998,318,000	147,963,403,221	
Special Funds -			
Certificates of indebtedness	21,896,415,000		
Treasury notes	14,336,309,000	36,232,724,000	
Total interest-bearing		257,339,484,571	
Matured, interest-ceased		439,281,250	
Bearing no interest:			
War savings stamps	48,086,219		
Excess profits tax refund bonds	1,924,169		
Special notes of the United States:			
Internat'l Monetary Fund series	1,291,000,000	1,341,010,388	
Total		259,119,776,209	
Guaranteed obligations (not held by Treasury):			
Interest-bearing:			
Debentures: F.H.A.	32,350,886		
Demand obligations: C.C.C.	3,623,950	35,974,836	
Matured, interest-ceased		1,778,825	
		37,753,661	
Grand total outstanding			259,157,529,870
Balance face amount of obligations issuable under above authority			15,842,470,130

Reconcilement with Statement of the Public Debt January 31-1952
(Date)

(Daily Statement of the United States Treasury, Feb. 1, 1952)
(Date)

Outstanding -	
Total gross public debt	259,775,389,625
Guaranteed obligations not owned by the Treasury	37,753,661
Total gross public debt and guaranteed obligations	259,813,143,286
Deduct - other outstanding public debt obligations not subject to debt limitation	655,613,416
	259,157,529,870

S-2955

STATUTORY DEBT LIMITATION
AS OF JANUARY 31, 1952

February 11, 1952

Section 21 of 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 (Act of June 26, 1946; U.S.C., title 31, sec. 757b), 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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Treasury bills.................	$ 18,103,705,000		
Certificates of indebtedness...	29,079,235,000		
Treasury notes.................	25,960,417,350	$73,143,357,350	
Bonds -			
Treasury.....................	76,943,490,950		
Savings (current redemp.value)	57,663,740,771		
Depositary...................	357,853,500		
Armed Forces Leave...........	-		
Investment series............	12,998,318,000	147,963,403,221	
Special Funds -			
Certificates of indebtedness.	21,896,415,000		
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Total interest-bearing....................		257,339,484,571	
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		37,753,661	
Grand total outstanding............................			259,157,529,870
Balance face amount of obligations issuable under above authority....			15,842,470,130

Reconcilement with Statement of the Public Debt - January 31, 1952
(Daily Statement of the United States Treasury, February 1, 1952)

Outstanding -	
Total gross public debt..................................	259,775,389,625
Guaranteed obligations not owned by the Treasury..................	37,753,661
Total gross public debt and guaranteed obligations.................	259,813,143,286
Deduct - other outstanding public debt obligations not subject to debt limitation...	655,613,416
	259,157,529,870

S-2955

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Arrests Reported by Districts, Bureau of Narcotics
Calendar Year 1951

	District	Federal Narcotics Law	Marihuana ~~Law~~ act	Total
# 1.	Boston	70	13	83
2.	New York	304	49	353
3.	Philadelphia	171	54	225
5.	Baltimore	186	97	283
6.	Atlanta	71	33	104
7.	Louisville	*825	25	850
8.	Detroit	300	46	346
9.	Chicago	225	89	314
10.	Houston	271	327	598
11.	Kansas City	108	59	167
12.	Minneapolis	94	35	129
13.	Denver	47	154	201
14.	San Francisco	192	96	288
15.	Seattle	166	35	201
16.	Honolulu	24	6	30
	Total	3,054	1,118	4,172

* Including 759 arrests under Kentucky Addict Law.

scheme which involved the purported sale of large quantities of cough syrup. They were John R. Waters and Ransom F. Carswell, each of whom received a three-year sentence. Their pharmacist, James F. Rhodes, was given a two-year sentence.

The evidence showed that in fifteen months the drug store sold 28,000 tablets of dilaudid, a narcotic. It was established that of 2,449 prescriptions on which dilaudid tablets were sold, only 243 were legitimate. The others were camouflaged, calling for eight ounces of cough syrup to each grain of dilaudid. Narcotic agents calculated that to fill these prescriptions would have required 32 gallons of the particular cough syrup, whereas the drug store had purchased only eight gallons. The evidence showed the dilaudid tablets were sold to drug addicts straight, without the cough syrup.

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During the period from June to October, 1951, narcotic ~~undercover~~ agents ~~of the Bureau of Narcotics~~ conducted a series of investigations which resulted in the ~~[illegible]~~ purchase of narcotic evidence from 77 persons engaged in illicit drug traffic in Cleveland, Youngstown, Canton and Akron, Ohio. Seventy-four arrests were made, and to date 65 ~~sixty-five~~ of the defendants have been convicted and given prison sentences of one year to ten years. Thirteen automobiles used by the defendants were seized.

Three of the convicted defendants were identified as major suppliers of illicit narcotics in the Cleveland area. They are Andrew LaConti, Joseph Leanza and Carl Talarico, who received sentences of ten, five and three years respectively.

The two owners of a drug store in Winston Salem, N. C. were sent to prison for operating a prescription

Close watch kept [redacted] by narcotic agents and police officers on a cemetery in San Antonio, Texas, paid off when the officer arrested Matias Jiminez Benavides as he drove up in a car in which were two paper sacks containing ~~three thousand~~ 3,000 grains of heroin. Benavides said that he was promised a thousand dollars to bring the sacks to San Antonio from Eagle Pass, Texas, after it had been smuggled across the border from Mexico. Benavides pleaded guilty and was sent to prison for 3 years.

Another Texas-New York arrangement for the exchange of heroin and marihuana was uncovered at Houston, Texas. Six arrests were made and 50 pounds of marihuana and 7 ounces of heroin seized. The marihuana had been smuggled into the United States from Mexico, and was exchanged for heroin supplied by illicit dealers in New York and other eastern cities.

The principal defendant, John Calvin Young, was given a prison term of 7-1/2 years.

Still another group of participants in the Texas-New York barter traffic -- the exchange of heroin for marihuana -- was trapped in Houston during the months of September, October and November, resulting in the arrest of Judson R. Henderson, Leona Henderson, Travis Burks and Johnnie W. Gates. The arrests were made after marihuana purchases totaling $1,300 were made by undercover men.

Narcotic agents identified Henderson as one of the largest wholesale marihuana and heroin dealers in Texas, and as the source of supply for several large wholesale marihuana dealers in New York City. The New York marihuana dealers allegedly paid Henderson with heroin in many cases for the marihuana to be supplied to them.

Elisha Brice was given a 40-month prison ~~prison~~ term at Houston in October for smuggling marihuana from Mexico to be delivered to Henderson.

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A two-way traffic between Texas and New York in heroin and marihuana was broken up in one of the successful prosecutions of 1951. Thirty-five defendants were indicted, and thirteen of these have received prison sentences so far.

Eugene Tramaglino, for many years a persistent violator of the narcotic laws and high among the biggest names in the underworld Who's Who, was one of the ringleaders in this traffic. He was convicted and given a ten-year sentence plus a fine of $4,000. Raymond Rosario, another of the ringleaders, also was convicted and given a fifteen year sentence plus a fine of $11,000. Lesser defendants received sentences of two to six years.

Members of the ring transported heroin from New York to Texas, exchanged it there for marihuana, and then took the marihuana to New York and sold it to peddlers in the Harlem area.

An apparent tie-up between the New York and Los Angeles underworlds was disclosed after an undercover agent purchased four ounces of morphine hydrochloride from Lewis Alfred Salerno in Los Angeles last November 7. Agents arrested Salerno and also Guido Anthony Penosi, and seized 34 ounces of heroin. Salerno and Penosi, identified as members of the "107th Street Mob" in New York city, allegedly were acting as principal distributors of heroin in wholesale lots to dealers in the Los Angeles area. At the time of the arrests, Penosi was free on $7,500 bail from the southern district of New York in a counterfeiting case.

Chalupowitz pleaded guilty. McKee and Levin are now awaiting trial.

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Meltzer and twenty-four other persons were indicted on narcotics charges as the outcome of an investigation that began in 1945 and extended not only throughout the United States but to Cuba, France, Italy, Turkey, Greece, and Mexico. Max ~~Goosman~~ Cossman, leading west coast and Mexico drug trafficker, was indicted with Meltzer. They and their fellow defendants were accused of conspiring to illegally import opium into the United States from Mexico, and also import heroin from abroad on a large scale, for distribution throughout the North American continent.

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This group was considered one of the most important local and interstate sources of narcotics supply in this country.

Ranking close to the Gordon group in importance was a mob headed by Harold "Happy" Meltzer, notorious associate

Commissioner Anslinger noted that where prices remained constant, considerable dilution of the drug has been encountered.

A table showing the arrests by districts during 1951 under the Federal Narcotic Law and the Marihuana Act appears at the end of this release.

testified to the success of the year's enforcement program. The seizures totaled 948 ounces compared with 731 ounces in the calendar year 1950. The bulk of the seizures were at interior supply points. Seizures of narcotic drugs of all classes in 1951 totaled 3,135 ounces, compared with 2,416 ounces in 1950.

Seizures of marihuana in 1951 totaled 36,091 ounces compared with 45,668 ounces in 1950.

Seizures of cocaine were moderate, and this, according to Commissioner Anslinger, is one of several indications that the cocaine traffic, which was a serious problem two years ago, now is considerably diminishing.

The heroin traffic continues to be the most pressing problem in narcotic enforcement, Commissioner Anslinger said. However, the blows struck at supply sources in 1951 have resulted in heroin being less plentiful.

Commissioner Anslinger told the Secretary that the Federal narcotic agents operated throughout the year under a mandate to discover and block important supply sources, leaving to local authorities where possible the conduct of investigations of purely local importance. Increases in many cities in the local police personnel assigned to narcotic work have facilitated this program.

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Insert - Page 1

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Sunday papers
Feb. 10

5-295-6

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Insert

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TREASURY DEPARTMENT

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

RELEASE SUNDAY NEWSPAPERS,
February 10, 1952.

S-2956

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A two-way traffic between Texas and New York in heroin and marihuana was broken up in one of the successful prosecutions of 1951. Thirty-five defendants were indicted, and thirteen of these have received prison sentences so far.

Eugene Tramaglino, for many years a persistent violator of the narcotic laws and high among the biggest names in the underworld Who's Who, was one of the ring leaders in this traffic. He was convicted and given a ten-year sentence plus a fine of $4,000. Raymond Rosario, another of the ringleaders, also was convicted and given a fifteen year sentence plus a fine of $11,000. Lesser defendants received sentences of two to six years.

Members of the ring transported heroin from New York to Texas, exchanged it there for marihuana, and then took the marihuana to New York and sold it to peddlers in the Harlem area.

Another Texas-New York arrangement for the exchange of heroin and marihuana was uncovered at Houston, Texas. Six arrests were made and 50 pounds of marihuana and 7 ounces of heroin seized. The marihuana had been smuggled into the United States from Mexico, and was exchanged for heroin supplied by illicit dealers in New York and other eastern cities.

The principal defendant, John Calvin Young, was given a prison term of $7\frac{1}{2}$ years.

Still another group of participants in the Texas-New York barter traffic -- the exchange of heroin for marihuana -- was trapped in Houston during the months of September, October and November, resulting in the arrest of Judson R. Henderson, Leona Henderson, Travis Burks and Johnnie W. Gates. The arrests were made after marihuana purchases totaling $1,300 were made by undercover men.

Narcotic agents identified Henderson as one of the largest wholesale marihuana and heroin dealers in Texas, and as the source of supply for several large wholesale marihuana dealers in New York City. The New York marihuana dealers allegedly paid Henderson with heroin in many cases for the marihuana to be supplied to them. Elisha Brice was given a 40-month prison term at Houston in October for smuggling marihuana from Mexico to be delivered to Henderson.

Close watch kept by narcotic agents and police officers on a cemetery in San Antonio, Texas, paid off when the officer arrested Matias Jiminez Benavides as he drove up in a car in which were two paper sacks containing 3,000 grains of heroin. Benavides said that he was promised a thousand dollars to bring the sacks to San Antonio from Eagle Pass, Texas, after it had been smuggled across the border from Mexico. Benavides pleaded guilty and was sent to prison for 3 years.

During the period from June to October, 1951, narcotic agents conducted a series of investigations which resulted in the purchase of narcotic evidence from 77 persons engaged in illicit drug traffic in Cleveland, Youngstown, Canton and Akron, Ohio. Seventy-four arrests were made, and to date 65 of the defendants have been convicted and given prison sentences of one year to ten years. Thirteen automobiles used by the defendants were seized. Three of the convicted defendants were identified as major suppliers of illicit narcotics in the Cleveland area. They are Andrew LaConti, Joseph Leanza and Carl Talarico, who received sentences of ten, five and three years respectively.

The two owners of a drug store in Winston-Salem, North Carolina were sent to prison for operating a prescription scheme which involved the purported sale of large quantities of cough syrup. They were John R. Waters and Ransom F. Carswell, each of whom received a three-year sentence. Their pharmacist, James F. Rhodes, was given a two-year sentence.

The evidence showed that in fifteen months the drug store sold 28,000 tablets of dilaudid, a narcotic. It was established that of 2,449 prescriptions on which dilaudid tablets were sold, only 243 were legitimate. The others were camouflaged, calling for eight ounces of cough syrup to each grain of dilaudid. Narcotic agents calculated that to fill these prescriptions would have required 32 gallons of the particular cough syrup, whereas the drug store had purchased only eight gallons. The evidence showed the dilaudid tablets were sold to drug addicts straight, without the cough syrup.

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Arrests Reported by Districts, Bureau of Narcotics
Calendar Year 1951

District	Federal Narcotics Law	Marihunan Act	Total
# 1. Boston	70	13	83
2. New York	304	49	353
3. Philadelphia	171	54	225
5. Baltimore	186	97	283
6. Atlanta	71	33	104
7. Louisville	*825	25	850
8. Detroit	300	46	346
9. Chicago	225	89	314
10. Houston	271	327	598
11. Kansas City	108	59	167
12. Minneapolis	94	35	129
13. Denver	47	154	201
14. San Francisco	192	96	288
15. Seattle	166	35	201
16. Honolulu	24	6	30
Total	3,054	1,118	4,172

* Including 759 arrests under Kentucky Addict Law.

Note: The Bureau of Narcotics does not have a No. 4 District.

In answer to inquiries, Secretary Snyder made the following statement:

"~~As I have stated on numerous occasions, it has never been my habit to dodge responsibility. I am~~ We are all interested ~~intensely interested~~ in the constructive program for improvement ~~that we are undertaking~~ that is ~~being~~ under way in connection with the reorganization of the Bureau of Internal Revenue, ~~which is now before the Congress~~. I believe The interest of the American people is in the improvement of all Government service to meet the highest standards of integrity, efficiency and economy. This is the type of program that the President, the Commissioner of Internal Revenue and I have been and are firmly and vigorously endeavoring to carry out. I welcome Senator Williams' endorsement of the President's Reorganization Plan No. 1."

Immediate

S-2957

In answer to inquiries, Secretary Snyder made the following statement:

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TREASURY DEPARTMENT

Information Service WASHINGTON, D.C.

IMMEDIATE RELEASE,
Thursday, February 7, 1952. S-2957

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Immediate 2/8/52

TREASURY DEPARTMENT
COMPTROLLER OF THE CURRENCY
WASHINGTON 25

ADDRESS REPLY TO
"COMPTROLLER OF THE CURRENCY"

~~Immediate Release~~ 5-2958

~~FOR RELEASE~~
Friday ~~A. M.~~ FEBRUARY 8, 1952

Secretary Snyder today announced the advancement, effective February 18, 1952, of Lewellyn A. Jennings from Second Deputy Comptroller of the Currency to First Deputy Comptroller of the Currency to succeed James Louis Robertson, who has been appointed to the Board of Governors of the Federal Reserve System. ~~and the~~ ¶ The Secretary also announced the advancement of William M. Taylor, heretofore Third Deputy Comptroller of the Currency, to the position of Second Deputy Comptroller of the Currency. ¶ Mr. Jennings has served as Second Deputy Comptroller since March 1, 1951 and has been a member of the staff of the Comptroller's office since 1929. Mr. Taylor has served as Third Deputy Comptroller since March 1, 1951, having joined the staff of the Comptroller's office on August 2, 1926.

To fill the vacancy created in the Third Deputyship, Secretary Snyder announced the appointment, also effective February 18, of Griffith W. Garwood as Third Deputy Comptroller of the Currency. ~~Although~~ a native of Ohio, Mr. Garwood removed with his parents, at an early age, to Nebraska and later to Colorado, where he attended the University of Colorado. He entered the service of the Comptroller's office in 1925 and served progressively as receiver of insolvent national banks, Administrative Conservator in the Reorganization Division, District Supervisor and Supervising Receiver in the Insolvent Division, and, more recently, as Special Disbursing Agent and Chief of the Organization Division.

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TREASURY DEPARTMENT

Information Service WASHINGTON, D.C.

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Under the 1792 law setting up the commission as an annual body it was provided that any mint officer or employee found to have debased coins with fraudulent intent should be put to death. The penalty now is lighter.

The 1951 silver coin production of the Mints totaled 320 million pieces with a total value of $61,434,219.70.

(Reporters and photographers will be admitted to the Mint at Philadelphia, 16th and Spring Garden Streets, in advance of the opening meeting of the Commission on February 13.)

S-2959

IMMEDIATE RELEASE
~~Friday~~, February ~~8~~ 11, 1952

Nellie Tayloe Ross, Director of the Mint, announced today that she will convene the Annual Assay Commission at the United States Mint at Philadelphia on Wednesday morning, February 13, 1952, for the traditional "trial of the coins." Conducting the trial will be 12 members of the commission just appointed by President Truman.

The Assay Commission, Mrs. Ross pointed out, is one of the oldest and most dignified institutions of the Government, having been provided for, at the suggestion of Alexander Hamilton, in the same statute that established the Mint on April 2, 1792, a commission ~~and~~ has assembled each year since that time. Its function is to make tests of new coins, taken at random from the three coinage mints during the preceding year, to determine whether they conform in weight and fineness to legal requirements.

Named by the President as members of the 1952 commission are: Mrs. Julia ~~Crews~~ Crewe, 19 Montrose Road, Scarsdale, New York; Mrs. Henry Ridgely, The Green, Dover, Delaware; Mrs. Florence K. Murray, 10 Kay Street, Newport, Rhode Island; Mr. Jean Model, Lake Avenue, Greenwich, Connecticut; Mr. John Franklin, Radio Station KYW, Philadelphia, Pennsylvania; Mr. Julius H. Requard, 7610 German Hill Road, Baltimore 22, Maryland; Mr. Stanley Sagner, 3417 Dennlyn Road, Baltimore 7, Maryland; Mrs. Alice D. Vincentis, 706 Edgemore Road, Philadelphia, Pennsylvania; Mr. Clifford Spoerl, 1st National Bank of Jersey City, New Jersey; Mr. Robert L. Huffines, Jr., 350 Fifth Avenue, New York, New York; Mr. Hans M. F. Schulman, 545 Fifth Avenue, New York 17, New York; Dr. Wallace R. Brode, National Bureau of Standards, Washington, D. C. ~~The~~ Additional statutory members are Judge William H. Kirkpatrick of the United States District Court for Eastern Pennsylvania, Philadelphia; Preston Delano, Comptroller of the Currency, Washington; Joseph Buford, Assayer of the United States Assay Office, New York City.

It will take the commission two days to complete its work. ~~They~~ members will examine and test the coins which have been placed, through the year, in a "pyx box"--one silver coin from every delivery of 10,000 made at all the mints. The "pyx" or coin chest is so styled because a receptacle for sample British coins was once kept in the Chapel of the Pyx in Westminister Abbey, London.

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RELEASE, MORNING NEWSPAPERS,
Tuesday, February 12, 1952.

S-2960

The Secretary of the Treasury announced last evening that the tenders for $1,300,000,000, or thereabouts, of 91-day Treasury bills to be dated February 14 and to mature May 15, 1952, which were offered on February 7, were opened at the Federal Reserve Banks on February 11.

The details of this issue are as follows:

Total applied for - $2,182,739,000
Total accepted - 1,301,570,000 (includes $198,831,000 entered on a non-competitive basis and accepted in full at the average price shown below)
Average price - 99.585 Equivalent rate of discount approx. 1.643% per annum

Range of accepted competitive bids:

High	- 99.625	Equivalent rate of discount approx. 1.484% per annum
Low	- 99.581	" " " " " 1.658% " "

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

Federal Reserve District	Total Applied for	Total Accepted
Boston	$ 43,608,000	$ 36,138,000
New York	1,483,353,000	757,351,000
Philadelphia	38,076,000	21,366,000
Cleveland	74,141,000	73,976,000
Richmond	29,818,000	28,108,000
Atlanta	34,363,000	32,653,000
Chicago	201,861,000	140,306,000
St. Louis	41,688,000	26,217,000
Minneapolis	9,052,000	9,052,000
Kansas City	53,643,000	49,797,000
Dallas	65,545,000	48,415,000
San Francisco	107,591,000	78,191,000
TOTAL	$2,182,739,000	$1,301,570,000

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TREASURY DEPARTMENT

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The details of this issue are as follows:

Total applied for - $2,182,739,000
Total accepted - 1,301,570,000 (includes $198,831,000 entered on a non-competitive basis and accepted in full at the average price shown below)
Average price - 99.585 Equivalent rate of discount approx. 1.643% per annum

Range of accepted competitive bids:

High - 99.625 Equivalent rate of discount approx. 1.484% per annum
Low - 99.581 Equivalent rate of discount approx. 1.658% per annum

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

Federal Reserve District	Total Applied for	Total Accepted
Boston	$ 43,608,000	$ 36,138,000
New York	1,483,353,000	757,351,000
Philadelphia	38,076,000	21,366,000
Cleveland	74,141,000	73,976,000
Richmond	29,818,000	28,108,000
Atlanta	34,363,000	32,653,000
Chicago	201,861,000	140,306,000
St. Louis	41,688,000	26,217,000
Minneapolis	9,052,000	9,052,000
Kansas City	53,643,000	49,797,000
Dallas	65,545,000	48,415,000
San Francisco	107,591,000	78,191,000
TOTAL	$2,182,739,000	$1,301,570,000

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, 1951 to Feb. 12, 1952	Established 33-1/3% of Total Quota	Imports 1/ Sept. 20, 1951 to Feb. 12, 1952
United Kingdom	4,323,457	27,370	1,441,152	27,370
Canada	239,690	234,666	-	-
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	-	7,088	-
	5,482,509	262,036	1,599,886	27,370

1/ Included in total imports, column 2.

Prepared by the Bureau of Customs

IMMEDIATE RELEASE
February ~~12,~~ 1952
Wednesday 13

5-2961

Preliminary data on imports for consumption of cotton and cotton waste chargeable to the quotas established by the President's Proclamation of September 5, 1939, as amended

COTTON (other than linters) (in pounds)

Cotton under 1-1/8 inches other than rough or harsh under 3/4"
Imports Sept. 20, 1951, to February 12, 1952, inclusive

Country of Origin	Established Quota	Imports	Country of Origin	Established Quota	Imports
Egypt and the Anglo-Egyptian Sudan	783,816	-	Honduras	752	-
Peru	247,952	51,117	Paraguay	871	-
British India	2,003,483	-	Colombia	124	-
China	1,370,791	-	Iraq	195	-
Mexico	8,883,259	8,883,259	British East Africa ...	2,240	-
Brazil	618,723	142,837	Netherlands E. Indies	71,388	-
Union of Soviet Socialist Republics	475,124	-	Barbados	-	-
Argentina	5,203	-	1/Other British W. Indies	21,321	-
Haiti	237	-	Nigeria	5,377	-
Ecuador	9,333	-	2/Other British W. Africa	16,004	-
			3/Other French Africa ...	689	-
			Algeria and Tunisia ...	-	-

1/ Other than Barbados, Bermuda, Jamaica, Trinidad, and Tobago.
2/ Other than Gold Coast and Nigeria.
3/ Other than Algeria, Tunisia, and Madagascar.

Cotton, harsh or rough, of less than 3/4"
Imports Sept. 20, 1951, to February 2, 1952

Established Quota (Global)	Imports
70,000,000	1,064,661

Cotton 1-1/8" or more, but less than 1-11/16"
Imports Feb. 1, 1952, to February 12, 1952

Established Quota (Global)	Imports
45,656,420	16,567,274

Cotton, harsh or rough (except cotton of perished staple, grabbots, and cotton pickings), white in color, of 1-3/16 inches or more but less than 1-3/8 inches
Imports July 5, 1951 to January 31, 1952, inclusive.

Established Quota (Global)	Imports
1,500,000	172,629

IMMEDIATE RELEASE

TREASURY DEPARTMENT

Imports July 5, 1951 to January 31, 1952, inclusive.
Established Quota (Global) Imports
1,500,000 172,629

IMMEDIATE RELEASE
Thursday, February 14, 1952.

TREASURY DEPARTMENT
Washington

S-2961

Preliminary data on imports for consumption of cotton and cotton waste chargeable to the quotas established by the President's Proclamation of September 5, 1939, as amended

COTTON (other than linters) (in pounds)

Cotton under 1-1/8 inches other than rough or harsh under 3/4"
Imports Sept. 20, 1951, to February 12, 1952, inclusive

Country of Origin	Established Quota	Imports
Egypt and the Anglo-Egyptian Sudan	783,816	-
Peru	247,952	51,117
British India	2,003,483	-
China	1,370,791	-
Mexico	8,883,259	8,883,259
Brazil	618,723	142,837
Union of Soviet Socialist Republics	475,124	-
Argentina	5,203	-
Haiti	237	-
Ecuador	9,333	-

Country of Origin	Established Quota	Imports
Honduras	752	-
Paraguay	871	-
Colombia	124	-
Iraq	195	-
British East Africa	2,240	-
Netherlands E. Indies	71,388	-
Barbados	-	-
1/Other British W. Indies	21,321	-
Nigeria	5,377	-
2/Other British W. Africa	16,004	-
3/Other French Africa	689	-
Algeria and Tunisia	-	-

1/ Other than Barbados, Bermuda, Jamaica, Trinidad, and Tobago.
2/ Other than Gold Coast and Nigeria.
3/ Other than Algeria, Tunisia, and Madagascar.

