U.S. Treasury Dept.
Press Releases

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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.

ALPHA

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 29, 1953, in cash or other immediately available funds or in a like face amount of Treasury bills maturing January 29, 1953. 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

Rm 4416

TREASURY DEPARTMENT
Washington

H-1

FOR RELEASE, MORNING NEWSPAPERS,
Thursday, January 22, 1953 .

The Secretary of the Treasury, by this public notice, invites tenders for $1,500,000,000, or thereabouts, of 91 -day Treasury bills, for cash and in exchange for Treasury bills maturing January 29, 1953, in the amount of $1,501,416,000, 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 29, 1953, and will mature April 30, 1953, 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 26, 1953. 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

TREASURY DEPARTMENT

Information Service WASHINGTON, D.C.

RELEASE MORNING NEWSPAPERS,
Thursday, January 22, 1953.

H-1

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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 January 29, 1953, in cash or other immediately available funds or in a like face amount of Treasury bills maturing January 29, 1953. Cash and exchange tenders will receive equal treatment. Cash adjustments will be made for differences between the par value of maturing bills accepted in exchange and the issue price of the new bills.

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oOo

Immediate Release

H-2

(~~SUGGESTED PRESS RELEASE~~)
Thursday, Jan 22, 1953

~~Today~~, Secretary of the Treasury George M. Humphrey today addressed a letter to the National and State Chairmen and Directors of the United States Savings Bonds Program advising them of his wholehearted support of the program and his intention to continue its vigorous promotion.

The Secretary asked that his letter be made public at once, so that the host of volunteer workers in this program throughout the Country would know his views and that he is enlisting their enterprising cooperation in this very important activity. The text of the Secretary's letter to the Chairmen and Directors is as follows:

"As I assume my duties as Secretary of the Treasury, I want to send a special message to the public-spirited men and women who are engaged in the vitally important task of promoting the sale of U. S. Savings Bonds.

"It is our intention to review carefully all Treasury operations to consider what adjustments may be required in the interest of efficient