Cotton, harsh or rough, of less than 3/4"
Imports Sept. 20, 1951, to February 2, 1952

Established Quota (Global)	Imports
70,000,000	1,064,661

Cotton 1-1/8" or more, but less than 1-11/16"
Imports Feb. 1, 1952, to February 12, 1952

Established Quota (Global)	Imports
45,656,420	16,567,274

Cotton, harsh or rough (except cotton of perished staple, grabbots, and cotton pickings), white in color, of 1-3/16 inches or more but less than 1-3/8 inches
Imports July 5, 1951 to January 31, 1952, inclusive.

Established Quota (Global)	Imports
1,500,000	172,629

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 WASTER, 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, 1951 to Feb. 12, 1952	Established 33-1/3% of Total Quota	Imports 1/ Sept. 20, 1951 to Feb. 12, 1952
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Canada	239,690	234,666	-	-
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	-	7,088	-
	5,482,509	262,036	1,599,886	27,370

1/ Included in total imports, column 2.

Prepared by the Bureau of Customs

J - 2962

FOR IMMEDIATE RELEASE,

Wednesday Times February ~~12,~~ 13, 1952

The Bureau of Customs announced today preliminary figures showing the quantities of wheat and wheat flour authorized to be 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, 1951, as follows:

Country of Origin	Wheat: Established Quota	Wheat: Imports May 29, 1951, to February 12, 1952	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, 1951, to Feb. 12, 1952
	(Bushels)	(Bushels)	(Pounds)	(Pounds)
Canada	795,000	580,097	3,815,000	3,815,000
China	-	-	24,000	-
Hungary	-	-	13,000	-
Hong Kong	-	-	13,000	11,200
Japan	-	-	8,000	-
United Kingdom	100	-	75,000	62
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	854
Cuba	-	-	12,000	-
France	1,000	10	1,000	115
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	580,107	4,000,000	3,827,231

TREASURY DEPARTMENT
Washington

FOR IMMEDIATE RELEASE
Thursday, February 14, 1952

S-2962

The Bureau of Customs announced today preliminary figures showing the quantities of wheat and wheat flour authorized to be 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 12 months commencing May 29, 1951, as follows:

Country of Origin	Wheat		Wheat flour, semolina, crushed or cracked wheat, and similar wheat products	
	Established Quota	Imports May 29, 1951, to February 12, 1952	Established Quota	Imports May 29, 1951, to Feb. 12, 1952
	(Bushels)	(Bushels)	(Pounds)	(Pounds)
Canada	795,000	580,097	3,815,000	3,815,000
China	-	-	24,000	-
Hungary	-	-	13,000	-
Hong Kong	-	-	13,000	11,200
Japan	-	-	8,000	-
United Kingdom	100	-	75,000	62
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	854
Cuba	-	-	12,000	-
France	1,000	10	1,000	115
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	580,107	4,000,000	3,827,231

S-2963

IMMEDIATE RELEASE
Wednesday. February ~~12~~, 1952
13

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, 1952, to February 2, 1952, inclusive, as follows:

Products of the Philippines	Established Quota Quantity	Unit of Quantity	Imports as of Feb. 2, 1952
Buttons	850,000	Gross	37,925
Cigars	200,000,000	Number	17,080
Coconut Oil	448,000,000	Pound	6,342,610
Cordage	6,000,000	"	518,320
Rice	1,040,000	"	-
Sugars (refined	1,904,000,000	"	-
Sugars (unrefined...			46,535,521
Tobacco	6,500,000	"	-

TREASURY DEPARTMENT
Washington

IMMEDIATE RELEASE
Wednesday, February 13, 1952

S-2963

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, 1952, to February 2, 1952, inclusive, as follows:

Products of the Philippines	Established Quota Quantity	Unit of Quantity	Imports as of Feb. 2, 1952
Buttons	850,000	Gross	37,925
Cigars	200,000,000	Number	17,080
Coconut Oil	448,000,000	Pound	6,342,610
Cordage	6,000,000	"	518,320
Rice	1,040,000	"	-
Sugars (refined	1,904,000,000	"	-
Sugars (unrefined ..			46,535,521
Tobacco	6,500,000	"	-

IMMEDIATE RELEASE
February ~~12,~~ 1952
Thursday 14

S-2961

The Bureau of Customs announced today preliminary figures showing the imports for consumption of commodities within tariff-rate quota limitations from the beginning of the quota periods to February 2, 1952, inclusive, as follows:

Commodity	Period and Quantity		Unit of Quantity	Imports as of Feb. 2, 1952
Whole milk, fresh or sour..................	Calendar year	3,000,000	Gallon	3,502
Cream	Calendar year	1,500,000	Gallon	87
Butter	Nov. 1, 1951- Mar. 31, 1952	50,000,000	Pound	60,789
Fish, fresh or frozen, filleted, etc., cod, haddock, hake, pollock, cusk, and rosefish ...	Calendar year	31,472,108	Pound	(1) Quota filled
White or Irish Potatoes:				
certified seed	12 months from	150,000,000	Pound	50,874,710
other	Sept. 15, 1951	249,600,000	Pound	11,743,668
Walnuts	Calendar year	5,000,000	Pound	854,357
Petroleum and petroleum products ....(2)	Calendar year			
	Venezuela	2,961,437,371	Gallon	551,017,392
	Netherlands	932,304,358	Gallon	304,950,509
	Other countries	1,091,843,071	Gallon	285,869,517
Almonds:				
shelled	12 mo. from	*4,500,000	Pound	1,295,890
prepared, etc.	Oct. 1, 1951			223,263

*Of the total, not more than 500,000 pounds shall be blanched, roasted, or otherwise prepared or preserved almonds (not including almond paste).

(1) Imports for consumption at the quota rate are limited to 7,868,027 pounds during the first three months of the calendar year.

(2) Estimated quotas.

TREASURY DEPARTMENT
Washington

IMMEDIATE RELEASE
Thursday, February 14, 1952

S-2964

The Bureau of Customs announced today preliminary figures showing the imports for consumption of commodities within tariff-rate quota limitations from the beginning of the quota periods to February 2, 1952, inclusive, as follows:

Commodity	Period and Quantity		Unit of Quantity	Imports as of Feb. 2, 1952
Whole milk, fresh or sour................	Calendar year	3,000,000	Gallon	3,502
Cream	Calendar year	1,500,000	Gallon	87
Butter	Nov. 1, 1951-Mar. 31, 1952	50,000,000	Pound	60,789
Fish, fresh or frozen, filleted, etc., cod, haddock, hake, pollock, cusk, and rosefish	Calendar year	31,472,108	Pound	(1) Quota filled
White or Irish Potatoes:				
certified seed	12 months from	150,000,000	Pound	50,874,710
other	Sept. 15, 1951	249,600,000	Pound	11,743,668
Walnuts	Calendar year	5,000,000	Pound	854,357
Petroleum and petroleum products ....(2)	Calendar year			
	Venezuela	2,961,437,371	Gallon	551,017,392
	Netherlands	932,304,358	Gallon	304,950,509
	Other countries	1,091,843,071	Gallon	285,869,517
Almonds:				
shelled	12 mo. from			1,295,890
		*4,500,000	Pound	
prepared, etc.	Oct. 1, 1951			223,263

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(1) Imports for consumption at the quota rate are limited to 7,868,027 pounds during the first three months of the calendar year.

(2) Estimated quotas.

~~ALPHA~~

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.

~~ALPHA~~

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 **February 21, 1952** (8), in cash or other immediately available funds or in a like face amount of Treasury bills maturing **February 21, 1952.** (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

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5-2965

TREASURY DEPARTMENT
Washington

FOR RELEASE, MORNING NEWSPAPERS,
Thursday, February 14, 1952.
(1)

The Secretary of the Treasury, by this public notice, invites tenders for $1,100,000,000, or thereabouts, of 91-day Treasury bills, for cash and in exchange for Treasury bills maturing February 21, 1952, in the amount of $1,101,712,000, to be issued on a discount basis under competitive and non-competitive bidding as hereinafter provided. The bills of this series will be dated February 21, 1952, and will mature May 22, 1952, 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, February 18, 1952. 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.

Others than banking institutions will not be permitted to submit tenders except for their own account. 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,

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TREASURY DEPARTMENT

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

RELEASE, MORNING NEWSPAPERS,
Thursday, February 14, 1952. S-2965

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Others than banking institutions will not be permitted to submit tenders except for their own account. 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 of 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 February 21, 1952, in cash or other immediately available funds or in a like face amount of Treasury bills maturing February 21, 1952. 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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"Bureau of Internal Revenue agents who carried our the New York investigations were not loaned to or assigned to work under the direction of the King Subcommittee. These agents continued to work for the Bureau of Internal Revenue under the direction of Bureau officials, and the results of their work were to be reported to these Bureau officials. These agents have supplied to the Subcommittee full information on the progress of their work.

"The Bureau of Internal Revenue, in furtherance of the agreement to fully cooperate with the King Subcommittee, has made available to the Subcommittee all its files, as well as reports developing in current investigations.

"All information which the Bureau has, in the usual course, made available to the Department of Justice was made known to the King Subcommittee.

continue to
"We expect to/cooperate with the King Subcommittee."

~~TREASURY DEPARTMENT~~
~~Washington~~

Immediate Release

S-2966

~~MEMORANDUM TO THE PRESS~~ ~~February 13, 1952~~

In response to inquiries, Secretary Snyder stated today:

"Under its obligation to take promptly steps necessary to detect, and report to proper authorities, any and all evidence of irregularities or wrongdoing which come to its attention, the Treasury Department has not agreed with the King Subcommittee, or with any other agency of Government, to delay or defer such action, or to withhold information from the proper authorities. Any such agreement manifestly would be improper.

"Following an intensive investigation over the past six months by agents of the Bureau of Internal Revenue into certain matters in the New York area, information developed by these agents was submitted to the Department of Justice for such action as it saw fit to take.

"The Treasury Department has never sought to interfere in any way with the activities of the King Subcommittee ~~of the House Ways and Means Committee~~. On the other hand, the Treasury has sought to cooperate with the Subcommittee in every way possible.

TREASURY DEPARTMENT

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

IMMEDIATE RELEASE,
Wednesday, February 13, 1952. S-2966

In response to inquiries, Secretary Snyder stated today:

"Under its obligation to take promptly steps necessary to detect, and report to proper authorities, any and all evidence of irregularities or wrongdoing which come to its attention, the Treasury Department has not agreed with the King Subcommittee, or with any other agency of Government, to delay or defer such action, or to withhold information from the proper authorities. Any such agreement manifestly would be improper.

"Following an intensive investigation over the past six months by agents of the Bureau of Internal Revenue into certain matters in the New York area, information developed by these agents was submitted to the Department of Justice for such action as it saw fit to take.

"The Treasury Department has never sought to interfere in any way with the activities of the King Subcommittee. On the other hand, the Treasury has sought to cooperate with the Subcommittee in every way possible.

"Bureau of Internal Revenue agents who carried out the New York investigations were not loaned to or assigned to work under the direction of the King Subcommittee. These agents continued to work for the Bureau of Internal Revenue under the direction of Bureau officials, and the results of their work were to be reported to these Bureau officials. These agents have supplied to the Subcommittee full information on the progress of their work.

"The Bureau of Internal Revenue, in furtherance of the agreement to fully cooperate with the King Subcommittee, has made available to the Subcommittee all its files, as well as reports developing in current investigations.

"All information which the Bureau has, in the usual course, made available to the Department of Justice was made known to the King Subcommittee.

"We expect to continue to cooperate with the King Subcommittee."

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IMMEDIATE RELEASE,
Wednesday, February 13, 1952.

S-2967

Secretary Snyder announced today that the Treasury will offer on Monday, February 18, a 2-3/8 percent Treasury Bond to refund the 2-1/2 percent Treasury Bonds of 1952-54 called for redemption on March 15, 1952, in the amount of $1,023,568,350. The new bonds will be dated March 1, 1952, will mature on March 15, 1959, and will be subject to call for redemption on and after March 15, 1957. Interest will be adjusted as of March 15, 1952.

The Secretary also announced that holders of the 1-7/8 percent Certificates of Indebtedness of Series A-1952 maturing April 1, 1952, in the amount of $9,524,077,000, will be offered at the same time a 1-7/8 percent certificate of indebtedness to be dated March 1, 1952, and to mature February 15, 1953. Interest will be adjusted as of March 1, 1952, with respect to this exchange.

The Secretary said that the option to call for redemption on June 15, 1952, the three issues of Treasury bonds which are eligible to be called on that date will not be exercised.

TREASURY DEPARTMENT

Information Service WASHINGTON, D.C.

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September, 1951. In its review of the Bank's activities, the Council notes that that institution made six loans, aggregating nearly $94 million, to five countries from April 1 to September 30, 1951. The Bank also floated three new security issues, each in a different currency. One of these, in the United Kingdom, represented the first flotation of the Bank's bonds in a member country other than the United States.

As in the past, the Report is accompanied by comprehensive statistics on various aspects of United States Government foreign assistance in the postwar period, as well as on gold and short-term dollar resources of foreign countries, and gold transactions between the United States and foreign countries.

that period continued into the quarter ending June 30, 1951. For the three months ending September 30, 1951, the direction of the gold flow was actually reversed, with the United States reporting net purchases of almost $300 million. On September 30, 1951, estimated world gold reserves (excluding U.S.S.R.), totalled $36.0 billion, of which the United States held $22.2 billion, or slightly over 60 percent.

The Report discusses the latter stages of the European Recovery Program, describing particularly developments relating to local currency counterpart accounts and to transfer guaranties. The Council's views on the financial and monetary policy aspects of the Mutual Security Program for the fiscal year 1953 are also presented.

Export-Import Bank loans made during the period aggregated $120 million. These credits were for a variety of purposes, including the expansion of production of strategic and critical materials abroad, the export of raw cotton from the United States, and essential economic development in underdeveloped countries. The Bank continued to consult with the Council on major credits, and on those which involved important questions of U.S. international financial and economic policy.

The Report discusses actions of the International Monetary Fund on exchange systems, par values, premium gold transactions, and the repurchase of Fund drawings, and outlines the highlights of the Sixth Annual Meetings of the Boards of Governors of both the Fund and the International Bank which were held in Washington in the first part of

320,

Immediate Release
Wed, Feb 14, 1952

S-2968

PROPOSED PRESS RELEASE ON NAC REPORT

Secretary Snyder, as Chairman of the National Advisory Council on International Monetary and Financial Problems, today transmitted to the President and to the Congress a Report of the Council's activities for the six months ending September 30, 1951.

The Report reviews significant developments in United States international trade and payments during the period, including movements in terms of trade compared with the preceding six months. Data on price changes of basic raw materials (largely imported items) are also discussed.

The Council points out that, despite a reduction in economic aid, increased expenditures under the Mutual Defense Assistance Program (MDAP) were sufficient to raise total utilized foreign aid for the period under review to $2.6 billion, or slightly above that of the previous six months. The intensified effort to assist in the re-armament of the free world against aggression, produced a 42 percent expansion in military assistance -- to a level approximating $900 million for the period under consideration. Over two-thirds of this amount was supplied to countries in the North Atlantic area, raising total utilized MDAP assistance to $1.7 billion from the beginning of 1950 to September 30, 1951.

Analyzing gold movements and gold reserves, the Council states that, although gold sales by the United States remained at a high rate during the first quarter of 1951, a decline in sales that started in

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The Report discusses actions of the International Monetary Fund on exchange systems, par values, premium gold transactions, and the repurchase of Fund drawings, and outlines the highlights of the Sixth Annual Meetings of the Boards of Governors of both the Fund and the International Bank which were held in Washington in the first part of September, 1951. In its review of the Bank's activities, the Council notes that that institution made six loans, aggregating nearly $94 million, to five countries from April 1 to September 30, 1951. The Bank also floated three new security issues, each in a different currency. One of these, in the United Kingdom, represented the first flotation of the Bank's bonds in a member country other than the United States.

As in the past, the Report is accompanied by comprehensive statistics on various aspects of United States Government foreign assistance in the postwar period, as well as on gold and short-term dollar resources of foreign countries, and gold transactions between the United States and foreign countries.

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Singer was sentenced in Federal Court December 27 to one year and a day, and fined $500. Action to forfeit the diamonds to the Government has been instituted.

Still another important diamond seizure occurred on November 6, at Rouses Point, New York. The Service had information that diamonds had been smuggled into Canada from Antwerp, Belgium. A suspect, Abram Winnik, was kept under surveillance by Canadian and United States customs agents during his two-day stay in Canada. He was contacted by Mrs. Adele Meppen of Brooklyn, New York. Mrs. Meppen was then kept under surveillance, ~~and was followed from Montreal by United States customs agents~~ when she proceeded by train to the United States.

At Rouses Point, New York, Mrs. Meppen was removed from the train and careful search of her person and effects was made without results. At the conclusion of the search she was escorted to a hotel by customs agents where she remained the balance of the night. Shortly after she checked out of the hotel the following morning, a toilet to which she had access was found to be overflowing.

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Eli Stern, a Brooklyn resident, arrived in Montreal, Canada, on January 22 via Royal Dutch Air Lines. He was placed under surveillance by Canadian and United States customs agents at Montreal, and was observed departing for Havana, Cuba, by the same air lines on a non-stop flight. Customs agents stationed at Havana informed the Cuban customs that Stern was a diamond smuggling suspect. The passenger was given special attention by Cuban officers upon arrival at Havana, but their search did not disclose any undeclared merchandise.

On the morning of January 23, Stern made reservation for a flight to Miami. The supervising customs agent at Miami arranged for careful attention to Stern when he arrived. Upon removing the heels from the shoes he was wearing, officers found diamonds weighing 1,076 carats valued at $119,346. The diamonds have been forfeited to the Government, and Stern sentenced to prison for 18 months.

The next diamond seizure of importance occurred at Logan International Airport, Boston, Massachusetts, on August 30. At that time Samuel Singer was arrested by customs agents when he attempted to smuggle 435 carats of cut diamonds valued at $70,113.

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Chester A. Emerick, Deputy Customs Commissioner, in charge of the Bureau's Division of Investigation, gave these details of the five major cases which preceded the Sunday case:

On January 21, 1951, Leiser Weitman was arrested at Idlewild Airport, New York, at which time seizure of 1,862 carats of cut diamonds, valued at $305,082 was made. The diamonds were concealed in the hollowed-out heels of Weitman's shoes and on his person. They have been forfeited to the Government. On March 9, Weitman, a 31-year old Austrian, was sentenced to 22 months in prison and fined $2,000.

Mrs. Eta Hoffman, a displaced person from Belgium, arrived at Idlewild Airport on January 22. Search of Mrs. Hoffman's person and effects disclosed 2,377 carats of cut diamonds valued at $493,998. Customs agents found the diamonds in the soles of the wedgie shoes she was wearing, and in compartments cleverly constructed in the framework of her luggage. The diamonds have been forfeited to the Government, and on May 29, Mrs. Hoffman was sentenced to 18 months imprisonment.

Sunday newspapers
Feb. 17

S-2969

Customs officers have dealt a series of stunning blows to international diamond smuggling in the last year, Commissioner of Customs Frank Dow today reported to Secretary Snyder. In six principal cases, diamonds have been seized totaling approximately 7,000 carats and valued at approximately $1,125,000. Action was taken to forfeit all of the diamonds to the Government.

Two arrests were made Sunday, February 10, in New York in the latest of these cases. Customs agents said one of the two men had just accepted from a newly arrived ocean traveler a small clothes brush, in the handle of which were hidden diamonds amounting to 145 carats, and valued domestically at $19,500. The agents said the diamonds had been brought from Antwerp by an airplane passenger. Charges of smuggling and conspiracy to smuggle were filed against the pair of prisoners, Adolph Neumann and Abraham Hornstein.

Commissioner Dow said United States Customs agents, working both at home and abroad, teamed up with officers of several other countries to effect the series of blows at the smuggling traffic.

The Commissioner explained that toward the end of 1950, the Customs Service began to receive information indicating that traffickers in diamond smuggling were preparing to increase their activity. If they were successful in their smuggling efforts, the traffickers would realize as an immediate reward the evasion of the 10% customs duties. With the gems destined for "black market" sale, there would also be the evasion of excise taxes and probably of Federal income taxes.

TREASURY DEPARTMENT

Washington

February 16, 1952

MEMORANDUM TO THE PRESS

The attached statements relating to practice before the Treasury Department by former employees are made available for your information.

PRACTICE BY FORMER EMPLOYEES

The statutes prohibit a former employee, for two years following his employment, from prosecuting a claim against the United States which was pending while he was employed. A claim against the United States is a demand that the Government pay money. Most tax controversies are not claims against the United States. They are the opposite. They are claims by the Government that the taxpayer owes money. No statute prohibits a former employee from acting as attorney for a taxpayer against whom the Government makes a demand for additional tax.

Thus the statutes draw a sharp distinction between claims against the Government and claims by the Government. In the former case the Treasury Department has not, and could not, permit a former employee to represent a taxpayer within the two-year period. The Congress has laid down the rule.

The Treasury Department in the exercise of its power to regulate practice before it has imposed restrictions on its former employees that go beyond the prohibitions enacted by Congress. The Treasury regulations prohibit a former employee from representing a taxpayer in any case if he worked on that case for the Government, irrespective of how long he has been out of Government service, and irrespective of whether the case is a claim by the United States or a claim against the United States.

The Treasury regulations require a former employee, during the two-year period following his employment, to file an application for consent to represent a taxpayer in any matter which was pending while he was employed. The application must set forth information to show that his representation of the taxpayer would not violate any statute or regulation. The statements made in the application are checked against the official records. The granting of the consent follows as a matter of course if the application and the investigation show that no violation would be occasioned. In no sense does the granting of a consent constitute a waiver of any statute or regulation. The Treasury Department is without power to waive the statutory prohibitions some of which carry criminal penalties (18 U.S.C. 284), although some do not (5 U.S.C. 99).

In short, the rule is that a former employee has the right within two years following termination of his Government employment to represent a taxpayer from whom the Government is endeavoring to collect taxes, provided that the employee did not work on the case for the Government. And this has been the rule for at least twenty-five years. It finds its analogy in the conflict of interest rules which govern practice before the courts. The fact that a different rule governs the prosecution of claims against the United States is attributable to express statutory provisions.

February 15, 1952

involved while employed in the Department, and (b) that his handling of the matter is not prohibited by law.

iii. Application is referred to office in which matter was pending during employment for investigation to determine whether records and files show personal consideration or knowledge of facts.

iv. If there is no evidence of personal consideration or knowledge of facts, and if no law or regulation would be violated, consent is granted.

IV. Law is Never Waived

1. Treasury has no power to waive requirements of laws and never attempts to do so.

2. Treasury never waives prohibitions against practice contained in its own rules.

3. Treasury rules require consent to handle certain cases, but consent is never given where any law prohibits the applicant from acting.

V. Conclusion

1. No law prohibits a former employee of the Treasury from handling with the Bureau of Internal Revenue any of the vast multitude of matters that are not within the narrow field of "claims" against the United States.

2. Under Treasury rules a former employee is prohibited forever from handling a matter which he personally considered, or of which he gained knowledge of the facts, while in the Government, whether or not the matter is a "claim."

3. The Treasury rule is supplemented by a requirement that during the first two years after leaving the Department a former employee must obtain consent to handle a matter which was pending while he was in the Department.

4. The granting of consent is in no sense a waiver of anything. The requirement that consent be obtained is merely a method of policing the prohibitions of the laws and Treasury rules.

February 15, 1952

PRACTICE BEFORE THE TREASURY DEPARTMENT BY FORMER EMPLOYEES

I. What the Law Prohibits

1. U. S. Code, title 5, sec. 99

   Makes it unlawful for any person, within two years after leaving the Government, to prosecute any claim against the United States which was pending while he was in the Government.

2. U. S. Code, title 18, sec. 284

   Makes it a felony for any person, within two years after leaving the Government, to prosecute any claim against the United States involving a subject matter with which he was connected while in the Government.

II. What the Law Does Not Prohibit

1. The law deals with nothing but claims against the United States.

2. Most tax matters which attorneys handled for clients with the Bureau of Internal Revenue do not involve claims against the Government. For example, resisting the assessment of a deficiency is not a claim within the meaning of the law.

3. Hence, the laws dealing with practice by former employees have no application to most tax matters which attorneys handle for clients with the Bureau of Internal Revenue.

III. Treasury Restrictions on Practice by Former Employees

1. Treasury rules impose prohibitions on practice by former employees which go far beyond the prohibitions imposed by Congress in laws. These rules have been in effect since 1886, and have contained substantially the present prohibitions since 1924.

2. Treasury Rule: Every former employee is prohibited forever from acting as attorney or agent in any matter to which he gave personal consideration or as to the facts of which he gained knowledge while in the Government. This prohibition is supplemented by a requirement that for two years after leaving the Treasury a former employee must obtain the Department's written consent to act in any matter which was pending during his employment.

3. Granting of consent

   i. Application for consent is made on Form 901.

   ii. Applicant must file declaration (a) that he gave matter no personal consideration and had no knowledge of facts

TREASURY DEPARTMENT

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

RELEASE SUNDAY NEWSPAPERS,
February 17, 1952.

S-2969

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February 5, 1952

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 January, 1952:

Purchases	$34,485,000
Sales	12,369,500
Net purchases	$22,115,500

(Sgd.) E. O. Barnes

Chief, Division of Investments

Wisecarver 2/5/52

TREASURY DEPARTMENT

Information Service

WASHINGTON, D.C.

RELEASE MORNING NEWSPAPERS,
Friday, February 15, 1952. S-2970

During the month of January, 1952, market transactions in direct and guaranteed securities of the Government for Treasury investment and other accounts resulted in net purchases of $22,115,500, Secretary Snyder announced today.

oOo

Certificates of Indebtedness of Series A-1952, maturing April 1, 1952, which will be accepted at par and should accompany the subscription. Accrued interest from June 15, 1951, to March 1, 1952 ($13.31967 per $1,000) 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.

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 for certificates allotted hereunder must be made on or before March 1, 1952, or on later allotment, and may be made only in Treasury

UNITED STATES OF AMERICA

1-7/8 PERCENT TREASURY CERTIFICATES OF INDEBTEDNESS OF SERIES A-1953

Dated and bearing interest from March 1, 1952 Due February 15, 1953

1952
Department Circular No. 899

TREASURY DEPARTMENT,
Office of the Secretary,
Washington, February 18, 1952.

Fiscal Service
Bureau of the Public Debt

I. OFFERING OF CERTIFICATES

1. The Secretary of the Treasury, pursuant to the authority of the Second Liberty Bond Act, as amended, invites subscriptions from the people of the United States for certificates of indebtedness of the United States, designated 1-7/8 percent Treasury Certificates of Indebtedness of Series A-1953, in exchange for 1-7/8 percent Treasury Certificates of Indebtedness of Series A-1952, maturing April 1, 1952. Exchanges will be made at par with an adjustment of interest as of March 1, 1952. The amount of the offering under this circular will be limited to the amount of Treasury Certificates of Indebtedness of Series A-1952 tendered in exchange and accepted.

II. DESCRIPTION OF CERTIFICATES

1. The certificates will be dated March 1, 1952, and will bear interest from that date at the rate of 1-7/8 percent per annum, payable with the principal at maturity on February 15, 1953. 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,

Department, Division of Loans and Currency, Washington, D. C. The bonds must be delivered at the expense and risk of the holder. If the new bonds are desired registered in the same name as the bonds surrendered, the assignment should be to "The Secretary of the Treasury for exchange for 2-3/8 percent Treasury Bonds of 1957-59"; if the new bonds are desired registered in another name, the assignment should be to "The Secretary of the Treasury for exchange for 2-3/8 percent Treasury Bonds of 1957-59 in the name of ________"; if new bonds in coupon form are desired, the assignment should be to "The Secretary of the Treasury for exchange for 2-3/8 percent Treasury Bonds of 1957-59 in coupon form to be delivered to __________".

VI. GENERAL PROVISIONS

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

2. The Secretary of the Treasury may at any time, or from time to time, prescribe supplemental or amendatory rules and regulations governing the offering, which will be communicated promptly to the Federal Reserve Banks.

JOHN W. SNYDER,
Secretary of the Treasury.

2. The Secretary of the Treasury reserves the right to reject any subscription, in whole or in part, to allot less than the amount of bonds applied for, 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 bonds allotted hereunder must be made on or before March 1, 1952, or on later allotment, and may be made only in Treasury Bonds of 1952-54, called for redemption March 15, 1952, which will be accepted at par, and should accompany the subscription. Coupons dated March 15, 1952, must be attached to such bonds in coupon form when surrendered. In the case of coupon bonds, the full six months' interest to March 15, 1952, on the bonds to be surrendered ($12.50 per $1,000) will be credited, accrued interest from March 1, 1952 to March 15, 1952 on the bonds to be issued ($0.91346 per $1,000) will be charged, and the difference ($11.58654 per $1,000) will be paid to the subscribers on March 1, 1952, or on later delivery of the new bonds. In the case of registered bonds, final interest due March 15 will be computed on the same basis and will be paid by checks drawn in accordance with the assignments on the bonds surrendered.

V. ASSIGNMENT OF REGISTERED BONDS

1. Treasury Bonds of 1952-54 in registered form tendered in payment for bonds offered hereunder should be assigned by the registered payees or assignees thereof, in accordance with the general regulations of the Treasury Department governing assignments for transfer or exchange, in one of the forms hereafter set forth, and thereafter should be presented and surrendered with the subscription to a Federal Reserve Bank or Branch or to the Treasury

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manner as the Secretary of the Treasury shall prescribe. In case of partial redemption the bonds to be redeemed will be determined by such method as may be prescribed by the Secretary of the Treasury. From the date of redemption designated in any such notice, interest on the bonds called for redemption shall cease.

2. The income derived from the bonds shall be subject to all taxes now or hereafter imposed under the Internal Revenue Code, or laws amendatory or supplementary thereto. The bonds 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 bonds will be acceptable to secure deposits of public moneys.

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

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

III. SUBSCRIPTION AND ALLOTMENT

1. Subscriptions will be received at the Federal Reserve Banks and Branches and at the Treasury Department, Washington. Banking institutions generally may submit subscriptions for account of customers, but only the Federal Reserve Banks and the Treasury Department are authorized to act as official agencies.

UNITED STATES OF AMERICA

2-3/8 PERCENT TREASURY BONDS OF 1957-59

Dated and bearing interest from March 1, 1952 — Due March 15, 1959

REDEEMABLE AT THE OPTION OF THE UNITED STATES AT PAR AND ACCRUED INTEREST ON AND AFTER MARCH 15, 1957

Interest payable March 15 and September 15

1952
Department Circular No. 898

Fiscal Service
Bureau of the Public Debt

TREASURY DEPARTMENT,
Office of the Secretary,
Washington, February 18, 1952.

I. OFFERING OF BONDS

1. The Secretary of the Treasury, pursuant to the authority of the Second Liberty Bond Act, as amended, invites subscriptions, at par with an adjustment of accrued interest as of March 15, 1952, from the people of the United States for bonds of the United States, designated 2-3/8 percent Treasury Bonds of 1957-59, in exchange for 2-1/2 percent Treasury Bonds of 1952-54, dated March 31, 1941, due March 15, 1954, called for redemption on March 15, 1952. The amount of the offering under this circular will be limited to the amount of Treasury Bonds of 1952-54 tendered in exchange and accepted.

II. DESCRIPTION OF BONDS

1. The bonds will be dated March 1, 1952, and will bear interest from that date at the rate of 2-3/8 percent per annum, payable on a semiannual basis on September 15, 1952, and thereafter on March 15 and September 15 in each year until the principal amount becomes payable. They will mature March 15, 1959, but may be redeemed at the option of the United States on and after March 15, 1957, in whole or in part, at par and accrued interest, on any interest day or days, on 4 months' notice of redemption given in such

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Subscriptions addressed to a Federal Reserve Bank or Branch or to the Treasury Department, and placed in the mail before midnight February 21, will be considered as having been entered before the close of the subscription books.

The texts of the official circulars follow:

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S 2971

RELEASE, MORNING NEWSPAPERS,
Monday, February 18, 1952.

Secretary of the Treasury Snyder today announced the details of the offering, through the Federal Reserve Banks, of 2-3/8 percent Treasury Bonds of 1957-59, open on an exchange basis, at par with an adjustment of accrued interest as of March 15, 1952, in authorized denominations, to holders of 2-1/2 percent Treasury Bonds of 1952-54, called for redemption on March 15, 1952, in the amount of $1,023,568,350. At the same time the Secretary announced the details of the offering of 1-7/8 percent Treasury Certificates of Indebtedness of Series A-1953, open on an exchange basis, at par with an adjustment of accrued interest as of March 1, 1952, to holders of 1-7/8 percent Treasury Certificates of Indebtedness of Series A-1952, maturing April 1, 1952, in the amount of $9,524,077,000. Cash subscriptions will not be received.

The bonds now offered will be dated March 1, 1952, and will bear interest from that date at the rate of 2-3/8 percent per annum, payable on a semiannual basis on September 15, 1952, and thereafter on March 15 and September 15 in each year until the principal becomes payable. The bonds will mature on March 15, 1959, but may be redeemed, at the option of the United States, on and after March 15, 1957. Bearer bonds with interest coupons attached and bonds registered as to principal and interest will be issued in denominations of $500, $1,000, $5,000, $10,000, $100,000 and $1,000,000.

The certificates now offered will be dated March 1, 1952, and will bear interest from that date at the rate of 1-7/8 percent per annum, payable with the principal at maturity on February 15, 1953. 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 securities 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 circulars released today.

Subscriptions for both issues will be received at the Federal Reserve Banks and Branches and at the Treasury Department, Washington, and should be accompanied by the securities to be exchanged. Treasury Bonds of 1952-54 in coupon form presented for exchange should have March 15, 1952, and all subsequent coupons attached when surrendered. The amount of the March 15, 1952, coupon will be credited and accrued interest from March 1, 1952 to March 15, 1952 on the new bonds will be charged, and the difference ($11.58654 per $1,000) will be paid to the subscribers on March 1, 1952, or on later delivery of the new bonds. In the case of registered bonds surrendered, the final interest will be computed on the same basis and will be paid to the registered owners or their assignees. In the case of certificates accepted for exchange, accrued interest from June 15, 1951 to March 1, 1952 ($13.31967 per $1,000) will be paid to the subscriber following acceptance of the certificates.

The subscription books will close for the receipt of all subscriptions to both issues at the close of business Thursday, February 21.

TREASURY DEPARTMENT

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

RELEASE MORNING NEWSPAPERS,
Monday, February 18, 1952.

S-2971

Secretary of the Treasury Snyder today announced the details of the offering, through the Federal Reserve Banks, of 2-3/8 percent Treasury Bonds of 1957-59, open on an exchange basis, at par with an adjustment of accrued interest as of March 15, 1952, in authorized denominations, to holders of 2-1/2 percent Treasury Bonds of 1952-54, called for redemption on March 15, 1952, in the amount of $1,023,568,350. At the same time the Secretary announced the details of the offering of 1-7/8 percent Treasury Certificates of Indebtedness of Series A-1953, open on an exchange basis, at par with an adjustment of accrued interest as of March 1, 1952, to holders of 1-7/8 percent Treasury Certificates of Indebtedness of Series A-1952, maturing April 1, 1952, in the amount of $9,524,077,000. Cash subscriptions will not be received.

The bonds now offered will be dated March 1, 1952, and will bear interest from that date at the rate of 2-3/8 percent per annum, payable on a semiannual basis on September 15, 1952, and thereafter on March 15 and September 15 in each year until the principal becomes payable. The bonds will mature on March 15, 1959, but may be redeemed, at the option of the United States, on and after March 15, 1957. Bearer bonds with interest coupons attached and bonds registered as to principal and interest will be issued in denominations of $500, $1,000, $5,000, $10,000, $100,000 and $1,000,000.

The certificates now offered will be dated March 1, 1952, and will bear interest from that date at the rate of 1-7/8 percent per annum, payable with the principal at maturity on February 15, 1953. They will be issued in bearer form only, in denominations of $1,000, $5,000, $10,000, $100,000 and $1,000,000.

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Subscriptions for both issues will be received at the Federal Reserve Banks and Branches and at the Treasury Department, Washington, and should be accompanied by the securities to be exchanged. Treasury Bonds of 1952-54 in coupon form presented for exchange should have March 15, 1952, and all subsequent coupons attached when surrendered. The amount of the March 15, 1952, coupon will be credited and accrued interest from March 1, 1952 to March 15, 1952 on the new bonds will be charged, and the difference ($11.58654 per $1,000) will be paid to the subscribers on March 1, 1952, or on later delivery of the new bonds. In the case of registered bonds surrendered, the final interest will be computed on the same basis and will be paid to the registered owners or their assignees. In the case of certificates accepted for exchange, accrued interest from June 15, 1951 to March 1, 1952 ($13.31967 per $1,000) will be paid to the subscriber following acceptance of the certificates.

The subscription books will close for the receipt of all subscriptions to both issues at the close of business Thursday, February 21.

Subscriptions addressed to a Federal Reserve Bank or Branch or to the Treasury Department, and placed in the mail before midnight February 21, will be considered as having been entered before the close of the subscription books.

The texts of the official circulars follow:

UNITED STATES OF AMERICA

2-3/8 PERCENT TREASURY BONDS OF 1957-59

Dated and bearing interest from March 1, 1952 Due March 15, 1959

REDEEMABLE AT THE OPTION OF THE UNITED STATES AT PAR AND ACCRUED INTEREST ON AND AFTER MARCH 15, 1957

Interest payable March 15 and September 15

1952
Department Circular No. 898

TREASURY DEPARTMENT
Office of the Secretary
Washington, February 18, 1952.

Fiscal Service
Bureau of the Public Debt

I. OFFERING OF BONDS

1. The Secretary of the Treasury, pursuant to the authority of the Second Liberty Bond Act, as amended, invites subscriptions, at par with an adjustment of accrued interest as of March 15, 1952, from the people of the United States for bonds of the United States, designated 2-3/8 percent Treasury Bonds of 1957-59, in exchange for 2-1/2 percent Treasury Bonds of 1952-54, dated March 31, 1941, due March 15, 1954, called for redemption on March 15, 1952. The amount of the offering under this circular will be limited to the amount of Treasury Bonds of 1952-54 tendered in exchange and accepted.

II. DESCRIPTION OF BONDS

1. The bonds will be dated March 1, 1952, and will bear interest from that date at the rate of 2-3/8 percent per annum, payable on a semiannual basis on September 15, 1952, and thereafter on March 15 and September 15 in each year until the principal amount becomes payable. They will mature March 15, 1959, but may be redeemed at the option of the United States on and after March 15, 1957, in whole or in part, at par and accrued interest, on any interest day or days, on 4 months' notice of redemption given in such

manner as the Secretary of the Treasury shall prescribe. In case of partial redemption the bonds to be redeemed will be determined by such method as may be prescribed by the Secretary of the Treasury. From the date of redemption designated in any such notice, interest on the bonds called for redemption shall cease.

2. The income derived from the bonds shall be subject to all taxes now or hereafter imposed under the Internal Revenue Code, or laws amendatory or supplementary thereto. The bonds 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 bonds will be acceptable to secure deposits of public moneys.

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

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

III. SUBSCRIPTION AND ALLOTMENT

1. Subscriptions will be received at the Federal Reserve Banks and Branches and at the Treasury Department, Washington. Banking institutions generally may submit subscriptions for account of customers, but only the Federal Reserve Banks and the Treasury Department are authorized to act as official agencies.

2. The Secretary of the Treasury reserves the right to reject any subscription, in whole or in part, to allot less than the amount of bonds applied for, 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 bonds allotted hereunder must be made on or before March 1, 1952, or on later allotment, and may be made only in Treasury Bonds of 1952-54, called for redemption March 15, 1952, which will be accepted at par, and should accompany the subscription. Coupons dated March 15, 1952, must be attached to such bonds in coupon form when surrendered. In the case of coupon bonds, the full six months' interest to March 15, 1952, on the bonds to be surrendered ($12.50 per $1,000) will be credited, accrued interest from March 1, 1952 to March 15, 1952 on the bonds to be issued ($0.91346 per $1,000) will be charged, and the difference ($11.58654 per $1,000) will be paid to the subscribers on March 1, 1952, or on later delivery of the new bonds. In the case of registered bonds, final interest due March 15 will be computed on the same basis and will be paid by checks drawn in accordance with the assignments on the bonds surrendered.

V. ASSIGNMENT OF REGISTERED BONDS

1. Treasury Bonds of 1952-54 in registered form tendered in payment for bonds offered hereunder should be assigned by the registered payees or assignees thereof, in accordance with the general regulations of the Treasury Department governing assignments for transfer or exchange, in one of the forms hereafter set forth, and thereafter should be presented and surrendered with the subscription to a Federal Reserve Bank or 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 holder. If the new bonds are desired registered in the same name as the bonds surrendered, the assignmust should be to "The Secretary of the Treasury for exchange for 2-3/8 percent Treasury Bonds of 1957-59"; if the new bonds are desired registered in another name, the assignment should be to "The Secretary of the Treasury for exchange for 2-3/8 percent Treasury Bonds of 1957-59 in the name of ______"; if new bonds in coupon form are desired, the assignment should be to "The Secretary of the Treasury for exchange for 2-3/8 percent Treasury Bonds of 1957-59 in coupon form to be delivered to ________".

VI. GENERAL PROVISIONS

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

2. The Secretary of the Treasury may at any time, or from time to time, prescribe supplemental or amendatory rules and regulations governing the offering, which will be communicated promptly to the Federal Reserve Banks.

JOHN W. SNYDER
Secretary of the Treasury

UNITED STATES OF AMERICA

1-7/8 PERCENT TREASURY CERTIFICATES OF INDEBTEDNESS OF SERIES A-1953

Dated and bearing interest from March 1, 1952 Due February 15, 1953

1952
Department Circular No. 899

TREASURY DEPARTMENT,
Office of the Secretary,
Washington, February 18, 1952.

Fiscal Service
Bureau of the Public Debt

I. OFFERING OF CERTIFICATES

1. The Secretary of the Treasury, pursuant to the authority of the Second Liberty Bond Act, as amended, invites subscriptions from the people of the United States for certificates of indebtedness of the United States, designated 1-7/8 percent Treasury Certificates of Indebtedness of Series A-1953, in exchange for 1-7/8 percent Treasury Certificates of Indebtedness of Series A-1952, maturing April 1, 1952. Exchanges will be made at par with an adjustment of interest as of March 1, 1952. The amount of the offering under this circular will be limited to the amount of Treasury Certificates of Indebtedness of Series A-1952 tendered in exchange and accepted.

II. DESCRIPTION OF CERTIFICATES

1. The certificates will be dated March 1, 1952, and will bear interest from that date at the rate of 1-7/8 percent per annum, payable with the principal at maturity on February 15, 1953. 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 for certificates allotted hereunder must be made on or before March 1, 1952, or on later allotment, and may be made only in Treasury

Certificates of Indebtedness of Series A-1952, maturing April 1, 1952, which will be accepted at par and should accompany the subscription. Accrued interest from June 15, 1951, to March 1, 1952 ($13.31967 per $1,000) 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.

Release 10 AM EST
Sunday February 17, 1952

~~Draft Press Release for New York~~

S-2972

Secretary ~~of the Treasury John W.~~ Snyder left New York ~~today~~ Sunday by air for Lisbon to attend the Ninth Session of the North Atlantic Council. The session will begin on Wednesday, February 20.

The Secretary's party included Mr. George H. Willis, Director of the Treasury's Office of International Finance; Mr. C. Dillon Glendinning, Deputy Director of the Office of International Finance; Mr. James E. Wood, Chief, European Division, Office of International Finance. ~~, and Miss Harriet Magee, secretary to the party.~~

The meeting of the North Atlantic Council will be attended by the Foreign Ministers, Ministers of Defense, and Finance Ministers of the countries participating in the North Atlantic Treaty Organization. Secretary Snyder attended previous meetings of the Council in Ottawa and Rome.

Secretary Snyder expects to return to Washington on February 20.

TREASURY DEPARTMENT

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

RELEASE 10 A.M. E.S.T.
Sunday, February 17, 1952. S-2972

Secretary Snyder left New York Sunday by air for Lisbon to attend the Ninth Session of the North Atlantic Council. The session will begin on Wednesday, February 20.

The Secretary's party included Mr. George H. Willis, Director of the Treasury's Office of International Finance; Mr. C. Dillon Glendinning, Deputy Director of the Office of International Finance; Mr. James E. Wood, Chief, European Division, Office of International Finance.

The meeting of the North Atlantic Council will be attended by the Foreign Ministers, Ministers of Defense, and Finance Ministers of the countries participating in the North Atlantic Treaty Organization. Secretary Snyder attended previous meetings of the Council in Ottawa and Rome.

Secretary Snyder expects to return to Washington on February 25.

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17973

RELEASE, MORNING NEWSPAPERS,
Tuesday, February 19, 1952.

The Secretary of the Treasury announced last evening that the tenders for $1,100,000,000, or thereabouts, of 91-day Treasury bills to be dated February 21 and to mature May 22, 1952, which were offered on February 14, were opened at the Federal Reserve Banks on February 18.

The details of this issue are as follows:

Total applied for - $1,914,008,000
Total accepted - 1,100,088,000 (includes $185,584,000 entered on a non-competitive basis and accepted in full at the average price shown below)
Average price - 99.619/ Equivalent rate of discount approx. 1.507% per annum

Range of accepted competitive bids:

High - 99.625 Equivalent rate of discount approx. 1.484% per annum
Low - 99.615 " " " " " 1.523% " "

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

Federal Reserve District		Total Applied for	Total Accepted
Boston		$ 26,508,000	$ 18,738,000
New York		1,416,608,000	722,928,000
Philadelphia		25,594,000	10,394,000
Cleveland		58,545,000	49,315,000
Richmond		16,760,000	15,710,000
Atlanta		21,514,000	20,004,000
Chicago		163,566,000	111,641,000
St. Louis		25,829,000	20,904,000
Minneapolis		8,240,000	8,210,000
Kansas City		40,858,000	31,408,000
Dallas		42,081,000	36,331,000
San Francisco		67,905,000	54,505,000
	TOTAL	$1,914,008,000	$1,100,088,000

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TREASURY DEPARTMENT

Information Service WASHINGTON, D.C.

RELEASE MORNING NEWSPAPERS,
Tuesday, February 19, 1952.

S-2973

The Secretary of the Treasury announced last evening that the tenders for $1,100,000,000, or thereabouts, of 91-day Treasury bills to be dated February 21 and to mature May 22, 1952, which were offered on February 14, were opened at the Federal Reserve Banks on February 18.

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Total accepted - 1,100,088,000 (includes $185,584,000 entered on a non-competitive basis and accepted in full at the average price shown below)
Average price - 99.619/ Equivalent rate of discount approx. 1.507% per annum

Range of accepted competitive bids:

High - 99.625 Equivalent rate of discount approx. 1.484% per annum
Low - 99.615 Equivalent rate of discount approx. 1.523% per annum

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

Federal Reserve District	Total Applied for	Total Accepted
Boston	$ 26,508,000	$ 18,738,000
New York	1,416,608,000	722,928,000
Philadelphia	25,594,000	10,394,000
Cleveland	58,545,000	49,315,000
Richmond	16,760,000	15,710,000
Atlanta	21,514,000	20,004,000
Chicago	163,566,000	111,641,000
St. Louis	25,829,000	20,904,000
Minneapolis	8,240,000	8,210,000
Kansas City	40,858,000	31,408,000
Dallas	42,081,000	36,331,000
San Francisco	67,905,000	54,505,000
TOTAL	$1,914,008,000	$1,100,088,000

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ALPHA

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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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 February 28, 1952, in cash or other immediately available funds or in a like face amount of Treasury bills maturing February 28, 1952. 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

~~Exhibit~~

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TREASURY DEPARTMENT
Washington

S-2974

FOR RELEASE, MORNING NEWSPAPERS,
Wednesday, February 20, 1952.
(1)

The Secretary of the Treasury, by this public notice, invites tenders for $ 1,100,000,000 (2), or thereabouts, of 91 (3) -day Treasury bills, for cash and in exchange for Treasury bills maturing February 28, 1952 (4), in the amount of $ 1,100,033,000, to be issued on a discount basis under competitive and non-competitive bidding as hereinafter provided. The bills of this series will be dated February 28, 1952 (5), and will mature May 29, 1952 (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, February 25, 1952. (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.

Others than banking institutions will not be permitted to submit tenders except for their own account. 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,

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TREASURY DEPARTMENT

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Information Service WASHINGTON, D.C.

RELEASE MORNING NEWSPAPERS,
Wednesday, February 20, 1952. S-2974

The Secretary of the Treasury, by this public notice, invites tenders for $1,100,000,000, or thereabouts, of 91-day Treasury bills, for cash and in exchange for Treasury bills maturing February 28, 1952, in the amount of $1,100,033,000, to be issued on a discount basis under competitive and non-competitive bidding as hereinafter provided. The bills of this series will be dated February 28, 1952, and will mature May 29, 1952, 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, February 25, 1952. 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.

Others than banking institutions will not be permitted to submit tenders except for their own account. 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 February 28, 1952, in cash or other immediately available funds or in a like face amount of Treasury bills maturing February 28, 1952. 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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A-2975

RELEASE MORNING NEWSPAPERS,
Tuesday, February 26, 1952.

The Secretary of the Treasury announced last evening that the tenders for $1,100,000,000, or thereabouts, of 91-day Treasury bills to be dated February 28 and to mature May 29, 1952, which were offered on February 20, were opened at the Federal Reserve Banks on February 25.

The details of this issue are as follows:

Total applied for - $1,783,203,000
Total accepted - 1,100,851,000 (includes $149,396,000 entered on a non-competitive basis and accepted in full at the average price shown below)
Average price - 99.605 Equivalent rate of discount approx. 1.563% per annum

Range of accepted competitive bids:

High - 99.630 Equivalent rate of discount approx. 1.464% per annum
Low - 99.600 " " " " " 1.582% " "

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

Federal Reserve District	Total Applied for	Total Accepted
Boston	$ 26,928,000	$ 25,948,000
New York	1,262,130,000	658,590,000
Philadelphia	25,231,000	10,231,000
Cleveland	59,122,000	52,482,000
Richmond	11,720,000	10,220,000
Atlanta	23,505,000	23,205,000
Chicago	157,644,000	104,772,000
St. Louis	23,006,000	21,818,000
Minneapolis	6,135,000	6,135,000
Kansas City	34,474,000	34,442,000
Dallas	42,475,000	42,175,000
San Francisco	110,833,000	110,833,000
Total	$1,783,203,000	$1,100,851,000

TREASURY DEPARTMENT

Information Service WASHINGTON, D.C.

RELEASE MORNING NEWSPAPERS,
Tuesday, February 26, 1952.

S-2975

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San Francisco	110,833,000	110,833,000
TOTAL	$1,783,203,000	$1,100,851,000

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of this determination on the part of all participating countries.

"The U.S. Delegation, composed of Secretaries Acheson, Snyder, and Lovett and Mr. Harriman, has given sympathetic consideration to the economic problems which are faced by some countries in carrying through their defense programs. ¶ "~~However,~~ In my view, the primary responsibility for the economic adjustments required for an adequate European defense effort must remain with the European countries over the longer period. The U.S. has been most helpful in the development stages of NATO in making available economic and military aid to member countries through funds provided by Congressional appropriation. It has been emphasized, however, that the extent of our assistance in the future will, of course, be determined by the Congress, taking into account internal fiscal and monetary developments as well as other factors.

"I have joined with my colleagues of the U.S. Delegation in welcoming to membership in NATO the two new members, Greece and Turkey, who became formally associated with the Council at this meeting.

"I feel the Council has been honored by the opportunity to meet in the city of Lisbon. We have been most graciously received both by the Portuguese Government and by the people of Portugal, who have made our visit here most comfortable and pleasant in spite of the grave questions before the Council.

"Each of our countries will face many difficult economic problems in the period ahead. We cannot see at this time how many of these problems may ultimately be resolved. Nevertheless, I have no doubt that, with the will and determination which I believe has been indicated at the Lisbon meeting, we can individually and collectively work our way through to the full achievement of our fundamental objectives."

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Immediate Release
2/25/52

5-2976

~~2-25-52~~

~~Press Release - to be released upon adjournment of NATO meeting in Lisbon~~

~~The Honorable John W. Snyder,~~ Secretary Snyder made ~~of the Treasury of the United States, released~~ the following statement in Lisbon today upon adjournment of the ninth session of the North Atlantic Council, which he has been attending:

"The North Atlantic Council at this session has dealt with a number of difficult problems associated with the rapid build-up of adequate defense forces, while at the same time giving due consideration to the financial and economic aspects of these questions. The Council has reviewed and given its approval to stated military goals for the calendar year of 1952, the achievement of which can mark a further real step toward confidence in the preservation of peace. Provisional military objectives have been adopted for the two following years as guides to current national planning.

"The economic and financial questions encountered in rapidly building up the military strength of the North Atlantic area are numerous and necessarily difficult. They have not yet been fully resolved. Nevertheless, the Council has given a further impetus to the solution of these problems and to the development of the defense program which is now not only showing progress but is developing definite marks of achievement. The Council has approached its problems in a spirit of determination to make more rapid progress toward the common objective of maintaining peace by deterring aggression.

"The Council meeting has demonstrated more clearly that the development of adequate defensive strength depends upon the practical expression

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TREASURY DEPARTMENT

Information Service WASHINGTON, D.C.

IMMEDIATE RELEASE,
Monday, February 25, 1952. S-2976

Secretary Snyder made the following statement in Lisbon today upon adjournment of the ninth session of the North Atlantic Council, which he has been attending:

"The North Atlantic Council at this session has dealt with a number of difficult problems associated with the rapid build-up of adequate defense forces, while at the same time giving due consideration to the financial and economic aspects of these questions. The Council has reviewed and given its approval to stated military goals for the calendar year of 1952, the achievement of which can mark a further real step toward confidence in the preservation of peace. Provisional military objectives have been adopted for the two following years as guides to current national planning.

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"The Council meeting has demonstrated more clearly that the development of adequate defensive strength depends upon the practical expression of this determination on the part of all participating countries.

"The U.S. Delegation, composed of Secretaries Acheson, Snyder, and Lovett and Mr. Harriman, has given sympathetic consideration to the economic problems which are faced by some countries in carrying through their defense programs.

"In my view the primary responsibility for the economic adjustments required for an adequate European defense effort must remain with the European countries over the longer period. The U.S. has been most helpful in the development stages of NATO in making available economic and military aid to member countries through funds provided by Congressional appropriation. It has been emphasized, however, that the extent of our assistance in the future will, of course, be determined by the Congress, taking into account internal fiscal and monetary developments as well as other factors.

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"Each of our countries will face many difficult economic problems in the period ahead. We cannot see at this time how many of these problems may ultimately be resolved. Nevertheless, I have no doubt that, with the will and determination which I believe has been indicated at the Lisbon meeting, we can individually and collectively work our way through to the full achievement of our fundamental objectives."

oOo

Immediate
Wednesday

~~February 26, 1952~~

~~Press Statement for Secretary Snyder~~

S-297

Secretary Snyder, upon his arrival today in Washington, ~~[illegible]~~ from Lisbon, ~~on February 27, 1952~~, stated:

"As you know, I have just returned from the ~~9th~~ Ninth Session of the North Atlantic Treaty Council in Lisbon. The Council was faced with many difficult decisions of a military, economic and financial character. The Session was helped greatly by the painstaking work which had been done between the Rome and Lisbon Conferences by the Standing Group of Military Advisers, the Military Committee and the Temporary Committee of the Council headed by Mr. Harriman. In spite of the many problems confronting it, the Council adopted a concrete program for 1952 which should take us a considerable distance toward the defense build-up.

"In the economic and financial field many of the problems we dealt with in Lisbon will necessarily be continuing ones. Organizational arrangements have been made within NATO to deal with similar problems in the ensuing years. However, we have made full and careful provision for review of the participation of the U.S. in accordance with our normal administrative and legislative processes.

"I was impressed, during the course of this Ninth Session, by the serious and responsible approach adopted by all the members. If the Council continues in this spirit, I believe the strength of the North Atlantic area will be solidified in such a way as to assure the accomplishment of our goals of peace and progress.

"I should like to mention especially the fine leadership which was exhibited at the conference by Secretary Acheson, as well as the constructive work of my colleagues Secretary Lovett and Mr. Harriman."

TREASURY DEPARTMENT

Information Service WASHINGTON, D.C.

IMMEDIATE RELEASE,
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TREASURY DEPARTMENT

Information Service WASHINGTON, D.C.

RELEASE MORNING NEWSPAPERS,
Friday, February 29, 1952 S-2978

Secretary Snyder announced today the issuance of an amended regulation relating to reports of transactions in United States currency. The regulation requires every bank and other financial institution in the United States to file monthly reports of large and unusual currency transactions which exceed those commensurate with the customary conduct of the business, industry or profession of the person or organization concerned.

The report system was inaugurated in 1945 after it had been established that racketeers and others engaged in illegal activities were resorting on a large scale to the use of large denomination currency as an attempted method of concealing income.

The amended regulation will make the reporting procedure less burdensome to banks and other institutions while providing the Bureau of Internal Revenue with a continuing flow of those reports which experience has shown to be the most helpful in detecting major tax evaders.

The change in the regulation was decided upon by the Treasury after consultation with the Federal Reserve System and a committee representing the American Bankers Association. The requirement for reports involving transactions of $1,000 or more, in denominations of $50 or higher, has been changed to $2,500 involving denominations of $100 or higher. Reports of all transactions of $10,000 or more in any denominations also are required.

The regulation does not apply to currency transactions which, in the judgment of the reporting institution, are normal ones in the regular and customary conduct of the business, industry or profession of the persons or organizations involved.

The reports are treated by the Bureau of Internal Revenue as confidential communications, and there is no disclosure of the source of information received through them. Large amounts of evaded income tax have been recovered by the Bureau of Internal Revenue through leads obtained from the reports.

In making today's announcement, Secretary Snyder referred to the assistance given the Bureau of Internal Revenue by banks and other financial institutions, through the currency transaction reports, as an outstanding public service.

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THE SECRETARY OF THE TREASURY
WASHINGTON

February 21, 1952

TO BANKS AND OTHER FINANCIAL INSTITUTIONS:

The Treasury has amended the regulation originally issued on May 21, 1945, requiring every financial institution in the United States to file monthly reports on Form TCR-1 of large and unusual currency transactions, to make them more in keeping with present conditions. These reports were originally developed for the purpose of discovering large currency transactions resorted to by racketeers and others engaged in illegal activities as an attempted method of concealing income.

One of the most valuable sources of information to the Treasury Department in the detection of income-tax evasion are reports received from banks and other financial institutions on Form TCR-1. Many banks and other financial institutions are regularly submitting reports of large and unusual currency transactions. Failure on the part of some institutions to file reports may be due to oversight or to a belief that the reporting requirements are no longer in effect.

Heretofore, Treasury regulations required reports of all transactions amounting to $1,000 or more involving currency denominations of $50 or higher. After consultation with the Federal Reserve Banks and a committee of the American Bankers Association, the Treasury has amended its regulation to require reports on Form TCR-1 for each transaction amounting to $2,500 or more, involving denominations of $100 or higher. This change is expected to render the reporting procedure less burdensome to banks, while providing the Bureau of Internal Revenue with a continuing flow of those reports which experience has shown to be the most helpful in detecting major tax evaders.

I feel certain that the banks and financial institutions are in general agreement that, in fairness to all taxpayers, every effort should be made to reduce to the lowest practicable minimum the loss of revenue through tax evasion. The TCR-1 reports have been responsible for breaking many of the largest and most intricate income-tax evasion cases. The use of currency by racketeers, and others engaged in illegal activities, is particularly well established as an attempted method of concealing income. When such income is not detected the burden of taxation is heavier on the honest taxpayers. Although this amended regulation is designed to assist primarily the increased enforcement efforts directed against racketeers, it is recognized that it will apply in certain cases to other persons, firms or corporations. However, it is not intended to apply to a currency transaction which, in the judgment of the reporting financial institution, is a normal one in the regular and customary conduct of business or private activities.

The TCR-1 reports are treated as confidential communications. All officers and agents of the Bureau of Internal Revenue have been admonished not to disclose the source of information received through such reports.

On several occasions I have expressed the appreciation of the Treasury for the cooperation which banks and other financial institutions have extended in making confidential reports of large and unusual currency transactions. I want to express my appreciation again for this public service and to urge continued cooperation and renewed vigilance in this regard. At the same time I wish also to express my appreciation for the assistance you have rendered in other areas dealing with Treasury activities, particularly those relating to the handling of withheld income and social security taxes, in providing banking services and facilities for the defense and other activities of the Government, and in the sale and redemption of United States Savings Bonds.

Sincerely,

John W Snyder

Secretary of the Treasury.

Title 31 - Money and Finance: Treasury
Chapter I - Monetary Offices, Department of the Treasury
Part 102

Treasury Department
OFFICE OF THE SECRETARY
February 21, 1952

AMENDED INSTRUCTIONS RELATING TO REPORTS OF CURRENCY TRANSACTIONS*

Pursuant to Section 5(b) of the Act of October 6, 1917 (40 Stat. 415), as amended, and other authority vested in me by law, the following instructions are prescribed:

Section 102.1. Reports of currency transactions required. Commencing with transactions occurring in the month of March, 1952, every financial institution in the United States shall file monthly reports on Form TCR-1 concerning each deposit or withdrawal, or other payment or transfer, effected by, through, or to such financial institution, which involves transactions in United States currency as follows:

1. Transactions involving $2,500 or more of United States currency in denominations of $100 or higher;
2. Transactions involving $10,000 or more of United States currency in any denominations, and
3. Transactions involving any amount in any denominations,

which in the judgment of the financial institution exceed those commensurate with the customary conduct of the business, industry or profession of the person or organization concerned.

Section 102.2. Filing of reports. Reports on Form TCR-1 shall be filed in duplicate on or before the 15th day of the month following that in which the reported transactions occur, with the Federal Reserve Bank of the district in which the reporting financial institution is located. All information called for in such form shall be furnished.*

Section 102.3. Identification required. No financial institution shall effect any transaction with respect to which a report is required unless the person or organizations with whom such transaction is to be effected has been satisfactorily identified.*

Section 102.4. Definitions. As used herein "payment or transfer" shall include exchange of currency; and "financial institutions" shall mean banks, trust companies, savings banks, private bankers, investment bankers, building and loan associations, securities and commodities brokers, and currency exchanges and other persons or organizations engaged primarily in cashing checks and exchanging currency.*

John W Snyder
Secretary of the Treasury

* Sections 102.1 to 102.4 - R.S. 251; Sec. 5(b), 40 Stat. 415 and 966; Sec. 2, 48 Stat. 1; 54 Stat. 179; 55 Stat. 839; Ex. Order 6073, Mar. 10, 1933, as amended by Proc. 2070, Dec. 30, 1933 and Ex. Order 6599, Jan. 15, 1934; Ex. Order 8389, Apr. 10, 1940, as amended; Ex. Order 9193, July 6, 1942.

United States
Treasury Department
(Rev. 2-21-52)

FORM TCR-1: REPORT OF CURRENCY TRANSACTIONS

Pursuant to Instructions to Financial Institutions in the United States Prescribed February 21, 1952

Part A. FINANCIAL INSTITUTION REPORTING.

1. Name ....
2. Address ....
(Number) (Street) (City) (State)

Part B. PERSON OR ORGANIZATION CONCERNED IN TRANSACTIONS REPORTED.

1. Name ....
2. Address ....
3. Business, profession, or occupation. ....

Part C. TRANSACTIONS REPORTED.

1. Description of transactions.

Date	U. S. Currency involved		Nature of Transaction (State whether deposit, withdrawal, exchange of currency, cashing or purchase of check, etc.)
	Total Amount	Amount in denominations of $100 or higher	
....	....	....	....
....	....	....	....
....	....	....	....
....	....	....	....
....	....	....	....
....	....	....	....
....	....	....	....
....	....	....	....
....	....	....	....
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....	....	....	....

2. Any additional information concerning the transactions reported which the reporting institution may wish to submit.

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....
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Part D. CERTIFICATION.

I certify that I am authorized to make this report on behalf of the financial institution named in Part A above and that to the best of my knowledge and belief this report is true and accurate.

Dated......................., 195...

....
(Signature of authorized agent)

INFORMATION TO REPORTING INSTITUTIONS

Reports shall be filed in duplicate, on or before the 15th day of the month following that in which the reported transactions occur, with the Federal Reserve Bank of the district in which the reporting financial institution is located. Copies of this form and the instructions of Feb. 21, 1952 may be obtained from any Federal Reserve Bank.

Internal Revenue and other Treasury Department officials for a discussion of all aspects of the subject. The results of special case studies which have been made in recent months are being discussed with a view to formulating the most effective methods of insuring that each taxpayer bears his fair share of the costs of the defense effort.

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TREASURY DEPARTMENT
Bureau of Internal Revenue

S-2979

IMMEDIATE RELEASE
Tuesday, February 26, 1952

Commissioner of Internal Revenue John B. Dunlap said today that special attention will be given to excessive and unreasonable ~~deductions claimed~~ expenditures claimed as deductions in tax returns. ~~Deductions for expenditures of the type controlled largely by managerial discretion will be subjected to special scrutiny, Commissioner of Internal Revenue John B. Dunlap said today.~~ From official as well as outside sources reports are reaching the Bureau of numerous instances of excessive business expenditures, particularly those relating to lavish travel and entertainment expenses, executive expense allowances, business gratuities, and disguised remuneration in the form of personal living items furnished to corporate officials. Excessive expenditures for advertising, research and development and repairs and maintenance have also been reported. Commissioner Dunlap stressed that if allowed to flourish, such abuses threaten serious inroads on the revenue and would undermine taxpayer morale.

Agents of the Bureau of Internal Revenue have been instructed to examine carefully any items of this character claimed as deductions in taxpayers' returns. To be deductible, such items must be both ordinary and necessary, and must be reasonable in amount in the light of existing circumstances in each case. In addition, full substantiation of the expenditures will be required. Experience gained during World War II will enable the Bureau to segregate reasonable from unreasonable deductions more effectively.

In furtherance of an effective program of enforcement in this area, representatives from selected field districts are meeting with Bureau of

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TREASURY DEPARTMENT
Buréau of Internal Revenue

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Tuesday, February 26, 1952.

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was stationed at Buffalo, and in 1939 was made Treasury Customs Representative at Montreal. He entered the military service in 1943, serving in the European theater and after his discharge in 1945, returned to his Montreal post. In 1946 he transferred to New York as Customs Agent, and in 1951 was promoted to Assistant Supervising Customs Agent at Baltimore. His present assignment is as Customs Agent in Charge (Special Customs Racket Squad) in New York.

Space

Robert R. Turner is a native of Oregon. He entered the Government service at Portland, in 1925, when a boy of seventeen, as a messenger in the office of the United States Weather Bureau. After several advancements, he transferred to Customs in 1934, starting again as a messenger but at an increase in salary. He soon was made a clerk, and continued to advance in the Service, becoming deputy collector in Portland in 1941. ~~and~~ That same year he transferred to enforcement work, as assistant customs agent at Portland. He was made an Agent in 1942. In 1946, he transferred to the New York office of the Customs Agency Service. At present he is a member of the recently constituted Customs Special Rackets Squad.

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BIOGRAPHICAL SKETCHES

Joseph Amato was born in Boston, Massachusetts, August 5, 1912. He received his high school education in Medford, Massachusetts, and attended Harvard College, Cambridge, Massachusetts. He has served as a narcotics agent for eleven years and is a specialist in uncercover operations with particular attention to the activities of the Mafia type of narcotics violators.

space

Price Carns Spivey was born in Augusta, Georgia, April 12, 1914. He graduated from the Monroe-Charlotte, North Carolina, High School and in 1932 served in the United States Marine Corps. During World War II he was in the United States Army from October, 1943 to April, 1946, and much of this service was in the European theatre of operations. During his employment by the Treasury Department he has been a Customs Patrol Inspector in New York City, and an investigator in the Alcohol Tax Unit. He has served as a narcotic agent for nine and one-half years.

space

Thomas G. Duncan was born in Brooklyn. He entered the Customs Service in 1927 as a messenger, at age sixteen, in the office of Supervising Agent in Charge, Montreal, where his family then resided. He attended business school at night, and in 1929 was promoted to stenographer, and assigned at Rouses Point, New York. In 1935, shortly after winning the commendation of a United States Attorney for his work in helping prepare successful prosecution of notorious watch smuggling combine, he was promoted to Customs Agent. He subsequently

Checking on the manifests of a flight to Bombay, the agents came across two groups of baggage of excessive weight. One passenger was already on the plane and Agent Turner went aboard and requested him to return to the baggage room and open his bags for inspection. Leaving the plane, Turner noticed that the passenger had difficulty in descending the steps and that his walk to the baggage room was labored. A search of his person revealed he was wearing a specially constructed vest containing four bars of gold in secret pockets and that his shoes weighed fourteen pounds due to the 158 ounces hidden in the soles and heels. Each of his bags contained compartments in which gold was found. In all, 1,158.67 ounces were seized. The passenger claimed that he had been paid to deliver the gold in Bombay. The baggage of the second passenger contained 1,008.35 troy ounces of gold. He claimed he had been hired to deliver the bags which he thought contained watches to a man in Bombay for a fee of $1,000.

Customs agents in Boston making use of the gold smuggling suspect list compiled by Agents Duncan and Turner arrested a passenger about to depart for Madrid and Tangiers who had approximately 700 ounces of gold in his luggage. Further investigation of this case in Boston and in New York led to the arrest of another man involved in the gold smuggling activities.

In the conduct of these investigations Agents Duncan and Turner exercised a degree of patience, ingenuity, painstaking research, and surveillance exceptionally in excess of that normally required of Customs agents in the performance of their duties.

The "weight lifting" brought results a short time later when they picked up three pieces of particularly heavy baggage that had been checked through on a flight to Rio. Inspection of the bags revealed false bottoms containing gold having a gross weight of 768.35 troy ounces. The agents recalled that the passenger in whose name the baggage was registered had been assisted to the airport by another man. Both were picked up and questioned and it was established that the bags had been packed by a third person who paid the passenger $300 to deliver the bags in Rio and his assistant $20 to carry the bags to the airport and advise him of the plane's departure.

Continuing their survellience at the New York airports, the agents found four more heavy bags destined for Rio. The owner was summoned and requested to open his bags for inspection. In hidden compartments the agents found 1,016.53 troy ounces of gold. The passenger claimed that he also had been hired simply to deliver the bags to Rio and denied knowledge of the contents of the bags and the identity of the consignor and consignee.

After the second seizure, agents Duncan and Turner decided to review all passenger lists for the previous six months and compile ~~establish~~ a list of persons suspected of smuggling gold. ~~with heavy luggage making one or more foreign trips. They also checked incoming luggage weights and, in cases where there was considerable variance, listed the names of the passengers and the number of trips made. For those who made frequent trips, they checked their mode of living and their commercial affiliations to determine whether frequent global trips were warranted.~~ From this a master list of suspects was established. ~~As a result, the first gold smuggling suspect list was set up~~ and circularized by the Bureau of Customs. ~~to all airports of entry.~~

The new techniques developed by the agents were put into operation at all air ports of entry.

job of attempting to verify it. Verification involved the bringing together of leads in Mexico, California, all along the Mexican border, Louisiana, Florida, Cuba, New York, New England, Italy, Turkey and Greece, and the development of tenable connections in a great many unrelated incidents.

Throughout the entire investigation of the many leads, it was necessary for Agent Spivey to maintain the confidence of his source of information, who had a reputation for mental irresponsibility. After nearly $2\frac{1}{2}$ years, Spivey was able to obtain evidence which resulted in 27 indictments by a Federal Grand Jury in the Southern District of New York. Among those indicted, ~~three~~ six of the principal defendants have already been sentenced to prison and the remaining defendants are awaiting disposition of their cases. Among those indicted were six whose names appeared on the International List of Narcotics Traffickers.

BASIS OF AWARDS TO CUSTOMS AGENTS DUNCAN AND TURNER:

Information obtained by Agent Duncan led him to believe that gold was being smuggled out of the United States to Rio de Janerio in the baggage of airline passengers leaving La Guardia Airport in New York. Since there was no regular procedure for inspecting outgoing baggage, Duncan together with Agent Turner began observing the weighing in of checked aircraft baggage on all flights to Brazil. On the heavier pieces the agents would lift them to determine if the weight distribution was normal. They subsequently extended their operations to include all flights departing for South American and European ports. ~~It was~~ To cover the flights, ~~that~~ the agents worked every day from 8:00 a.m. to midnight at both La Guardia and International Airports.

BASIS OF AWARD TO AGENT SPIVEY:

One of the largest operators in the illicit narcotics traffic on the West Coast conceived a plan to produce heroin from opium in Mexico, to supply the narcotics traffic in the United States. He established laboratories in Mexico and imported a chemist from Greece to carry out his plan.

In November, 1948, while questioning two narcotics suspects, Agent Spivey obtained the original information with regard to these operations. As a result, a painstaking combing of the Bureau of Narcotics files was started which disclosed an investigative task of great magnitude to develop worthwhile evidence.

Two other men involved in minor narcotics cases were arrested in Miami, Florida, in February, 1949, one of whom indicated he had invested sums of money in the operation but had been defrauded of a considerable portion of his investment and profits.

The information obtained revealed that development of evidence in the case would be extremely difficult. Thereafter, Agent Spivey devoted the major portion of his time to the pursuit of every possible clue which might lead to worthwhile evidence. After many months of seemingly fruitless efforts, he finally gained the confidence of a professional New York thug who had been defrauded in the operations. However, the transactions of which he had knowledge spread over a long period of time, occurred in many parts of the country, and involved a large number of people. Furthermore, the story of the thug was disconnected and of questionable reliability which presented to Agent Spivey the tremendous he was associating. After many attempts to purchase cocaine resulted in only small purchases with information that the source of supply had discontinued operations, Agent Amato shifted his negotiations to other racketeers. His persistent investigations and negotiations finally produced evidence which pointed unmistakably to a doctor who was manager of a chemical plant -- a man of apparent impeccable reputation and ~~a man of~~ high standing in his community and in German chemical manufacturing circles -- as the main source of supply. After discovery of a lack of manufacturing records on cocaine in the plant, the doctor was arrested and confessed the diversion over a period of three years of substantial amounts of cocaine. Thirteen other persons were involved and it was developed that the doctor sold the cocaine to Italian racketeers with the understanding that none was to be distributed in Germany, but that all was to be taken to Italy for trans-shipment to the United States. To divert attention away from the licensed cocaine operations, the doctor had invented the story that the cocaine was "synthetic" and had sold it as such in underworld circles.

Conclusion of this case forceably brought home to the German authorities the necessity for the most rigid inspection and supervision of narcotics manufacturing plants. The successful culmination of these investigations was due primarily to the extraordinary efforts of Agent Amato and his brilliant maneuvering in the undercover work. He refused to accept reversals which normally would have caused competent investigators to abandon the case as not susceptible of proof.

The Exceptional Civilian Service Award is evidenced by a gold medal having on its obverse side the Great Seal of the Treasury Department, on the periphery of which appears the words . . . "For Exceptional Civilian Service". The reverse side of the medal shows the Main Treasury Building and is inscribed with the name of the recipient. A gold lapel button, identical except in size to the obverse side of the medal, and a gold-embossed certificate are also presented.

BASIS OF AWARD TO NARCOTIC AGENT AMATO

Reports of illicit production in Germany of so-called "synthetic" cocaine destined for the ~~illicit~~ narcotics traffic in the United States began reaching the Bureau of Narcotics in 1950. The reports were viewed with some scepticism since production of such cocaine was considered too difficult chemically to be worthwhile of serious consideration and the normal source of cocaine for the illicit traffic was Peru and the Andean regions. These reports persisted and to some extent were verified by U. S. intelligence officers. Information indicated that the German cocaine was being taken to Italy for trans-shipment to this country.

Narcotic Agent Joseph Amato went to Frankfurt, Germany, posing as an underworld buyer of narcotics. As a result of his initial contacts he shifted his operations to Hamburg where he became part of a large underworld made up of Italian expatriates engaged in many types of black marketeering. Posing as a foreigner in a strange country without authority, and obviously having in his possession a substantial amount of American funds, he was in constant danger of assault and robbery as well as discovery of his identity by the cunning professional criminals with whom

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S-298 D

PROPOSED PRESS RELEASE

Under Secretary Foley in ceremonies at the Treasury today presented Exceptional Civilian Service Awards to four law enforcement agents of the Department for outstanding and distinguished services in conducting investigations of narcotics and gold smuggling violations.

Gold medals and certificates evidencing the awards were presented to the following:

Narcotics Agent Joseph Amato who, working undercover with criminal elements, successfully located in Germany the source of illicit cocaine being trans-shipped to the United States from Italy.

Narcotics Agent Price Carns Spivey who by his unrelenting and determined investigations covering a period of 2½ years brought about the apprehension and conviction of members of a ring producing heroin from opium for the illicit narcotics traffic in this country.

Customs Agents Thomas G. Duncan and Robert R. Turner whose investigations of gold smuggling out of the United States at the Port of New York, including the establishment of new Customs techniques for apprehension of gold smugglers, resulted in the arrest of six persons and the seizure of gold valued at $138,315.

DESCRIPTION OF THE AWARD:

The Exceptional Civilian Service Award of the Treasury Department is given for performance of duty so distinguished or singularly outstanding as to be clearly exceptional among all those performing similar duties. The award may also be conferred upon an employee for demonstrating outstanding courage in the face of personal danger while performing assigned duties.

TREASURY DEPARTMENT

Information Service WASHINGTON, D.C.

IMMEDIATE RELEASE,
Wednesday, February 27, 1952. S-2980

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In the conduct of these investigations Agents Duncan and Turner exercised a degree of patience, ingenuity, painstaking research, and surveillance exceptionally in excess of that normally required of Customs agents in the performance of their duties.

BIOGRAPHICAL SKETCHES:

Joseph Amato was born in Boston, Massachusetts, August 5, 1912. He received his high school education in Medford, Massachusetts, and attended Harvard College, Cambridge, Massachusetts. He has served as a narcotics agent for eleven years and is a specialist in undercover operations with particular attention to the activities of the Mafia type of narcotics violators.

Price Carns Spivey was born in Augusta, Georgia, April 12, 1914. He graduated from the Monroe-Charlotte, North Carolina, High School and in 1932 served in the United States Marine Corps. During World War II he was in the United States Army from October, 1943 to April, 1946, and much of this service was in the European theatre of operations. During his employment by the Treasury Department he has been a Customs Patrol Inspector in New York City, and an investigator in the Alcohol Tax Unit. He has served as a narcotic agent for nine and one-half years.

Thomas G. Duncan was born in Brooklyn. He entered the Customs Service in 1927 as a messenger, at age sixteen, in the office of Supervising Agent in Charge, Montreal, where his family then resided. He attended business school at night, and in 1929 was promoted to stenographer, and assigned at Rouses Point, New York. In 1935, shortly after winning the commendation of a United States Attorney for his work in helping prepare successful prosecution of notorious watch smuggling combine, he was promoted to Customs Agent. He subsequently was stationed at Buffalo, and in 1939 was made Treasury Customs Representative at Montreal. He entered the military service in 1943, serving in the European theater and after his discharge in 1945, returned to his Montreal post. In 1946 he transferred to New York as Customs Agent, and in 1951 was promoted to Assistant Supervising Customs Agent at Baltimore. His present assignment is as Customs Agent in Charge Special Customs Racket Squad in New York.

Robert R. Turner is a native of Oregon. He entered the Government service at Portland, in 1925, when a boy of seventeen, as a messenger in the office of the United States Weather Bureau. After several advancements, he transferred to Customs in 1934, starting again as a messenger but at an increase in salary. He soon was made a clerk, and continued to advance in the Service, becoming deputy collector in Portland in 1941. That same year he transferred to enforcement work, as Assistant Customs Agent at Portland. He was made an Agent in 1942. In 1946, he transferred to the New York office of the Customs Agency Service. At present he is a member of the recently constituted Special Customs Rackets Squad.

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Immediate

Wed, Feb 27, 1952

A-2981

Under Secretary of the Treasury Foley announced today that the Treasury had accepted an invitation, extended by Chairman McClellan of the Senate Expenditures Committee, to appear before that Committee and reply to criticisms of Reorganization Plan No. 1 of 1952 (Internal Revenue Service) which were expressed yesterday by Senator George.

Senator McClellan said that in view of Senator George's testimony before the Commitee yesterday, the Committee would be glad to hear further from the Treasury before closing its hearings on the Reorganization Plan.

A date for presentation of the Treasury's reply to Senator George has not yet been fixed but is expected to be determined in the near future.

TREASURY DEPARTMENT

Information Service WASHINGTON, D.C.

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ALPHA

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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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 March 6, 1952 (8), in cash or other immediately available funds or in a like face amount of Treasury bills maturing March 6, 1952. (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

~~Exhibit~~

~~ALPHA~~

TREASURY DEPARTMENT
Washington

S-2982

FOR RELEASE, MORNING NEWSPAPERS,
Thursday, February 28, 1952 .
(1)

The Secretary of the Treasury, by this public notice, invites tenders for $1,100,000,000 (2), or thereabouts, of 91 (3) -day Treasury bills, for cash and in exchange for Treasury bills maturing March 6, 1952 (4), in the amount of $1,103,622,000, to be issued on a discount basis under competitive and non-competitive bidding as hereinafter provided. The bills of this series will be dated March 6, 1952 (5), and will mature June 5, 1952 (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, March 3, 1952 (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.

Others than banking institutions will not be permitted to submit tenders except for their own account. 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,

TREASURY DEPARTMENT

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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

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IMMEDIATE RELEASE,
Thursday, February 28, 1952.

S-2983

The Secretary of the Treasury today announced the subscription and allotment figures with respect to the current offering of 2-3/8 percent Treasury Bonds of 1957-59, open to the holders of Treasury Bonds of 1952-54, called for redemption March 15, 1952, and to the offering of 1-7/8 percent Treasury Certificates of Indebtedness of Series A-1953, open to the holders of Treasury Certificates of Indebtedness of Series A-1952, maturing April 1, 1952. Each of the new issues will be dated March 1, 1952.

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

Federal Reserve District	Total Bonds Exchanged	Total Certificates Exchanged
Boston	$ 43,878,500	$ 172,955,000
New York	640,348,500	5,906,187,000
Philadelphia	23,840,500	97,746,000
Cleveland	17,582,000	361,852,000
Richmond	13,613,500	138,322,000
Atlanta	6,080,000	219,080,000
Chicago	77,976,500	811,646,000
St. Louis	12,910,500	228,316,000
Minneapolis	7,268,000	130,585,000
Kansas City	16,125,500	252,384,000
Dallas	11,496,500	150,989,000
San Francisco	49,192,000	344,327,000
Treasury	1,675,000	51,828,000
TOTAL	$921,987,000	$8,866,217,000

TREASURY DEPARTMENT

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

IMMEDIATE RELEASE
Thursday, February 28, 1952 S-2983

The Secretary of the Treasury today announced the subscription and allotment figures with respect to the current offering of 2-3/8 percent Treasury Bonds of 1957-59, open to the holders of Treasury Bonds of 1952-54, called for redemption March 15, 1952, and to the offering of 1-7/8 percent Treasury Certificates of Indebtedness of Series A-1953, open to the holders of Treasury Certificates of Indebtedness of Series A-1952, maturing April 1, 1952. Each of the new issues will be dated March 1, 1952.

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

Federal Reserve District	Total Bonds Exchanged	Total Certificates Exchanged
Boston	$ 43,878,500	$ 172,955,000
New York	640,348,500	5,906,187,000
Philadelphia	23,840,500	97,746,000
Cleveland	17,582,000	361,852,000
Richmond	13,613,500	138,322,000
Atlanta	6,080,000	219,080,000
Chicago	77,976,500	811,646,000
St. Louis	12,910,500	228,316,000
Minneapolis	7,268,000	130,585,000
Kansas City	16,125,500	252,384,000
Dallas	11,496,500	150,989,000
San Francisco	49,192,000	344,327,000
Treasury	1,675,000	51,828,000
TOTAL	$921,987,000	$8,866,217,000

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RELEASE MORNING NEWSPAPERS,
Tuesday, March 4, 1952.

A - 2984

The Secretary of the Treasury announced last evening that the tenders for $1,100,000,000, or thereabouts, of 91-day Treasury bills to be dated March 6 and to mature June 5, 1952, which were offered on February 28, were opened at the Federal Reserve Banks on March 3.

The details of this issue are as follows:

Total applied for - $1,713,691,000
Total accepted - 1,100,691,000 (includes $136,034,000 entered on a non-competitive basis and accepted in full at the average price shown below)
Average price - 99.581/ Equivalent rate of discount approx. 1.656% per annum

Range of accepted competitive bids:

High - 99.616 Equivalent rate of discount approx. 1.519% per annum
Low - 99.570 " " " " " 1.701% " "

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

Federal Reserve District	Total Applied for	Total Accepted
Boston	$ 10,925,000	$ 10,925,000
New York	1,291,781,000	698,881,000
Philadelphia	23,239,000	13,239,000
Cleveland	36,256,000	36,256,000
Richmond	10,205,000	10,205,000
Atlanta	19,269,000	19,269,000
Chicago	158,122,000	148,122,000
St. Louis	26,852,000	26,852,000
Minneapolis	6,493,000	6,493,000
Kansas City	27,316,000	27,216,000
Dallas	45,700,000	45,700,000
San Francisco	57,533,000	57,533,000
Total	$1,713,691,000	$1,100,691,000

TREASURY DEPARTMENT

Information Service WASHINGTON, D.C.

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Tuesday, March 4, 1952.

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San Francisco	57,533,000	57,533,000
TOTAL	$1,713,691,000	$1,100,691,000

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ALPHA

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.

~~ALPHA~~

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 March 13, 1952, in cash or other immediately available funds or in a like face amount of Treasury bills maturing March 13, 1952. 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

~~Exhibit 1~~

ALPHA

TREASURY DEPARTMENT
Washington

S-2985

FOR RELEASE, MORNING NEWSPAPERS,
Thursday, March 6, 1952 .
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The Secretary of the Treasury, by this public notice, invites tenders for $ 1,200,000,000 , or thereabouts, of 91 -day Treasury bills, for cash and in exchange for Treasury bills maturing March 13, 1952 , in the amount of $ 1,200,454,000 , to be issued on a discount basis under competitive and non-competitive bidding as hereinafter provided. The bills of this series will be dated March 13, 1952 , and will mature June 12, 1952 , 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, March 10, 1952 . 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.

Others than banking institutions will not be permitted to submit tenders except for their own account. 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,

TREASURY DEPARTMENT

Information Service WASHINGTON, D.C.

RELEASE MORNING NEWSPAPERS,
Thursday, March 6, 1952. S-2985

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Others than banking institutions will not be permitted to submit tenders except for their own account. 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 March 13, 1952, in cash or other immediately available funds or in a like face amount of Treasury bills maturing March 13, 1952. 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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Immediate

Wed, Mar 5, 1952

S-2986

Secretary Snyder today issued the following statement:

I sincerely regret ~~deeply~~ the action of a majority of the Senate Expenditures Committee in voting to recommend disapproval by the full Senate of Reorganization Plan No. 1 of 1952. This plan covers the proposal of President Truman and the Treasury Department to reorganize the Bureau of Internal Revenue and make it the modern, businesslike organization it should be.

indent

I earnestly hope that the full Senate will give the plan the full ~~sincere, thoughtful~~ consideration that it deserves, and will authorize the Treasury to put the plan into effect.

I am fully in accord with the statement this week of President Truman that the American taxpayers are entitled to the progressive step which approval of the plan by the Senate would mean.

TREASURY DEPARTMENT

Information Service WASHINGTON, D.C.

409

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

	Dec. 31, 1951	Oct. 10, 1951	Dec. 30, 1950	Increase or decrease since Oct. 10, 1951		Increase or decrease since Dec. 30, 1950	
				Amount	Percent	Amount	Percent
LIABILITIES							
Deposits of individuals, partnerships, and corporations:							
Demand	$54,855,841	$51,578,292	$52,051,784	$3,277,549	6.35	$2,804,057	5.39
Time	19,825,659	19,571,450	19,010,542	254,209	1.30	815,117	4.29
Deposits of U. S. Government	2,233,623	2,731,004	1,904,552	-497,381	-18.21	329,071	17.28
Postal savings deposits	10,003	7,540	6,392	2,463	32.67	3,611	56.49
Deposits of States and political subdivisions	5,924,592	5,413,462	5,707,194	511,130	9.44	217,398	3.81
Deposits of banks	9,789,974	8,859,019	9,135,365	930,955	10.51	654,609	7.17
Other deposits (certified and cashiers' checks, etc.)	1,791,869	1,115,190	1,713,803	676,679	60.68	78,066	4.56
Total deposits	94,431,561	89,275,957	89,529,632	5,155,604	5.77	4,901,929	5.48
Bills payable, rediscounts, and other liabilities for borrowed money	15,484	148,910	76,644	-133,426	-89.60	-61,160	-79.80
Other liabilities	1,621,397	1,447,511	1,304,828	173,886	12.01	316,569	24.26
Total liabilities, excluding capital accounts	96,068,442	90,872,378	90,911,104	5,196,064	5.72	5,157,338	5.67
CAPITAL ACCOUNTS							
Capital stock:							
Preferred	8,546	12,062	15,102	-3,516	-29.15	-6,556	-43.41
Common	2,096,799	2,070,555	1,986,548	26,244	1.27	110,251	5.55
Total	2,105,345	2,082,617	2,001,650	22,728	1.09	103,695	5.18
Surplus	3,083,495	3,017,550	2,925,104	65,945	2.19	158,391	5.41
Undivided profits	1,212,538	1,286,764	1,124,223	-74,226	-5.77	88,315	7.86
Reserves	268,740	270,007	278,012	-1,267	-.47	-9,272	-3.34
Total surplus, profits, and reserves	4,564,773	4,574,321	4,327,339	-9,548	-.21	237,434	5.49
Total capital accounts	6,670,118	6,656,938	6,328,989	13,180	.20	341,129	5.39
Total liabilities and capital accounts	102,738,560	97,529,316	97,240,093	5,209,244	5.34	5,498,467	5.65
RATIOS:	Percent	Percent	Percent				
U.S.Gov't securities to total assets	34.22	34.71	36.70				
Loans and discounts to total assets	31.56	32.16	30.11				
Capital accounts to total deposits	7.06	7.46	7.07				

NOTE: Minus sign denotes decrease.

Statement showing comparison of principal items of assets and liabilities of active national banks as of December 31, 1951, October 10, 1951 and December 30, 1950 (In thousands of dollars)

	Dec. 31, 1951	Oct. 10, 1951	Dec. 30, 1950	Increase or decrease since Oct. 10, 1951: Amount	Increase or decrease since Oct. 10, 1951: Percent	Increase or decrease since Dec. 30, 1950: Amount	Increase or decrease since Dec. 30, 1950: Percent
Number of banks	4,946	4,947	4,965	-1	-.02	-19	-.38
ASSETS							
Commercial and industrial loans	$15,689,255	$14,901,392	$13,401,912	$787,863	5.29	$2,287,343	17.07
Loans on real estate	7,541,103	7,419,939	6,978,221	121,164	1.63	562,882	8.07
Consumer loans to individuals	4,415,153	4,406,036	1/4,393,631	9,117	.21	21,522	.49
Other loans to individuals: Single-payment loans of $3,000 and over	1,387,292	1,353,510	1,275,332	33,782	2.50	111,960	8.78
All other loans, including overdrafts	3,861,313	3,692,778	3,616,505	168,535	4.56	244,808	6.77
Total gross loans	32,894,116	31,773,655	29,665,601	1,120,461	3.53	3,228,515	10.88
Less valuation reserves	470,339	412,504	388,121	57,835	14.02	82,218	21.18
Net loans	32,423,777	31,361,151	29,277,480	1,062,626	3.39	3,146,297	10.75
U. S. Government securities:							
Direct obligations	35,146,687	33,847,660	35,687,933	1,299,027	3.84	-541,246	-1.52
Obligations fully guaranteed	9,656	8,898	3,627	758	8.52	6,029	166.23
Total U. S. securities	35,156,343	33,856,558	35,691,560	1,299,785	3.84	-535,217	-1.50
Obligations of States and political subdivisions	5,333,230	5,168,196	4,687,048	165,034	3.19	646,182	13.79
Other bonds, notes, and debentures	2,373,149	2,380,837	2,468,442	-7,688	-.32	-95,293	-3.86
Corporate stocks, including stocks of Federal Reserve banks	180,895	179,671	175,573	1,224	.68	5,322	3.03
Total securities	43,043,617	41,585,262	43,022,623	1,458,355	3.51	20,994	.05
Total loans and securities	75,467,394	72,946,413	72,300,103	2,520,981	3.46	3,167,291	4.38
Currency and coin	1,418,564	1,333,012	1,147,069	85,552	6.42	271,495	23.67
Reserve with Federal Reserve banks	12,821,432	12,864,033	11,420,505	-42,601	-.33	1,400,927	12.27
Balances with other banks	11,772,162	9,223,403	11,245,861	2,548,759	27.63	526,301	4.68
Total cash, balances with other banks, including reserve balances and cash items in process of collection	26,012,158	23,420,448	23,813,435	2,591,710	11.07	2,198,723	9.23
Other assets	1,259,008	1,162,455	1,126,555	96,553	8.31	132,453	11.76
Total assets	102,738,560	97,529,316	97,240,093	5,209,244	5.34	5,498,467	5.65

1/ Adjusted to exclude single-payment loans of $3,000 and over.

and others for the purpose of purchasing and carrying securities, and to banks, etc., amounted to $5,249,000,000, an increase of 4 percent since October. The percentage of loans and discounts to total assets on December 31, 1951 was 31.56 in comparison with 32.16 on October 10 and 30.11 in December 1950.

Investments of the banks in United States Government obligations (including $10,000,000 guaranteed obligations) on December 31, 1951 aggregated $35,156,000,000, which was an increase of $1,300,000,000 since October, but a decrease of $535,000,000, or 1½ percent, since December 1950. These investments were 34 percent of total assets, compared to 37 percent in the year previous. Other bonds, stocks and securities of $7,887,000,000, which included obligations of States and political subdivisions of $5,333,000,000, were $158,000,000, or 2 percent, more than in October, and $556,000,000, or 7½ percent, more than held the previous December. The total securities held amounting to $43,000,000,000 was an increase of $1,500,000,000 since October, but was about the same as the amount held in December 1950.

Cash of $1,419,000,000, reserve with Federal Reserve Banks of $12,821,000,000 and balances with other banks (including cash items in process of collection) of $11,772,000,000, a total of $26,012,000,000, showed an increase of $2,592,000,000, or 11 percent, in the quarter.

The unimpaired capital stock of the banks on December 31, 1951 was $2,105,000,000, including $8,000,000 of preferred stock. Surplus was $3,083,000,000, undivided profits $1,213,000,000 and capital reserves $269,000,000, or a total of $4,565,000,000. Total capital accounts of $6,670,000,000, which were 7.06 percent of total deposits, were $13,000,000 more than in October when they were 7.46 percent of total deposits.

TREASURY DEPARTMENT
Washington, D. C.

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5-2987
~~Press Series~~

FOR RELEASE, MORNING NEWSPAPERS
Friday, March 7, 1952

The total assets of national banks on December 31, 1951 amounted to more than $102,000,000,000, it was announced today by Comptroller of the Currency Preston Delano. The returns covered the 4,946 active national banks in the United States and possessions. The assets were $5,000,000,000 more than the amount reported by the 4,947 active banks on October 10, 1951, the date of the previous call, and were nearly $5,500,000,000 more than reported by the 4,965 active national banks as of December 30, 1950.

The deposits of the banks on December 31 were $94,000,000,000, an increase of over $5,000,000,000 since October, and exceeded by $5,000,000,000 the amount reported in December 1950. Included in the recent deposit figures were demand deposits of individuals, partnerships and corporations of $54,856,000,000, which increased $3,278,000,000 since October, and time deposits of individuals, partnerships and corporations of $19,826,000,000, an increase of $254,000,000. Deposits of the United States Government of $2,234,000,000 were down $497,000,000 since October; deposits of States and political subdivisions of $5,924,000,000 showed an increase of $511,000,000; and deposits of banks amounting to $9,790,000,000 increased $931,000,000 since October. Postal savings were $10,000,000 and certified and cashiers' checks were $1,792,000,000.

Net loans and discounts on December 31, 1951 were $32,424,000,000, an all-time high. They were $1,063,000,000 above the October figure and $3,146,000,000, or 11 percent, above the December 1950 figure. Commercial and industrial loans as of the recent call date were $15,689,000,000, an increase of $788,000,000 since October. Loans on real estate of $7,541,000,000 were up 1½ percent in the period. Consumer loans to individuals were $4,415,000,000, exclusive of single-payment loans to individuals of $3,000 and over, which were included with this class of loans prior to June 1951. All other gross loans, including loans to farmers, to brokers and dealers

TREASURY DEPARTMENT

Information Service WASHINGTON, D.C.

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Investments of the banks in United States Government obligations (including $10,000,000 guaranteed obligations) on December 31, 1951 aggregated $35,156,000,000, which was an increase of $1,300,000,000 since October, but a decrease of $535,000,000, or 1½ percent, since December 1950. These investments were 34 percent of total assets, compared to 37 percent in the year previous. Other bonds, stocks and securities of $7,887,000,000, which included obligations of States and political subdivisions of $5,333,000,000, were $158,000,000, or 2 percent, more than in October, and $556,000,000, or 7½ percent, more than held the previous December. The total securities held amounting to $43,000,000,000 was an increase of $1,500,000,000 since October, but was about the same as the amount held in December 1950.

Cash of $1,419,000,000, reserve with Federal Reserve Banks of $12,821,000,000 and balances with other banks (including cash items in process of collection) of $11,772,000,000, a total of $26,012,000,000, showed an increase of $2,592,000,000, or 11 percent, in the quarter.

The unimpaired capital stock of the banks on December 31, 1951 was $2,105,000,000, including $8,000,000 of preferred stock. Surplus was $3,083,000,000, undivided profits $1,213,000,000 and capital reserves $269,000,000, or a total of $4,565,000,000. Total capital accounts of $6,670,000,000, which were 7.06 percent of total deposits, were $13,000,000 more than in October when they were 7.46 percent of total deposits.

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Statement showing comparison of principal items of assets and liabilities of active national banks
as of December 31, 1951, October 10, 1951 and December 30, 1950
(In thousands of dollars)

	Dec. 31, 1951	Oct. 10, 1951	Dec. 30, 1950	Increase or decrease since Oct. 10, 1951: Amount	Increase or decrease since Oct. 10, 1951: Percent	Increase or decrease since Dec. 30, 1950: Amount	Increase or decrease since Dec. 30, 1950: Percent
Number of banks	4,946	4,947	4,965	-1	-.02	-19	-.38
ASSETS							
Commercial and industrial loans	$15,689,255	$14,901,392	$13,401,912	$787,863	5.29	$2,287,343	17.07
Loans on real estate	7,541,103	7,419,939	6,978,221	121,164	1.63	562,882	8.07
Consumer loans to individuals	4,415,153	4,406,036	1/4,393,631	9,117	.21	21,522	.49
Other loans to individuals: Single-payment loans of $3,000 and over	1,387,292	1,353,510	1,275,332	33,782	2.50	111,960	8.78
All other loans, including overdrafts	3,861,313	3,692,778	3,616,505	168,535	4.56	244,808	6.77
Total gross loans	32,894,116	31,773,655	29,665,601	1,120,461	3.53	3,228,515	10.88
Less valuation reserves	470,339	412,504	388,121	57,835	14.02	82,218	21.18
Net loans	32,423,777	31,361,151	29,277,480	1,062,626	3.39	3,146,297	10.75
U. S. Government securities:							
Direct obligations	35,146,687	33,847,660	35,687,933	1,299,027	3.84	-541,246	-1.52
Obligations fully guaranteed	9,656	8,898	3,627	758	8.52	6,029	166.23
Total U. S. securities	35,156,343	33,856,558	35,691,560	1,299,785	3.84	-535,217	-1.50
Obligations of States and political subdivisions	5,333,230	5,168,196	4,687,048	165,034	3.19	646,182	13.79
Other bonds, notes, and debentures	2,373,149	2,380,837	2,468,442	-7,688	-.32	-95,293	-3.86
Corporate stocks, including stocks of Federal Reserve banks	180,895	179,671	175,573	1,224	.68	5,322	3.03
Total securities	43,043,617	41,585,262	43,022,623	1,458,355	3.51	20,994	.05
Total loans and securities	75,467,394	72,946,413	72,300,103	2,520,981	3.46	3,167,291	4.38
Currency and coin	1,418,564	1,333,012	1,147,069	85,552	6.42	271,495	23.67
Reserve with Federal Reserve banks	12,821,432	12,864,033	11,420,505	-42,601	-.33	1,400,927	12.27
Balances with other banks	11,772,162	9,223,403	11,245,861	2,548,759	27.63	526,301	4.68
Total cash, balances with other banks, including reserve balances and cash items in process of collection	26,012,158	23,420,448	23,813,435	2,591,710	11.07	2,198,723	9.23
Other assets	1,259,008	1,162,455	1,126,555	96,553	8.31	132,453	11.76
Total assets	102,738,560	97,529,316	97,240,093	5,209,244	5.34	5,498,467	5.65

1/ Adjusted to exclude single-payment loans of $3,000 and over.

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

	Dec. 31, 1951	Oct. 10, 1951	Dec. 30, 1950	Increase or decrease since Oct. 10, 1951		Increase or decrease since Dec. 30, 1950	
				Amount	Percent	Amount	Percent
LIABILITIES							
Deposits of individuals, partnerships, and corporations:							
Demand	$54,855,841	$51,578,292	$52,051,784	$3,277,549	6.35	$2,804,057	5.39
Time	19,825,659	19,571,450	19,010,542	254,209	1.30	815,117	4.29
Deposits of U. S. Government	2,233,623	2,731,004	1,904,552	-497,381	-18.21	329,071	17.28
Postal savings deposits	10,003	7,540	6,392	2,463	32.67	3,611	56.49
Deposits of States and political subdivisions	5,924,592	5,413,462	5,707,194	511,130	9.44	217,398	3.81
Deposits of banks	9,789,974	8,859,019	9,135,365	930,955	10.51	654,609	7.17
Other deposits (certified and cashiers' checks, etc.)	1,791,869	1,115,190	1,713,803	676,679	60.68	78,066	4.56
Total deposits	94,431,561	89,275,957	89,529,632	5,155,604	5.77	4,901,929	5.48
Bills payable, rediscounts, and other liabilities for borrowed money	15,484	148,910	76,644	-133,426	-89.60	-61,160	-79.80
Other liabilities	1,621,397	1,447,511	1,304,828	173,886	12.01	316,569	24.26
Total liabilities, excluding capital accounts	96,068,442	90,872,378	90,911,104	5,196,064	5.72	5,157,338	5.67
CAPITAL ACCOUNTS							
Capital stock:							
Preferred	8,546	12,062	15,102	-3,516	-29.15	-6,556	-43.41
Common	2,096,799	2,070,555	1,986,548	26,244	1.27	110,251	5.55
Total	2,105,345	2,082,617	2,001,650	22,728	1.09	103,695	5.18
Surplus	3,083,495	3,017,550	2,925,104	65,945	2.19	158,391	5.41
Undivided profits	1,212,538	1,286,764	1,124,223	-74,226	-5.77	88,315	7.86
Reserves	268,740	270,007	278,012	-1,267	-.47	-9,272	-3.34
Total surplus, profits, and reserves	4,564,773	4,574,321	4,327,339	-9,548	-.21	237,434	5.49
Total capital accounts	6,670,118	6,656,938	6,328,989	13,180	.20	341,129	5.39
Total liabilities and capital accounts	102,738,560	97,529,316	97,240,093	5,209,244	5.34	5,498,467	5.65
RATIOS:	Percent	Percent	Percent				
U.S.Gov't securities to total assets	34.22	34.71	36.70				
Loans and discounts to total assets	31.56	32.16	30.11				
Capital accounts to total deposits	7.06	7.46	7.07				

NOTE: Minus sign denotes decrease.

will, I am convinced, make a most important contribution to public understanding of the problems now confronting us.

for prudence with respect to policies which affect the Federal debt. As the Subcommittee's questionnaires brought out so clearly, a governmental agency does not operate in the field of abstract theory; full account must be given at all times to the practical implications of the policies and programs undertaken. The opportunity which the present hearings will provide for a discussion of measures appropriate to our present situation to 33 percent at the present time. It has succeeded in maintaining savings bond ownership not only at the wartime peak, but at a figure which is now close to $58 billion -- $9 billion higher than the amount held at the close of World War II financing. Our deficit financing program must conserve these gains -- and it must add to them.

For these reasons, the Treasury places great emphasis on the need

The prospect of substantial deficit financing in the period immediately ahead underscores the importance of the broad economic objectives of the Treasury, and particularly of debt management policy. The Treasury has succeeded during the postwar period in reducing the proportion of the public debt held by the commercial banking system from 42 percent at the peak of World War II financing for working together on the important problems which we shall have to solve jointly if the fundamental strength and productive power of the American economy are to be maintained. I feel that an advisory council of the sort which I have discussed with the committee today would be of help in broadening the scope of cooperation. The spirit of cooperative effort, however, is the essence of the matter.

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When we review all of these facts in the Treasury, and evaluate them in terms of the problem at hand, the situation seems to us to add up to these conclusions:

It is essential for the well-being of the country that the Treasury and the Federal Reserve continue to work in the closest cooperation. Both agencies are in wholehearted agreement on this matter. There is no substitute of opinion, also, as to measures which should be taken outside the area of debt management to maintain stability in the price structure and in the economy generally.

These differences of opinion are to be expected. The problems involved are extremely complex; they are all inter-related; and they all touch on major aspects of public economic policy affecting wide areas of the economy.

conferences and discussions (in which the Federal Reserve participates) with representatives of leading investor and financial groups and others during recent weeks.

While I have found general agreement, as I noted earlier, on the need for securing the necessary amounts from nonbank investors, there is a wide divergence of views on how we ought to go about securing the funds; and there are differences

In order to formulate a program suited to the current situation, the Treasury -- as it has done in connection with each important financing operation in the past -- has been making extensive analyses of the money and investment markets; it has been discussing the problems on a continuing basis with representatives of the Federal Reserve System; and it has been conducting a series of informal tendencies must be countered, and sound conditions must be maintained in the market for United States Government securities. To sell the greatest possible amount of securities outside of the commercial banking system, issues must be provided which will meet investor needs. Each one of the general requirements of a sound debt management program, therefore, is seen to have a direct application to our present problem.

practical meaning of the broad objectives of debt management which I outlined earlier becomes clear. It is evident that we must use great care to maintain an atmosphere which will be favorable not only to the purchase of new Government securities, but to the retention of current holdings -- and particularly, of course, the holdings of nonbank investors. To maintain investor confidence, inflationary or deflationary including -- in addition to Federal securities -- bonds of State and local governments, obligations of private corporations, mortgages, bank loans, consumer instalment paper, etc. Public debt obligations represent an important part of the assets of our financial institutions, of numerous business corporations, and of millions of individuals and families throughout the Nation.

Against this background, the

such as capital expenditure programs -- which draw on investment funds. When we found it necessary to borrow large sums of money early in World War II, moreover, the Government's debt was much smaller than it is now, both in absolute terms and in relation to the size of the economy. Today, our Government debt accounts for almost half of all the debt obligations in the country, public and private;

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available for spending or saving.

In the second place, we must take account of the fact that our present borrowing program will have to be geared to a set of circumstances which are unlike those experienced in connection with any previous large-scale borrowing operations. In contrast to the World War II situation, for example, a large sector of industry and trade is engaged in substantially normal operations; including operations --

in inflationary pressures; but it would be imprudent to give less than full weight to the inflationary implications of our large defense program and of the deficit financing operations which will have to be undertaken in connection with it. For some time to come, defense production will draw heavily on our physical resources; and the existence of a significant deficit will add to the supply of funds this point forward, however, we must proceed on the basis of a careful analysis of the many conflicting factors in the immediate outlook. There is no single, simple approach which will solve the entire problem for us.

To begin with, we must be constantly watchful with respect to the development of inflationary or deflationary tendencies. There appears to be a lull, at present, and the many balanced judgments which are involved, could not be better illustrated than by our present situation. As I have stated, we may have to borrow as much as $10 billion in new money from the public before the end of this calendar year; and it is generally agreed that these funds should be obtained to the greatest extent possible outside of the commercial banking system. From inflationary or deflationary pressures, (b) providing securities to meet the current needs of various investor groups, and (c) maintaining a sound market for United States Government securities. These objectives are the guides which we use in arriving at policies which are appropriate to current economic conditions.

The difficulties of this procedure in practice, however, The budget is, of course, subject to revision as the year progresses, and particularly as we see how the expenditure program shapes up. Whatever the final figures turn out to be, however, the amounts which we shall have to borrow will be substantial.

Earlier in this statement, I noted that the general goals of our debt management programs are (a) countering any pronounced future; and I should like to discuss with you briefly how a problem of this sort, in practice, ties in with the more general considerations which govern Treasury policy.

On the basis of the estimates in the President's budget, as much as $10 billion of the defense program may have to be financed by additional borrowing from the public before the end of the present calendar year.

among the committees of Congress to appraise the whole complex of measures and programs having a significant influence on the economic well-being of the country.

Because of our appreciation of this fact, we have given special attention to the questions requesting general views. Right now, however, we are faced with a practical financing problem which must be worked out in the immediate position to help obtain the kind of cooperation and cohesiveness of policy which we need to emphasize constantly in all branches of Government. This is because the Committee has the responsibility for looking at the economic problems involved from every point of view. You are not concerned solely with revenues, for example, or with expenditures, or with appropriations; rather it is your unique function around a table to discuss their differences, in the interests of coordination. This, it seems to me, represents the essence of independence -- that the President and the Board should have both the right and the duty to discuss the problems with each other, on the basis of a free interchange of views.

The Joint Committee on the Economic Report is in a very good relationship between the President and the Federal Reserve System was called for. In answering this question, I indicated my opinion that it was desirable for the Federal Reserve System to retain its independent status. I expressed further, however, my strong feeling that it is natural, proper, and desirable for the President to seek to settle disputes by having all of the interested parties sit discussion of this matter in the hearings, and to your own deliberations with regard to it.

The question of a national council which would act as an advisory group with respect to monetary and fiscal policy brings up another matter which I hope the Subcommittee will find time to consider from all angles. In question 9 of the questionnaire sent to me, a discussion of the

It is my present intention to recommend to the President that he consider the creation of a national council along the lines which I have just described, with advisory authority in the area of monetary and fiscal policy. Prior to doing so, however, I should like to obtain the views of the Subcommittee as to the advisability -- the pros and cons -- of such a step. I am looking forward with great interest, therefore, to the less likely to develop. A group of this nature would do much to achieve accord before discord arises. Second, the means would be provided for informal discussions with the President on broad questions of monetary and fiscal policy. The advisory group could report to the President -- preferably on an informal and confidential basis -- as often as desired.

and the Chairman of the Securities and Exchange Commission. From time to time, the heads of other agencies (both permanent and special agencies) might be added to the group, as various problems arise. This group would serve two major purposes. First, by regular and periodic meeting and discussion among the heads of the agencies having to do with fiscal and monetary policies, differences of opinion would become the creation of a top-level advisory group to the President on broad questions of monetary and fiscal policy. In that question, it was suggested that a small consultative and discussion group be created within the Government. This group might consist of the Secretary of the Treasury, the Chairman of the Board of Governors of the Federal Reserve System, the Director of the Budget, the Chairman of the Council of Economic Advisers to the President, for furthering public understanding of the responsibilities and policy objectives which I have just summarized. They are discussed at greater length -- and in relation to many different situations -- in the answers to the questionnaire.

It is my further hope that the Subcommittee will give careful consideration to the possibilities which I have brought forward in the answer to Question 10, relating to

Each one of these specific objectives is important in itself; and, generally, a number of them must be considered together in framing a practical program which will further our basic goals of maintaining the confidence of the public in the debt obligations of the Government and promoting the economic well-being of the Nation.

The present hearings, I feel, will provide an excellent opportunity

Economic Programs

7. To Hold Down the Interest Cost of the Public Debt to the Extent That This Is Consistent with the Foregoing Objectives

8. To Assist in Shaping and Coordinating the Foreign Financial Policy of the United States

9. To Manage the Gold and Silver Reserves of the Country in a Manner Consistent with Our Other Domestic and Foreign Policy Objectives

Federal Reserve policy, and an important part of public economic policy in general, as expressed in the Employment Act of 1946.

In addition to these five economic objectives of Treasury policy, there are other objectives which we keep constantly in mind. These are:

6. To Conduct the Day-to-Day Financial Operations of the Treasury so as to Avoid Disruptive Effects in the Money Markets and to Complement Other

that the hearings will provide a forum in which these fundamental matters of national financial policy can be thoroughly explored.

5. To Use Debt Policy Cooperatively with Monetary-Credit Policy to Contribute Toward Healthy Economic Growth and Reasonable Stability in the Value of the Dollar

The importance of this objective, I feel, is self-evident. It is a primary goal of both Treasury and

Government Securities

Success in achieving these specific objectives of debt management is essential to the maintenance of confidence in the credit of the United States Government. Many of the questions sent to us by the Subcommittee related to problems and actions in the area of debt management. The Treasury has attempted to give the fullest possible replies to these questions; and I am hopeful

Treasury carries on continuing programs aimed at providing maximum service on the part of the Government at the lowest possible cost to the taxpayers.

4. To Direct our Debt Management Programs toward (a) Countering Any Pronounced Inflationary or Deflationary Pressures, (b) Providing Securities to Meet the Current Needs of Various Investor Groups, and (c) Maintaining a Sound Market for United States

Congress to further this end.

3. To Give Continuing Attention to Greater Efficiency and Lower Costs of Governmental Operations

I consider this objective a continuing obligation, not only of the Treasury Department, but of every Department and agency in the Government. Both within the Department and in association with other branches of the Government, the

Within the Framework of a Federal Budget Policy Appropriate to Economic Conditions

Through action of Congress and by executive decisions, the budget is subject to constant change; and it is of the utmost importance that revenue and expenditure programs be kept appropriate to changing economic circumstances. The Treasury and the Bureau of the Budget work closely with the President and with the of the financial soundness of this country, and a vital factor in the defense effort of the entire free world. In the broadest sense, safeguarding the credit of the Government depends upon our ability as a Nation to keep our free enterprise economy healthy and growing, and to use our governmental instruments wisely in promoting this end.

2. To Promote Revenue and Expenditure Programs which Operate

which the Treasury Department seeks to further through the use of the powers which have been given to it by the Congress. These objectives, which are described more fully in the answer to Question 2, are as follows:

1. To Maintain Confidence in the Credit of the United States Government

This is the basic objective of all Treasury policies; and, at the present time, it is the cornerstone better acquainted with the nature of the responsibilities with which the various agencies have been charged by the Congress -- and the relation of practical policies to the fulfillment of these responsibilities. This represents, in my view, a most important part of the study which the Subcommittee is undertaking. I should like to take a few minutes, therefore, to comment briefly on the nine general economic objectives will be covered in the present hearings. In answering the questionnaire submitted earlier by the Subcommittee, therefore, I have gone into considerable detail as to the reasons why the Treasury took certain actions at certain times; what we hoped to accomplish by them and what -- viewed retrospectively -- we did accomplish.

It will be of particular value, I feel, for the public to become times when they took place. In our swiftly moving economy, circumstances are always changing, and our views as to appropriate actions and policies must change with them. There would be little purpose in trying to reconstruct the background of important actions in the past unless the details gave us added ability to plan our future course wisely. This is true, I believe, with respect to the subjects which fundamental sense, is not only a record of decisions made and actions taken -- it is a record of appraisals, of conclusions, and of judgments. Those who replied to the Subcommittee's questionnaires, it seems to me, have attempted to be fully responsive in this fundamental sense.

In our own case, we found in replying to the questionnaire that it was often difficult to reconstruct past events in the context of the

I do, that the body of material which you have assembled will be of great value in the field of debt management and monetary policy for many years to come. Not one point of view, but many points of view -- I am almost tempted to say, <u>all</u> points of view -- seem to have been elicited by the Subcommittee in the written answers to the various questionnaires which were sent out. A policy record, in the most down the pros and cons of the many issues presented for generalized discussion in the questionnaire. In view of the importance of the study, however, we felt that time must be found; and I am very glad that we were able to give full and considered replies to all of the questions submitted to us.

I believe that everyone who reads the written replies received by the Subcommittee will feel, as

The hearings which are beginning this morning represent the culmination of a number of months of intensive study and preparation of replies to the questions raised by your Subcommittee. Anyone who has worked on this complex project cannot help but be impressed with the scope and searching nature of the questions which were asked. In our already heavy work schedules, it was not easy to find the time to set

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STATEMENT BY SECRETARY SNYDER

BEFORE THE

SUBCOMMITTEE ON GENERAL CREDIT CONTROL AND DEBT MANAGEMENT

OF THE

JOINT COMMITTEE ON THE ECONOMIC REPORT

- - -

March 10, 1952

at the present time. It has succeeded in maintaining savings bond ownership not only at the wartime peak, but at a figure which is now close to $58 billion -- $9 billion higher than the amount held at the close of World War II financing. Our deficit financing program must conserve these gains -- and it must add to them.

effective June 30 -
asking extend as did before

(3) For this reason, the Treasury places great emphasis on the need for caution with respect to policies which hold the risk of causing unsettlement in the ownership structure of the Federal debt. As the Subcommittee's questionnaires brought out so clearly, a governmental agency does not operate in the field of abstract theory; full account must be given at all times to the practical implications of the policies and programs undertaken. The opportunity which the present hearings will provide for a discussion of measures appropriate to our present situation will, I am convinced, make a most important contribution to public understanding of the problems now confronting us.

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(3) For ~~this~~ these reasons, the Treasury places great emphasis on the need for ~~caution~~ prudence with respect to policies which ~~held the risk of causing unsettlement in the ownership structure of~~ affect the Federal debt. As the Subcommittee's questionnaires brought out so clearly, a governmental agency does not operate in the field of abstract theory; full account must be given at all times to the practical implications of the policies and programs undertaken. The opportunity which the present hearings will provide for a discussion of measures appropriate to our present situation will, I am convinced, make a most important contribution to public understanding of the problems now confronting us.

(1) It is essential for the well-being of the country that the Treasury and the Federal Reserve continue to work in the closest cooperation. Both agencies are in wholehearted agreement on this matter. There is no substitute for working together on the important problems which we shall have to solve jointly if the fundamental strength and productive power of the American economy are to be maintained. ~~The mechanism of cooperation might, of course, be improved. I hope that it will be; and~~ I feel that a new ~~national~~ advisory council of the sort which I have discussed with the committee today would be of help in broadening the scope of cooperation. The spirit of cooperative effort, however, is the essence of the matter.

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(2) The prospect of substantial deficit financing in the period immediately ahead underscores the importance of the broad economic objectives of the Treasury ~~policy~~, and particularly of debt management policy. The Treasury has succeeded during the postwar period ~~in reducing bank-held debt by more than $30 billion, and~~ in reducing the proportion of the public debt held by the commercial banking system from 42 percent at the peak of World War II financing to 33 percent

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these problems. Likewise, priorities and allocations of scarce and strategic materials, Government production loan guarantees and loans to increase production for national defense needs, voluntary credit restraint programs, and price and wage controls are of help at times when there are upward pressures in critical areas of the price structure.

In the last analysis, however, we must recognize that the flow of production is the most powerful defense of our free enterprise economy against disruptive influences. This fundamental fact has been well demonstrated in the period since the outbreak of hostilities in Korea, when the continued availability of supplies turned back two waves of scare buying in anticipation of shortages. The civilian economy cannot, of course, have full access to materials and services needed for defense purposes. Nevertheless, our domestic economic program in its entirety must be framed in such a way as to give the greatest possible scope to the production potential of the economy.

When we review all of these facts in the Treasury, and evaluate them in terms of the problem at hand, the situation seems to us to add up ~~about as follows:~~ to these conclusions:

price structure and in the economy generally.

These differences of opinion are to be expected. The problems involved are extremely complex; they are all inter-related; and they all touch on major aspects of public economic policy affecting wide areas of the economy.

~~If we should find that inflationary pressures were increasing, for example, it would be logical to re-examine the possibilities of using general credit control measures which have effects throughout the economy. In view of the size and widespread distribution of the public debt, however, such measures must be used most cautiously, and must be examined in the light of the impact which they might have on investment holdings or new purchases of Federal securities. Credit requirements on the part of defense producers and others supplying essential needs must also be kept in mind -- as well as the possibility, which can never be entirely discounted, that recessionary tendencies could be engendered by too drastic a use of overall restrictive measures.~~

Selective credit controls -- as a number of the answers to the Subcommittee's questionnaires brought out -- would seem to meet some of possible amount of securities outside of the commercial banking system, issues must be provided which will meet ~~genuine~~ investor needs. Each one of the general requirements of a sound debt management program, therefore, is seen to have a direct application to our present problem.

(3A) In order to ~~frame~~ formulate a program suited to the ~~realities of the~~ current situation, the Treasury -- as it has done in connection with each important financing operation in the past -- has been making extensive analyses of the money and investment markets; it has been discussing the problems on a continuing basis with representatives of the Federal Reserve System; and it has been conducting a series of informal conferences and discussions (in which the Federal Reserve participates) with representatives of leading investor and financial groups and others during recent weeks.

While I have found general agreement, as I noted earlier, on the need for securing the necessary amounts from nonbank investors, there is a wide divergence of views on how we ought to go about securing the funds; and there are differences of opinion, also, as to measures which should be taken outside the area of debt management to maintain stability in the size of the economy. Today, our Government debt accounts for almost half of all the debt obligations in the country, public and private; including — in addition to Federal securities — bonds of State and local governments, obligations of private corporations, mortgages, bank loans, consumer instalment paper, etc. Public debt obligations represent an important part of the assets of our ~~major~~ financial institutions, of numerous business corporations, and of millions of individuals and families throughout the Nation.

Against this background, the practical meaning of the broad objectives of debt management which I outlined earlier becomes clear. It is evident that we must use great care to maintain an atmosphere which will be favorable not only to the purchase of new Government securities, but to the retention of current holdings — and particularly, of course, the holdings of nonbank investors. To maintain investor confidence, inflationary or deflationary tendencies must be countered, ~~so far as possible,~~ and sound conditions must be maintained in the market for United States Government securities. To sell the greatest of our large defense program and of the deficit financing operations which will have to be undertaken in connection with it. For some time to come, defense production will draw heavily on our physical resources; and the existence of a significant deficit will add to the supply of funds available for spending or saving.

In the second place, we must take account of the fact that our present borrowing program will have to be geared to a set of circumstances which are unlike those experienced in connection with any previous large-scale borrowing operations. In contrast to the World War II situation, for example, we ~~are not undertaking extensive mobilization of the nondefense areas of the economy.~~ ~~A~~ a large sector of industry and trade is engaged in substantially normal operations; including operations -- such as capital expenditure programs -- which draw on investment funds. When we ~~started out~~ found it necessary to borrow large sums of money early in World War II, moreover, the Government's debt was [redacted] much smaller than it is now, both in absolute terms and in relation to the

These objectives are the guides which we use in arriving at policies which are appropriate to current economic conditions.

The difficulties of this procedure in practice, however, and the many balanced judgments which are involved, could not be better illustrated than by our present situation. As I have stated, we may have to borrow as much as $10 billion in new money from the public before the end of this calendar year; and it is generally agreed that these funds should be obtained to the greatest extent possible outside of the commercial banking system. From this point forward, however, we must proceed on the basis of a careful analysis of the many conflicting factors in the immediate outlook. There is no single, simple approach which will solve the entire problem for us.

To begin with, we must be constantly watchful with respect to the development of inflationary or deflationary tendencies. There appears to be a lull, at present, in inflationary pressures; but it would be imprudent to give less than full weight to the inflationary implications however, we are faced with a practical financing problem which must be worked out in the immediate future; and I should like to discuss with you briefly how a problem of this sort, in practice, ties in with the more general considerations which govern Treasury policy.

On the basis of the estimates in the President's budget, as much as $10 billion of the defense program may have to be financed by additional borrowing from the public before the end of the present calendar year. The budget is, of course, subject to revision as the year progresses, and particularly as we see how the expenditure program shapes up. Whatever the final figures turn out to be, however, ~~it is evident that~~ the amounts which we shall have to borrow will be substantial.

Earlier in this statement, I noted that the general goals of our debt management programs are (a) countering any pronounced inflationary or deflationary pressures, (b) providing securities to meet the current needs of various investor groups, and (c) maintaining a sound market for United States Government securities.

with him, in the interests of coordination. This, it seems to me, represents the essence of independence -- that the President and the Board should have both the right and the duty to discuss the problems with each other across the table, on the basis of a free interchange of views. ~~It would encourage such discussions and conferences if this committee of the Congress would publicly recommend them.~~

The Joint Committee on the Economic Report is in a very good position to help obtain the kind of cooperation and cohesiveness of policy which we need to emphasize constantly in all branches of Government. This is because the Committee has the responsibility for looking at the economic problems involved from every point of view. You are not ~~primarily~~ solely concerned with revenues, for example, or with expenditures, or with appropriations; rather it is your unique function among the committees of Congress to appraise the whole complex of measures and programs having a significant influence on the economic well-being of the country.

Because of our appreciation of this fact, we have given special attention ~~full replies~~ to the ~~theoretical~~ questions requesting general views. Right now,

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with advisory authority in the area of monetary and fiscal policy. Prior to doing so, however, I should like to obtain the views of the Subcommittee as to the advisability -- the pros and cons -- of such a step. I am looking forward with great interest, therefore, to the discussion of this matter in the hearings, and to your own deliberations with regard to it.

~~subject to determine the~~

The question of a national council which would act as an advisory group with respect to monetary and fiscal policy brings up another matter which I hope the Subcommittee will find time to consider from all angles. In question 9 of the questionnaire sent to me, a discussion of the relationship between the President and the Federal Reserve System was called for. In answering this question, I indicated my opinion that it was desirable for the Federal Reserve System to ~~remain~~ retain its independent ~~of the executive branch, as Congress has indicated it should be~~ status. I expressed further, however, my strong feeling that it is natural, proper, and desirable for the President to seek to settle disputes by having all of the interested parties sit around a table to discuss their differences

Organizationof the Executive Branch of ~~the Government~~ (the Hoover Commission) in ~~its~~ report on the Treasury Department.

no ¶, In that question, The creation of a small consultative and discussion group within the Government (which might consist of the Secretary of the Treasury, the Chairman of the Board of Governors of the Federal Reserve System, the Director of the Budget, the Chairman of the Council of Economic Advisers to the President, and the Chairman of the Securities and Exchange Commission) was suggested ~~would serve two major purposes.~~ (From time to time, the heads of other agencies (both permanent and special agencies) might be added to the group as various problems arise.) This group would serve two major purposes. First, by regular and periodic meeting and discussion among the heads of the agencies having to do with fiscal and monetary policies, differences of opinion would become less likely to develop. A ~~discussion~~ group of this nature~~, therefore,~~ would do much to achieve accord before discord arises. Second, the means would be provided for informal discussions with the President on broad questions of monetary and fiscal policy. The advisory group could report to the President -- preferably on an informal and confidential basis -- as often as desired.

It is my present intention to recommend to the President that he consider the creation of a national council along the lines which I have just described, Each one of these specific objectives is important in itself; and, generally, a number of them must be considered together in framing a practical program which will further our basic goals of maintaining the confidence of the public in the debt obligations of the Government and promoting the economic well-being of the Nation.

The present hearings, I feel, will provide an excellent opportunity for ~~promoting~~ furthering public understanding of the responsibilities and policy objectives which I have just summarized. They are discussed at greater length -- and in relation to many different situations -- in ~~my~~ the answers to the questionnaire.

It is my further hope that the Subcommittee will give careful consideration to the possibilities which I have brought forward in ~~my~~ the answer to Question 10, relating to the creation of a top-level advisory group to the President on broad questions of monetary and fiscal policy.

~~Such a group would in a way be a kind of parallel to the National Advisory Council which works in the field of foreign financial matters; and it would be akin also to the Council suggested by the Commission on~~

5. To Use Debt Policy Cooperatively with Monetary-Credit Policy to Contribute Toward Healthy Economic Growth and Reasonable Stability in the Value of the Dollar

The importance of this objective, I feel, is self-evident. It is a primary goal of both Treasury and 15 Federal Reserve policy, and an important part of public economic policy in general, as expressed in the Employment Act of 1946.

In addition to these five economic objectives of Treasury policy, there are other objectives which we keep constantly in mind. These are:

6. To Conduct the Day-to-Day Financial Operations of the Treasury so as to Avoid Disruptive Effects in the Money Markets and to Complement Other 16 Economic Programs;

7. To Hold Down the Interest Cost of the Public Debt to the Extent That This Is Consistent with the Foregoing Objectives;

8. To Assist in Shaping and Coordinating the Foreign Financial Policy of the United States; and

9. To Manage the Gold and Silver Reserves of the Country in a Manner Consistent with Our Other Domestic and Foreign Policy Objectives.

3/21

I consider this objective a continuing obligation, not only of the Treasury Department, but of every Department and agency in the Government. Both within the Department, ~~therefore,~~ and in association with other branches of the Government, the 12 Treasury carries on continuing programs aimed at providing maximum service on the part of the Government at the lowest possible cost to the taxpayers.

4. To Direct our Debt Management Programs toward (a) Countering Any Pronounced Inflationary or Deflationary Pressures, (b) Providing Securities to Meet the Current Needs of Various Investor Groups, and (c) Maintaining a Sound Market for United States 13 Government Securities

Success in achieving these specific objectives of debt management is essential to the maintenance of confidence in the credit of the United States Government. Many of the questions sent to us by the Subcommittee related to problems and actions in the area of debt management. The Treasury has attempted to give the fullest possible replies to these questions; and I am hopeful 14 that the hearings will provide a forum in which these fundamental matters of national financial policy can be thoroughly explored.

1. To Maintain Confidence in the Credit of the United States Government

This is the basic objective of all Treasury policies; and, at the present time, it is the cornerstone 9 of the financial soundness of this country, and a vital factor in the defense effort of the entire free world. In the broadest sense, safeguarding the credit of the Government depends upon our ability as a Nation to keep our free enterprise economy healthy and growing, and to use our governmental instruments wisely in promoting this end.

2. To Promote Revenue and Expenditure Programs which Operate 10 Within the Framework of a Federal Budget Policy Appropriate to Economic Conditions

Through action of Congress and by executive decisions, the budget is subject to constant change; and it is of the utmost importance that revenue and expenditure programs be kept appropriate to changing economic circumstances. The Treasury and the Bureau of the Budget work closely with the President and with the 11 Congress to further this end.

3. To Give Continuing Attention to Greater Efficiency and Lower Costs of Governmental Operations

with respect to the area of investigation which 6 will be covered in the present hearings. In answering the questionnaire submitted earlier by the Subcommittee, therefore, I have gone into considerable detail as to the reasons why the Treasury took certain actions at certain times; what we hoped to ~~gain~~ accomplish by them and what -- viewed retrospectively -- we did ~~gain~~ accomplish.

It will be of particular value, I feel, for the public to become 7 better acquainted with the nature of the responsibilities with which the various agencies have been charged by the Congress -- and the relation of practical policies to the fulfillment of these responsibilities. This represents, in my view, a most important part of the ~~investigation~~ study which the Subcommittee is undertaking. I should like to take a few minutes, therefore, to comment briefly on the nine general economic objectives 8 which the Treasury Department seeks to further through the use of the powers which have been given to it by the Congress. These objectives, which are described more fully in the answer to Question 2, are as follows:

of view, but many points of view -- I am almost tempted to say, <u>all</u> points of view -- seem to have been elicited by the Subcommittee in the written answers to the various questionnaires which were sent out. A policy record, in the most fundamental sense, is not only a record of decisions made and actions taken -- it is a record of appraisals, of conclusions, and of judgments. ~~A large number of~~ Those who replied to the Subcommittee's questionnaires, it seems to me, have attempted to be fully responsive in this fundamental sense.

In our own case, we found in replying to the questionnaire that it was often ~~extremely~~ difficult to reconstruct past events in the context of the times when they took place. In our swiftly moving economy, circumstances are always changing, and our views as to appropriate actions and policies must change with them. There would be little purpose in trying to reconstruct the background of important actions in the past unless the details gave us added ability to plan our future course wisely. This is true, I believe, 3/7/52

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~~Draft of~~ Statement ~~to be Given~~ by Secretary Snyder before the Subcommittee on General Credit Control and Debt Management of the Joint Committee on the Economic Report

March 10, 1952

The hearings which are beginning this morning represent the culmination of a number of months of intensive ~~effort,~~ study and preparation ~~on the~~ replies to the questions raised by your Subcommittee. Anyone who has worked on this complex project cannot help but be impressed with the scope and searching nature of the questions which were asked. In our already heavy work schedules, it was not easy to find the time to set down the pros and cons of the many issues presented for generalized discussion in the questionnaire. In view of the importance of the ~~investigations,~~ study however, we felt that time must be found; and I am very glad that we were able to give full and considered replies to all of the questions submitted to us.

I believe that everyone who reads the written replies received by the Subcommittee will feel, as I do, that the body of material which you have assembled will be of great value in the field of debt management and monetary policy for many years to come. Not one point

TREASURY DEPARTMENT
WASHINGTON

Statement by Secretary Snyder before the
Subcommittee on General Credit Control and Debt Management
of the Joint Committee on the Economic Report
March 10, 1952

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In our own case, we found in replying to the questionnaire that it was often difficult to reconstruct past events in the context of the times when they took place. In our swiftly moving economy, circumstances are always changing, and our views as to appropriate actions and policies must change with them. There would be little purpose in trying to reconstruct the background of important actions in the past unless the details gave us added ability to plan our future course wisely. This is true, I believe, with respect to the subjects which will be covered in the present hearings. In answering the questionnaire submitted earlier by the Subcommittee, therefore, I have gone into considerable detail as to the reasons why the Treasury took certain actions at certain times; what we hoped to accomplish by them and what -- viewed retrospectively -- we did accomplish.

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various agencies have been charged by the Congress -- and the relation of practical policies to the fulfillment of these responsibilities. This represents, in my view, a most important part of the study which the Subcommittee is undertaking. I should like to take a few minutes, therefore, to comment briefly on the nine general economic objectives which the Treasury Department seeks to further through the use of the powers which have been given to it by the Congress. These objectives, which are described more fully in the answer to Question 2, are as follows:

1. To Maintain Confidence in the Credit of the United States Government

This is the basic objective of all Treasury policies; and, at the present time, it is the cornerstone of the financial soundness of this country, and a vital factor in the defense effort of the entire free world. In the broadest sense, safeguarding the credit of the Government depends upon our ability as a Nation to keep our free enterprise economy healthy and growing, and to use our governmental instruments wisely in promoting this end.

2. To Promote Revenue and Expenditure Programs which Operate Within the Framework of a Federal Budget Policy Appropriate to Economic Conditions

Through action of Congress and by executive decisions, the budget is subject to constant change; and it is of the utmost importance that revenue and expenditure programs be kept appropriate to changing economic circumstances. The Treasury and the Bureau of the Budget work closely with the President and with the Congress to further this end.

3. To Give Continuing Attention to Greater Efficiency and Lower Costs of Governmental Operations

I consider this objective a continuing obligation, not only of the Treasury Department, but of every Department and agency in the Government. Both within the Department and in association with other branches of the Government, the Treasury carries on continuing programs aimed at providing maximum service on the part of the Government at the lowest possible cost to the taxpayers.

4. To Direct our Debt Management Programs toward (a) Countering Any Pronounced Inflationary or Deflationary Pressures, (b) Providing Securities to Meet the Current Needs of Various Investor Groups, and (c) Maintaining a Sound Market for United States Government Securities

Success in achieving these specific objectives of debt management is essential to the maintenance of confidence in the credit of the United States Government. Many of the questions sent to us by the Subcommittee related to problems and actions in the area of debt management. The Treasury has attempted to give the fullest possible replies to these questions; and I am hopeful that the hearings will provide a forum in which these fundamental matters of national financial policy can be thoroughly explored.

5. To Use Debt Policy Cooperatively with Monetary-Credit Policy to Contribute Toward Healthy Economic Growth and Reasonable Stability in the Value of the Dollar

The importance of this objective, I feel, is self-evident. It is a primary goal of both Treasury and Federal Reserve policy, and an important part of public economic policy in general, as expressed in the Employment Act of 1946.

In addition to these five economic objectives of Treasury policy, there are other objectives which we keep constantly in mind. These are:

6. To Conduct the Day-to-Day Financial Operations of the Treasury so as to Avoid Disruptive Effects in the Money Markets and to Complement Other Economic Programs

7. To Hold Down the Interest Cost of the Public Debt to the Extent That This Is Consistent with the Foregoing Objectives

8. To Assist in Shaping and Coordinating the Foreign Financial Policy of the United States

9. To Manage the Gold and Silver Reserves of the Country in a Manner Consistent with Our Other Domestic and Foreign Policy Objectives

Each one of these specific objectives is important in itself; and, generally, a number of them must be considered together in framing a practical program which will further our basic goals of maintaining the confidence of the public in the debt obligations of the Government and promoting the economic well-being of the Nation.

The present hearings, I feel, will provide an excellent opportunity for furthering public understanding of the responsibilities and policy objectives which I have just summarized. They are discussed at greater length -- and in relation to many different situations -- in the answers to the questionnaire.

It is my further hope that the Subcommittee will give careful consideration to the possibilities which I have brought forward in the answer to Question 10, relating to the creation of a top-level advisory group to the President on broad questions of monetary and fiscal policy. In that question, it was suggested that a small consultative and discussion group be created within the Government. This group might consist of the Secretary of the Treasury, the Chairman of the Board of Governors of the Federal Reserve System, the Director of the Budget, the Chairman of the Council of Economic Advisers to the President, and the Chairman of the Securities and Exchange Commission. From time to time, the heads of other agencies (both permanent and special agencies) might be added to the group, as various problems arise. This group would serve two major purposes. First, by regular and periodic meeting and discussion among the heads of the agencies having to do with fiscal and monetary policies, differences of opinion would become less likely to develop. A group of this nature would do much to achieve accord before discord arises. Second, the means would be provided for informal discussions with the President on broad questions of monetary and fiscal policy. The advisory group could report to the President -- preferably on an informal and confidential basis -- as often as desired.

It is my present intention to recommend to the President that he consider the creation of a national council along the lines which I have just described, with advisory authority in the area of monetary and fiscal policy. Prior to doing so, however, I should like to obtain the views of the Subcommittee as to the advisability -- the pros and cons -- of such a step. I am looking forward with great interest, therefore, to the discussion of this matter in the hearings, and to your own deliberations with regard to it.

The question of a national council which would act as an advisory group with respect to monetary and fiscal policy brings up another matter which I hope the Subcommittee will find time to consider from all angles. In question 9 of the questionnaire sent to me, a discussion of the relationship between the President and the Federal Reserve System was called for. In answering this question, I indicated my opinion that it was desirable for the Federal Reserve System to retain its independent status. I expressed further, however, my strong feeling that it is natural, proper, and desirable for the President to seek to settle disputes by having all of the interested parties sit around a table to discuss their differences, in the interests of coordination. This, it seems to me, represents the essence of independence -- that the President and the Board should have both the right and the duty to discuss the problems with each other, on the basis of a free interchange of views.

The Joint Committee on the Economic Report is in a very good position to help obtain the kind of cooperation and cohesiveness of policy which we need to emphasize constantly in all branches of Government. This is because the Committee has the responsibility for looking at the economic problems involved from every point of view. You are not concerned solely with revenues, for example, or with expenditures, or with appropriations; rather it is your unique function among the committees of Congress to appraise the whole complex of measures and programs having a significant influence on the economic well-being of the country.

Because of our appreciation of this fact, we have given special attention to the questions requesting general views. Right now, however, we are faced with a practical financing problem which must be worked out in the immediate future; and I should like to discuss with you briefly how a problem of this sort, in practice, ties in with the more general considerations which govern Treasury policy.

On the basis of the estimates in the President's budget, as much as $10 billion of the defense program may have to be financed by additional borrowing from the public before the end of the present calendar year. The budget is, of course, subject to revision as the year progresses, and particularly as we see how the expenditure program shapes up. Whatever the final figures turn out to be, however, the amounts which we shall have to borrow will be substantial.

Earlier in this statement, I noted that the general goals of our debt management programs are (a) countering any pronounced inflationary or deflationary pressures, (b) providing securities to meet the current needs of various investor groups, and (c) maintaining a sound market for United States Government securities. These objectives are the guides which we use in arriving at policies which are appropriate to current economic conditions.

The difficulties of this procedure in practice, however, and the many balanced judgments which are involved, could not be better illustrated than by our present situation. As I have stated, we may have to borrow as much as $10 billion in new money from the public before the end of this calendar year; and it is generally agreed that these funds should be obtained to the greatest extent possible outside of the commercial banking system. From this point forward, however, we must proceed on the basis of a careful analysis of the many conflicting factors in the immediate outlook. There is no single, simple approach which will solve the entire problem for us.

To begin with, we must be constantly watchful with respect to the development of inflationary or deflationary tendencies. There appears to be a lull, at present, in inflationary pressures; but it would be imprudent to give less than full weight to the inflationary implications of our large defense program and of the deficit financing operations which will have to be undertaken in connection with it. For some time to come, defense production will draw heavily on our physical resources; and the existence of a significant deficit will add to the supply of funds available for spending or saving.

In the second place, we must take account of the fact that our present borrowing program will have to be geared to a set of circumstances which are unlike those experienced in connection with any previous large-scale borrowing operations. In contrast to the World War II situation, for example, a large sector of industry and trade is engaged in substantially normal operations; including operations -- such as capital expenditure programs -- which draw on investment funds. When we found it necessary to borrow large sums of money early in World War II, moreover, the

Government's debt was much smaller than it is now, both in absolute terms and in relation to the size of the economy. Today, our Government debt accounts for almost half of all the debt obligations in the country, public and private; including -- in addition to Federal securities -- bonds of State and local governments, obligations of private corporations, mortgages, bank loans, consumer instalment paper, etc. Public debt obligations represent an important part of the assets of our financial institutions, of numerous business corporations, and of millions of individuals and families throughout the Nation.

Against this background, the practical meaning of the broad objectives of debt management which I outlined earlier becomes clear. It is evident that we must use great care to maintain an atmosphere which will be favorable not only to the purchase of new Government securities, but to the retention of current holdings -- and particularly, of course, the holdings of nonbank investors. To maintain investor confidence, inflationary or deflationary tendencies must be countered, and sound conditions must be maintained in the market for United States Government securities. To sell the greatest possible amount of securities outside of the commercial banking system, issues must be provided which will meet investor needs. Each one of the general requirements of a sound debt management program, therefore, is seen to have a direct application to our present problem.

In order to formulate a program suited to the current situation, the Treasury -- as it has done in connection with each important financing operation in the past -- has been making extensive analyses of the money and investment markets; it has been discussing the problems on a continuing basis with representatives of the Federal Reserve System; and it has been conducting a series of informal conferences and discussions (in which the Federal Reserve participates) with representatives of leading investor and financial groups and others during recent weeks.

While I have found general agreement, as I noted earlier, on the need for securing the necessary amounts from nonbank investors, there is a wide divergence of views on how we ought to go about securing the funds; and there are differences of opinion, also, as to measures which should be taken outside the area of debt management to maintain stability in the price structure and in the economy generally.

These differences of opinion are to be expected. The problems involved are extremely complex; they are all inter-related; and they all touch on major aspects of public economic policy affecting wide areas of the economy.

When we review all of these facts in the Treasury, and evaluate them in terms of the problem at hand, the situation seems to us to add up to these conclusions:

It is essential for the well-being of the country that the Treasury and the Federal Reserve continue to work in the closest cooperation. Both agencies are in wholehearted agreement on this matter. There is no substitute for working together on the important problems which we shall have to solve jointly if the fundamental strength and productive power of the American economy are to be maintained. I feel that an advisory council of the sort which I have discussed with the committee today would be of help in broadening the scope of cooperation. The spirit of cooperative effort, however, is the essence of the matter.

The prospect of substantial deficit financing in the period immediately ahead underscores the importance of the broad economic objectives of the Treasury, and particularly of debt management policy. The Treasury has succeeded during the postwar period in reducing the proportion of the public debt held by the commercial banking system from 42 percent at the peak of World War II financing to 33 percent at the present time. It has succeeded in maintaining savings bond ownership not only at the wartime peak, but at a figure which is now close to $58 billion -- $9 billion higher than the amount held at the close of World War II financing. Our deficit financing program must conserve these gains -- and it must add to them.

For these reasons, the Treasury places great emphasis on the need for prudence with respect to policies which affect the Federal debt. As the Subcommittee's questionnaires brought out so clearly, a governmental agency does not operate in the field of abstract theory; full account must be given at all times to the practical implications of the policies and programs undertaken. The opportunity which the present hearings will provide for a discussion of measures appropriate to our present situation will, I am convinced, make a most important contribution to public understanding of the problems now confronting us.

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RELEASE, MORNING NEWSPAPERS,
Tuesday, March 11, 1952.

The Secretary of the Treasury announced last evening that the tenders for $1,200,000,000, or thereabouts, of 91-day Treasury bills to be dated March 13 and to mature June 12, 1952, which were offered on March 6, were opened at the Federal Reserve Banks on March 10.

The details of this issue are as follows:

Total applied for - $2,308,342,000
Total accepted - 1,200,138,000 (includes $183,046,000 entered on a non-competitive basis and accepted in full at the average price shown below)

Average price - 99.549/ Equivalent rate of discount approx. 1.784% per annum

Range of accepted competitive bids: (Excepting one tender of $600,000)

High - 99.610 Equivalent rate of discount approx. 1.543% per annum
Low - 99.545 " " " " " 1.800% " "

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

Federal Reserve District	Total Applied for	Total Accepted
Boston	$ 30,223,000	$ 16,616,000
New York	1,519,026,000	674,426,000
Philadelphia	50,065,000	29,765,000
Cleveland	64,502,000	53,211,000
Richmond	26,301,000	25,026,000
Atlanta	46,221,000	42,666,000
Chicago	220,535,000	150,505,000
St. Louis	40,298,000	19,305,000
Minneapolis	23,320,000	23,210,000
Kansas City	48,571,000	36,596,000
Dallas	62,960,000	27,960,000
San Francisco	176,320,000	100,852,000
TOTAL	$2,308,342,000	$1,200,138,000

TREASURY DEPARTMENT

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

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STATUTORY DEBT LIMITATION

AS OF February 29, 1952

TREASURY DEPARTMENT
Fiscal Service
Washington, March 5, 1952

Section 21 of 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 (Act of June 26, 1946; U.S.C., title 31, sec. 757b), 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	$ 18,103,619,000		
Certificates of indebtedness	29,079,235,000		
Treasury notes	26,477,311,250	$ 73,660,165,250	
Bonds -			
Treasury	76,941,780,950		
Savings (current redemp. value)	57,682,453,278		
Depositary	363,342,500		
Armed Forces Leave	-		
Investment series	12,985,793,000	147,973,369,728	
Special Funds -			
Certificates of indebtedness	22,057,415,000		
Treasury notes	14,302,949,000	36,360,364,000	
Total interest-bearing		257,993,898,978	
Matured, interest-ceased		411,395,225	
Bearing no interest:			
War savings stamps	48,291,447		
Excess profits tax refund bonds	1,793,507		
Special notes of the United States:			
Internat'l Monetary Fund series	1,253,000,000	1,303,084,954	
Total		259,708,379,157	
Guaranteed obligations (not held by Treasury):			
Interest-bearing:			
Debentures: F.H.A.	32,962,187		
Demand obligations: C.C.C.	2,256,346	35,218,533	
Matured, interest-ceased		1,697,025	
		36,915,558	
Grand total outstanding			259,745,294,715
Balance face amount of obligations issuable under above authority			15,254,705,285

Reconcilement with Statement of the Public Debt Feb. 29, 1952
(Date)
(Daily Statement of the United States Treasury, Mar. 3, 1952)
(Date)

Outstanding -	
Total gross public debt	260,361,955,841
Guaranteed obligations not owned by the Treasury	36,915,558
Total gross public debt and guaranteed obligations	260,398,871,399
Deduct - other outstanding public debt obligations not subject to debt limitation	653,576,684
	259,745,294,715

wf S-2990

March 12, 1952

STATUTORY DEBT LIMITATION AS OF FEBRUARY 29, 1952

Section 21 of 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 (Act of June 26, 1946; U.S.C., title 31, sec. 757b), 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	$ 18,103,619,000		
Certificates of indebtedness	29,079,235,000		
Treasury notes	26,477,311,250	$73,660,165,250	
Bonds -			
Treasury	76,941,780,950		
Savings (current redemp. value)	57,682,453,278		
Depositary	363,342,500		
Armed Forces Leave	-		
Investment series	12,985,793,000	147,973,369,728	
Special Funds -			
Certificates of indebtedness.	22,057,415,000		
Treasury notes	14,302,949,000	36,360,364,000	
Total interest-bearing		257,993,898,978	
Matured, interest-ceased		411,395,225	
Bearing no interest:			
War savings stamps	48,291,447		
Excess profits tax refund bonds	1,793,507		
Special notes of the United States:			
Internat'l Monetary Fund Series	1,253,000,000	1,303,084,954	
Total		259,708,379,157	
Guaranteed obligations (not held by Treasury):			
Interest-bearing:			
Debentures: F.H.A.	32,962,187		
Demand obligations: C.C.C.	2,256,346	35,218,533	
Matured, interest-ceased		1,697,025	
		36,915,558	
Grand total outstanding			259,745,294,715
Balance face amount of obligations issuable under above authority			15,254,705,285

Reconcilement with Statement of the Public Debt - February 29, 1952
(Daily Statement of the United States Treasury, March 3, 1952)

Outstanding -	
Total gross public debt	260,361,955,841
Guaranteed obligations not owned by the Treasury	36,915,558
Total gross public debt and guaranteed obligations	260,398,871,399
Deduct - other outstanding public debt obligations not subject to debt limitation	653,576,684
	259,745,294,715

S-2990

~~ALPHA~~

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.

ALPHA

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 March 20, 1952, in cash or other immediately available funds or in a like face amount of Treasury bills maturing March 20, 1952. 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

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TREASURY DEPARTMENT
Washington

A-2991

FOR RELEASE, MORNING NEWSPAPERS,
Thursday, March 13, 1952 .
(1)

The Secretary of the Treasury, by this public notice, invites tenders for $ 1,200,000,000 (2), or thereabouts, of 91 (3) -day Treasury bills, for cash and in exchange for Treasury bills maturing March 20, 1952 (4), in the amount of $1,200,816,000, to be issued on a discount basis under competitive and non-competitive bidding as hereinafter provided. The bills of this series will be dated March 20, 1952 (5), and will mature June 19, 1952 (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, March 17, 1952 (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.

Others than banking institutions will not be permitted to submit tenders except for their own account. 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,

TREASURY DEPARTMENT

Information Service WASHINGTON, D.C.

RELEASE MORNING NEWSPAPERS,
Thursday, March 13, 1952. S-2991

The Secretary of the Treasury, by this public notice, invites tenders for $1,200,000,000, or thereabouts, of 91-day Treasury bills, for cash and in exchange for Treasury bills maturing March 20, 1952, in the amount of $1,200,816,000, to be issued on a discount basis under competitive and non-competitive bidding as hereinafter provided. The bills of this series will be dated March 20, 1952, and will mature June 19, 1952, 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, March 17, 1952. 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.

Others than banking institutions will not be permitted to submit tenders except for their own account. 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 March 20, 1952, in cash or other immediately available funds or in a like face amount of Treasury bills maturing March 20, 1952. 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.

oOo

499

March 5, 1952

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 February, 1952:

Purchases	$9,911,000
Sales	3,224,500
Net purchases	$6,686,500

Chief, Division of Investments

D. of I. No. 35
Wisecarver 3/5/52

TREASURY DEPARTMENT

Information Service WASHINGTON, D.C.

RELEASE MORNING NEWSPAPERS, S- 2992
~~Friday, February 15, 1952.~~ ~~S-2970~~
Saturday, March 15, 1952

During the month of ~~January~~ February, 1952, market transactions in direct and guaranteed securities of the Government for Treasury investment and other accounts resulted in net purchases of ~~$22,115,500~~ $6,686,500, Secretary Snyder announced today.

oOo

501

TREASURY DEPARTMENT

Information Service WASHINGTON, D.C.

RELEASE MORNING NEWSPAPERS,
Saturday, March 15, 1952. S-2992

During the month of February, 1952 market transactions in direct and guaranteed securities of the Government for Treasury investment and other accounts resulted in net purchases of $6,686,500, Secretary Snyder announced today.

oOo

Treasury Department
Washington

S-2993

IMMEDIATE RELEASE
Thursday
March ~~12~~ 13, 1952

The Bureau of Customs announced today preliminary figures showing the imports for consumption of commodities within tariff-rate quota limitations from the beginning of the quota periods to March 1, 1952, inclusive, as follows:

Commodity	Period and Quantity		Unit of Quantity	Imports as of Mar. 1, 1952
Whole milk, fresh or sour	Calendar year	3,000,000	Gallon	8,148
Cream	Calendar year	1,500,000	Gallon	164
Butter	Nov. 1, 1951- Mar. 31, 1952	50,000,000	Pound	62,075
Fish, fresh or frozen, filleted, etc., cod, haddock, hake, pollock, cusk, and rosefish	Calendar year	31,472,108	Pound	(1) Quota filled
White or Irish Potatoes:				
certified seed	12 months from	150,000,000	Pound	52,736,410
other	Sept. 15, 1951	249,600,000	Pound	12,057,430
Walnuts	Calendar year	5,000,000	Pound	2,180,092
Petroleum and petroleum products	Calendar year			
	Venezuela	2,956,841,949	Gallon	959,338,916
	Netherlands	930,857,651	Gallon	615,900,103
	Other countries	1,090,148,800	Gallon	536,872,144
Almonds:				
shelled	12 months from			1,437,893
		*4,500,000	Pound	
prepared, etc.	Oct. 1, 1951			318,280

*Of the total, not more than 500,000 pounds shall be blanched, roasted, or otherwise prepared or preserved almonds (not including almond paste).

(1) Imports for consumption at the quota rate are limited to 7,868,027 pounds during the first three months of the calendar year.

TREASURY DEPARTMENT
Washington

IMMEDIATE RELEASE
Thursday, March 13, 1952

S-2993

The Bureau of Customs announced today preliminary figures showing the imports for consumption of commodities within tariff-rate quota limitations from the beginning of the quota periods to March 1, 1952, inclusive, as follows:

Commodity	Period and Quantity		Unit of Quantity	Imports as of Mar. 1, 1952
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Cream	Calendar year	1,500,000	Gallon	164
Butter	Nov. 1, 1951- Mar. 31, 1952	50,000,000	Pound	62,075
Fish, fresh or frozen, filleted, etc., cod, haddock, hake, pollock, cusk, and rosefish	Calendar year	31,472,108	Pound	(1) Quota filled
White or Irish Potatoes:				
certified seed	12 months from	150,000,000	Pound	52,736,410
other	Sept. 15, 1951	249,600,000	Pound	12,057,430
Walnuts	Calendar year	5,000,000	Pound	2,180,092
Petroleum and petroleum products	Calendar year			
	Venezuela	2,956,841,949	Gallon	959,338,916
	Netherlands	930,857,651	Gallon	615,900,103
	Other countries	1,090,148,800	Gallon	536,872,144
Almonds:				
shelled	12 months from			1,437,893
		*4,500,000	Pound	
prepared, etc.	Oct. 1, 1951			318,280

*Of the total, not more than 500,000 pounds shall be blanched, roasted, or otherwise prepared or preserved almonds (not including almond paste).

(1) Imports for consumption at the quota rate are limited to 7,868,027 pounds during the first three months of the calendar year.

Treasury Department
Washington

S-2994

FOR IMMEDIATE RELEASE,
Thursday, March ~~12~~ 13, 1952

The Bureau of Customs announced today preliminary figures showing the quantities of wheat and wheat flour authorized to be 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, 1951, as follows:

Country of Origin	Wheat		Wheat flour, semolina, crushed or cracked wheat, and similar wheat products	
	Established Quota	Imports May 29, 1951, to March 11, 1952	Established Quota	Imports May 29, 1951, to Mar. 11, 1952
	(Bushels)	(Bushels)	(Pounds)	(Pounds)
Canada	795,000	580,097	3,815,000	3,815,000
China	-	-	24,000	-
Hungary	-	-	13,000	-
Hong Kong	-	-	13,000	11,200
Japan	-	-	8,000	-
United Kingdom	100	-	75,000	62
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	1,639
Cuba	-	-	12,000	-
France	1,000	10	1,000	115
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	580,107	4,000,000	3,828,016

TREASURY DEPARTMENT
Washington

IMMEDIATE RELEASE
Thursday, March 13, 1952

S-2994

The Bureau of Customs announced today preliminary figures showing the quantities of wheat and wheat flour authorized to be 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, 1951, as follows:

Country of Origin	Wheat		Wheat flour, semolina, crushed or cracked wheat, and similar wheat products	
	Established Quota	Imports May 29, 1951, to March 11, 1952	Established Quota	Imports May 29, 1951, to Mar. 11, 1952
	(Bushels)	(Bushels)	(Pounds)	(Pounds)
Canada	795,000	580,097	3,815,000	3,815,000
China	-	-	24,000	-
Hungary	-	-	13,000	-
Hong Kong	-	-	13,000	11,200
Japan	-	-	8,000	-
United Kingdom	100	-	75,000	62
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	1,639
Cuba	-	-	12,000	-
France	1,000	10	1,000	115
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	580,107	4,000,000	3,828,016

Treasury Department
Washington

S-2995

IMMEDIATE RELEASE
Thursday, March ~~12~~, 1952
13

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, 1952, to March 1, 1952, inclusive, as follows:

Products of the Philippines	Established Quota Quantity	Unit of Quantity	Imports as of March 1, 1952
Buttons	850,000	Gross	122,092
Cigars	200,000,000	Number	182,505
Coconut Oil	448,000,000	Pound	9,304,034
Cordage	6,000,000	"	637,815
Rice	1,040,000	"	-
Sugars (refined	1,904,000,000	"	-
Sugars (unrefined ..			126,797,311
Tobacco	6,500,000	"	439,460

TREASURY DEPARTMENT
Washington

IMMEDIATE RELEASE
Thursday, March 13, 1952

S-2995

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, 1952, to March 1, 1952, inclusive, as follows:

Products of the Philippines	Established Quota Quantity	Unit of Quantity	Imports as of March 1, 1952
Buttons	850,000	Gross	122,092
Cigars	200,000,000	Number	182,505
Coconut Oil	448,000,000	Pound	9,304,034
Cordage	6,000,000	Pound	637,815
Rice	1,040,000	Pound	-
Sugars (refined	1,904,000,000	Pound	-
Sugars (unrefined ...			126,797,311
Tobacco	6,500,000	Pound	439,460

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. 20,1951 to March 11, 1952	Established 33-1/3% of Total Quota	Imports 1/ Sept. 20, 1951 to Mar. 11, 1952
United Kingdom	4,323,457	27,370	1,441,152	27,370
Canada	239,690	234,666	-	-
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	-	7,088	-
	5,482,509	262,036	1,599,886	27,370

1/ Included in total imports, column 2.

Prepared by the Bureau of Customs

Treasury Department
Washington

IMMEDIATE RELEASE
March 12, 1952
Thursday 13

S-2996

Preliminary data on imports for consumption of cotton and cotton waste chargeable to the quotas established by the President's Proclamation of September 5, 1939, as amended

COTTON (other than linters) (in pounds)

Cotton under 1-1/8 inches other than rough or harsh under 3/4"
Imports Sept. 20, 1951, to March 11, 1952, inclusive

Country of Origin	Established Quota	Imports
Egypt and the Anglo-Egyptian Sudan	783,816	-
Peru	247,952	66,526
British India	2,003,483	-
China	1,370,791	-
Mexico	8,883,259	8,883,259
Brazil	618,723	142,837
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 E. Indies	71,388	-
Barbados	-	-
1/Other British W. Indies	21,321	-
Nigeria	5,377	-
2/Other British W. Africa	16,004	-
3/Other French Africa ...	689	-
Algeria and Tunisia ...	-	-

1/ Other than Barbados, Bermuda, Jamaica, Trinidad, and Tobago.
2/ Other than Gold Coast and Nigeria.
3/ Other than Algeria, Tunisia, and Madagascar.

Cotton, harsh or rough, of less than 3/4"
Imports Sept. 20, 1951, to March 1, 1952

Established Quota (Global)	Imports
70,000,000	1,063,864

Cotton 1-1/8" or more, but less than 1-11/16"
Imports Feb. 1, 1952, to March 11, 1952

Established Quota (Global)	Imports
45,656,420	17,090,615

TREASURY DEPARTMENT
Washington

IMMEDIATE RELEASE
Thursday, March 13, 1952

S-2996

Preliminary data on imports for consumption of cotton and cotton waste chargeable to the quotas established by the President's Proclamation of September 5, 1939, as amended

COTTON (other than linters) (in pounds)
Cotton under 1-1/8 inches other than rough or harsh under 3/4"
Imports Sept. 20, 1951, to March 11, 1952, Inclusive

Country of Origin	Established Quota	Imports	Country of Origin	Established Quota	Imports
Egypt and the Anglo-Egyptian Sudan	783,816	-	Honduras	752	-
Peru	247,952	66,526	Paraguay	871	-
British India	2,003,483	-	Colombia	124	-
China	1,370,791	-	Iraq	195	-
Mexico	8,883,259	8,883,259	British East Africa ...	2,240	-
Brazil	618,723	142,837	Netherlands E. Indies..	71,388	-
Union of Soviet Socialist Republics	475,124	-	Barbados	-	-
Argentina	5,203	-	1/Other British W. Indies	21,321	-
Haiti	237	-	Nigeria	5,377	-
Ecuador	9,333	-	2/Other British W. Africa	16,004	-
			3/Other French Africa ...	689	-
			Algeria and Tunisia ...	-	-

1/ Other than Barbados, Bermuda, Jamaica, Trinidad, and Tobago.
2/ Other than Gold Coast and Nigeria.
3/ Other than Algeria, Tunisia, and Madagascar.

Cotton, harsh or rough, of less than 3/4"
Imports Sept. 20, 1951, to March 1, 1952

Established Quota (Global)	Imports
70,000,000	1,063,864

Cotton 1-1/8" or more, but less than 1-11/16"
Imports Feb. 1, 1952, to March 11, 1952

Established Quota (Global)	Imports
45,656,420	17,090,615

510

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, 1951 to March 11, 1952	Established 33-1/3% of Total Quota	Imports 1/ Sept. 20, 1951 to Mar. 11, 1952
United Kingdom..........	4,323,457	27,370	1,441,152	27,370
Canada	239,690	234,666	-	-
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	-	7,088	-
	5,482,509	262,036	1,599,886	27,370

1/ Included in total imports, column 2.

Prepared by the Bureau of Customs

TREASURY DEPARTMENT

Information Service WASHINGTON, D.C.

IMMEDIATE RELEASE
Thursday, March 13, 1952

S-2997

The Treasury Department today made public a report of monetary gold transactions with foreign governments and central banks for the calendar year 1951. U.S. purchases of gold exceeded sales by \$75 million last year, with net sales of \$932 million in the first half of 1951 offset by net purchases of \$1,007 million in the second half.

A table showing total 1951 and quarterly net transactions by country is attached.

UNITED STATES GOLD TRANSACTIONS WITH FOREIGN COUNTRIES, 1951

(in millions of dollars)

Negative figures represent net sales by the United States; positive figures, net purchases.*

Country	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Total 1951
Argentina	-$49.9	$ -	$ -	$ -	-$49.9
Belgium	-12.3*	2.0	-	-	-10.3
Belgian Congo	-8.0	-	-	-	-8.0
Canada	-	-10.0	-	-	-10.0
Chile	-5.0	-	.1	.1	-4.8
Colombia	14.0	-	3.5	-	17.5
Cuba	-	-	-20.0	-	-20.0
Denmark	-13.4	-2.1	-4.2	-	-19.7
Dominican Republic ..	-2.0	-2.0	-	-4.0	-8.0
Ecuador	-3.5	-	-	-	-3.5
Egypt	-20.0	-25.0	-31.0	-	-76.0
Fiji Islands	2.2	.3	1.1	-	3.6
Finland	-	-	-2.8	-2.0	-4.8
France	-91.7	-	-	71.6	-20.1
Greece	-6.2	-	-	-4.1	-10.3
Indonesia	-20.0	-	-	-25.0	-45.0
Lebanon	-1.1	-	-4.3	-	-5.4
Mexico	-124.4	64.1	-	-	-60.3
Netherlands	-4.5	-	-	-	-4.5
Peru	-15.0	-	-	-	-15.0
Philippines	1.6	1.0	.3	.6	3.5
Portugal	-10.0	-15.0	-5.0	-5.0	-34.9
Salvador	-	-3.0	-	-	-3.0
Saudi Arabia	-.8	-	-	-	-.8
Sweden	-15.0	-	-17.0	-	-32.0
Switzerland	-15.0	-	-	-	-15.0
Switzerland-B.I.S. ..	-24.8	-9.1	3.5	-	-30.4
Syria	-.7	-3.8	-1.1	-.7	-6.3
South Africa	-	12.7	20.3	19.2	52.1
United Kingdom	-400.0	-80.0	320.0	629.9	469.9
Uruguay	-50.9	15.0	28.0	30.0	22.1
Vatican City	-	-	-	5.0	5.0
Venezuela	-	-.9	-	-	-.9
All Other	-.1	.1	-	.1	.1
Total	-$876.3	-$55.5	$291.4	$715.7	$75.2

* Transactions with each country in each quarter were all purchases or all sales with one exception; i.e., the net figures for each quarter, shown above, also represent the gross transactions for the quarter, except for Belgium which in the first quarter purchased $15.6 million and sold $3.3 million.

Figures will not add to totals because of rounding.

5-2998

Immediate Release Thursday, March 13, 1952

Secretary Snyder today issued the following statement:

I am sure the action of the Senate in voting favorably on the President's Internal Revenue Service reorganization plan will meet with the widest public approval.

The adoption of this plan is a progressive move in the improvement of our governmental machinery. By authorizing organizational changes necessary to meet present-day requirements, the plan opens the way for further development of a Revenue Service of the highest efficiency and integrity.

indent

Steps to put the plan into effect will be undertaken at once under the direction of Commissioner of Internal Revenue John B. Dunlap. The transition will be orderly to assure that the work of the Bureau will not be interfered with. But we shall act as speedily as circumstances permit. I feel confident that the requirements of the December 1st deadline will be met.

The public will be kept fully informed, so that the change-over into a thoroughly modernized Revenue Service may be accomplished without causing any confusion or inconvenience to the taxpayer.

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TREASURY DEPARTMENT

Information Service WASHINGTON, D.C.

IMMEDIATE RELEASE,
Thursday, March 13, 1952. S-2998

Secretary Snyder today issued the following statement:

I am sure the action of the Senate in voting favorably on the President's Internal Revenue Service reorganization plan will meet with the widest public approval.

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The public will be kept fully informed, so that the change-over into a thoroughly modernized Revenue Service may be accomplished without causing any confusion or inconvenience to the taxpayer.

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S-2999

RELEASE, MORNING NEWSPAPERS,
Tuesday, March 18, 1952.

The Secretary of the Treasury announced last evening that the tenders for $1,200,000,000, or thereabouts, of 91-day Treasury bills to be dated March 20 and to mature June 19, 1952, which were offered on March 13, were opened at the Federal Reserve Banks on March 17.

The details of this issue are as follows:

Total applied for - $1,962,982,000
Total accepted - 1,200,597,000 (includes $199,741,000 entered on a non-competitive basis and accepted in full at the average price shown below)

Average price - 99.595/ Equivalent rate of discount approx. 1.601% per annum

Range of accepted competitive bids:

High	- 99.603	Equivalent rate of discount approx. 1.571% per annum
Low	- 99.591	" " " " " 1.618% " "

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

Federal Reserve District	Total Applied for	Total Accepted
Boston	$ 38,963,000	$ 24,868,000
New York	1,320,512,000	657,492,000
Philadelphia	26,950,000	11,050,000
Cleveland	87,882,000	74,452,000
Richmond	21,003,000	15,803,000
Atlanta	32,302,000	30,802,000
Chicago	217,860,000	189,924,000
St. Louis	30,163,000	23,596,000
Minneapolis	9,092,000	8,662,000
Kansas City	47,815,000	43,538,000
Dallas	61,763,000	56,133,000
San Francisco	68,677,000	64,277,000
TOTAL	$1,962,982,000	$1,200,597,000

TREASURY DEPARTMENT

Information Service WASHINGTON, D.C.

RELEASE MORNING NEWSPAPERS,
Tuesday, March 18, 1952. S-2999

The Secretary of the Treasury announced last evening that the tenders for $1,200,000,000, or thereabouts, of 91-day Treasury bills to be dated March 20 and to mature June 19, 1952, which were offered on March 13, were opened at the Federal Reserve Banks on March 17.

The details of this issue are as follows:

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Average price - 99.595/ Equivalent rate of discount approx. 1.601% per annum

Range of accepted competitive bids:

High - 99.603 Equivalent rate of discount approx. 1.571% per annum
Low - 99.591 Equivalent rate of discount approx. 1.618% per annum

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

Federal Reserve District	Total Applied for	Total Accepted
Boston	$ 38,963,000	$ 24,868,000
New York	1,320,512,000	657,492,000
Philadelphia	26,950,000	11,050,000
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Richmond	21,003,000	15,803,000
Atlanta	32,302,000	30,802,000
Chicago	217,860,000	189,924,000
St. Louis	30,163,000	23,596,000
Minneapolis	9,092,000	8,662,000
Kansas City	47,815,000	43,538,000
Dallas	61,763,000	56,133,000
San Francisco	68,677,000	64,277,000
TOTAL	$1,962,982,000	$1,200,597,000

oOo

Immediate Release
~~RELEASE, MORNING NEWSPAPERS,~~ 5-3000

Tuesday, March 18, 1952.

Comptroller of the Currency Preston Delano today announced the appointment, effective April 1, 1952, of James C. Osborn as District Chief National Bank Examiner of the Fifth Federal Reserve District in Richmond, Virginia to succeed Robert S. Beatty, whose transfer as of the same date to Kansas City, Missouri as District Chief National Bank Examiner of the Tenth Federal Reserve District has already been announced.

Mr. Osborn, a native of Oregon, entered the service of the Comptroller's office in 1930 as an Assistant National Bank Examiner in the Twelfth Federal Reserve District and, in 1939, was commissioned a National Bank Examiner in the Twelfth District. He was transferred to the Washington office in March, 1951 as an Assistant Chief National Bank Examiner.

TREASURY DEPARTMENT

Information Service WASHINGTON, D.C.

517

IMMEDIATE RELEASE,
Tuesday, March 18, 1952. S-3000

Comptroller of the Currency Preston Delano today announced the appointment, effective April 1, 1952, of James C. Osborn as District Chief National Bank Examiner of the Fifth Federal Reserve District in Richmond, Virginia to succeed Robert S. Beatty, whose transfer as of the same date to Kansas City, Missouri as District Chief National Bank Examiner of the Tenth Federal Reserve District has already been announced.

Mr. Osborn, a native of Oregon, entered the service of the Comptroller's office in 1930 as an Assistant National Bank Examiner in the Twelfth Federal Reserve District and, in 1939, was commissioned a National Bank Examiner in the Twelfth District. He was transferred to the Washington office in March, 1951 as an Assistant Chief National Bank Examiner.

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Immediate wednesday 3/19/52

~~STATEMENT FOR THE PRESS~~

S-3001

518

Secretary of the Treasury John W. Snyder stated today that the President had authorized him to announce his acceptance of the resignations of George Hofferbert, Collector of Internal Revenue for the District of Maryland with headquarters at Baltimore, and Vincent Y. Dallman, Collector for the 8th Illinois District with headquarters at Springfield. Both resignations are effective March 31, 1952.

The Secretary said that both Collectors had rendered excellent service.

Mr. Hofferbert has been Collector for the Maryland District since 1944. His resignation was prompted by his wish to return to the private practice of law.

Mr. Dallman assumed office as Collector in 1933 and he is leaving the position so that he may devote his full time to newspaper interests.

The Secretary announced that, pending reorganization of the Collectors' offices under the President's Reorganization Plan recently approved by the Congress, the following career revenue officials will be named as Acting Collectors to fill the two vacancies:

For the Maryland District, Assistant Collector Eugene Travers.

For the 8th Illinois District, Assistant Collector Heber D. Lukenbill.

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TREASURY DEPARTMENT

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

IMMEDIATE RELEASE,
Wednesday, March 19, 1952. S-3001 519

Secretary of the Treasury John W. Snyder stated today that the President had authorized him to announce his acceptance of the resignations of George Hofferbert, Collector of Internal Revenue for the District of Maryland with headquarters at Baltimore, and Vincent Y. Dallman, Collector for the 8th Illinois District with headquarters at Springfield. Both resignations are effective March 31, 1952.

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For the Maryland District, Assistant Collector Eugene Travers.

For the 8th Illinois District, Assistant Collector Heber D. Lukenbill.

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ALPHA

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.

ALPHA

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 March 27, 1952 (8), in cash or other immediately available funds or in a like face amount of Treasury bills maturing March 27, 1952. (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

~~Exhibit 1~~

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TREASURY DEPARTMENT
Washington

S-3002

FOR RELEASE, MORNING NEWSPAPERS,
Thursday, March 20, 1952.
(1)

The Secretary of the Treasury, by this public notice, invites tenders for $1,200,000,000 (2), or thereabouts, of 91 (3) -day Treasury bills, for cash and in exchange for Treasury bills maturing March 27, 1952 (4), in the amount of $1,204,475,000, to be issued on a discount basis under competitive and non-competitive bidding as hereinafter provided. The bills of this series will be dated March 27, 1952 (5), and will mature June 26, 1952 (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, March 24, 1952 (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.

Others than banking institutions will not be permitted to submit tenders except for their own account. 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,

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TREASURY DEPARTMENT

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

RELEASE MORNING NEWSPAPERS,
Thursday, March 20, 1952.

S-3002

The Secretary of the Treasury, by this public notice, invites tenders for $1,200,000,000, or thereabouts, of 91-day Treasury bills, for cash and in exchange for Treasury bills maturing March 27, 1952, in the amount of $1,204,475,000, to be issued on a discount basis under competitive and non-competitive bidding as hereinafter provided. The bills of this series will be dated March 27, 1952, and will mature June 26, 1952, 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, March 24, 1952. 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.

Others than banking institutions will not be permitted to submit tenders except for their own account. 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 March 27, 1952, in cash or other immediately available funds or in a like face amount of Treasury bills maturing March 27, 1952. 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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3003

RELEASE MORNING NEWSPAPERS,
Tuesday, March 25, 1952.

The Secretary of the Treasury announced last evening that the tenders for $1,200,000,000, or thereabouts, of 91-day Treasury bills to be dated March 27 and to mature June 26, 1952, which were offered on March 20, were opened at the Federal Reserve Banks on March 24.

The details of this issue are as follows:

Total applied for - $2,067,766,000
Total accepted - 1,201,069,000 (includes $175,363,000 entered on a non-competitive basis and accepted in full at the average price shown below)
Average price - 99.597+ Equivalent rate of discount approx. 1.592% per annum

Range of accepted competitive bids:

High	- 99.620	Equivalent rate of discount approx. 1.503% per annum
Low	- 99.595	" " " " " 1.602% " "

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

Federal Reserve District	Total Applied for	Total Accepted
Boston	$ 44,866,000	$ 29,080,000
New York	1,482,670,000	738,710,000
Philadelphia	26,282,000	8,282,000
Cleveland	47,523,000	38,323,000
Richmond	25,943,000	24,181,000
Atlanta	27,783,000	25,123,000
Chicago	196,610,000	161,445,000
St. Louis	35,904,000	27,765,000
Minneapolis	19,659,000	11,069,000
Kansas City	33,982,000	26,102,000
Dallas	37,477,000	34,973,000
San Francisco	89,067,000	76,016,000
Total	$2,067,766,000	$1,201,069,000

TREASURY DEPARTMENT

Information Service WASHINGTON, D.C.

RELEASE MORNING NEWSPAPERS,
Tuesday, March 25, 1952.

S-3003

The Secretary of the Treasury announced last evening that the tenders for $1,200,000,000, or thereabouts, of 91-day Treasury bills to be dated March 27 and to mature June 26, 1952, which were offered on March 20, were opened at the Federal Reserve Banks on March 24.

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Chicago	196,610,000	161,445,000
St. Louis	35,904,000	27,765,000
Minneapolis	19,659,000	11,069,000
Kansas City	33,982,000	26,102,000
Dallas	37,477,000	34,973,000
San Francisco	89,067,000	76,016,000
TOTAL	$2,067,766,000	$1,201,069,000

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~~ALPHA~~

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.

~~ALPHA~~

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 April 3, 1952 (8), in cash or other immediately available funds or in a like face amount of Treasury bills maturing April 3, 1952. (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

~~Exhibit~~

~~ALPHA~~

TREASURY DEPARTMENT
Washington

S-3004

FOR RELEASE, MORNING NEWSPAPERS,
Thursday, March 27, 1952 .

The Secretary of the Treasury, by this public notice, invites tenders for $ 1,200,000,000 , or thereabouts, of 91 -day Treasury bills, for cash and in exchange for Treasury bills maturing April 3, 1952 , in the amount of $ 1,201,148,000, to be issued on a discount basis under competitive and non-competitive bidding as hereinafter provided. The bills of this series will be dated April 3, 1952 , and will mature July 3, 1952 , 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, March 31, 1952. 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.

Others than banking institutions will not be permitted to submit tenders except for their own account. 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,

TREASURY DEPARTMENT

Information Service WASHINGTON, D.C.

RELEASE MORNING NEWSPAPERS,
Thursday, March 27, 1952.

S-3004

The Secretary of the Treasury, by this public notice, invites tenders for $1,200,000,000, or thereabouts, of 91-day Treasury bills, for cash and in exchange for Treasury bills maturing April 3, 1952, in the amount of $1,201,148,000, to be issued on a discount basis under competitive and non-competitive bidding as hereinafter provided. The bills of this series will be dated April 3, 1952, and will mature July 3, 1952, 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., Ea stern Standard time, Monday, March 31, 1952. 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.

Others than banking institutions will not be permitted to submit tenders except for their own account. 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 April 3, 1952, in cash or other immediately available funds or in a like face amount of Treasury bills maturing April 3, 1952. 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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Immediate Release
Friday March 28, 1952
~~Proposed Press Release~~

5-3005

Frank Dow, Commissioner of Customs, today ~~called~~ INVITED attention of United States manufacturers to new, simplified procedures for processing claims for drawback, which become effective April 1.

"Drawback" is a refunding of customs duties collected on imported merchandise, the refunds usually being made because of ~~its~~ use of the merchandise in the manufacture of goods in the United States which subsequently are exported. Similar refunds of internal-revenue taxes are authorized in the case of flavoring extracts and medicinal and toilet preparations manufactured with the use of domestic tax-paid alcohol, and then exported.

The new regulations, which are expected to effect considerable reduction in paper work for both commercial interests and customs offices, were ~~formalized last December, to become effective April 1, 1952,~~ approved after advance notice and solicitation of views of interested parties under the Administrative Procedure Act. They constitute another step in the continuing program of the Bureau of Customs to simplify its operations wherever possible.

¶ Commissioner ~~Mr.~~ Dow said that copies of the regulations and supplies of the new drawback forms can be obtained from collectors of customs.

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TREASURY DEPARTMENT

Information Service WASHINGTON, D.C.

IMMEDIATE RELEASE
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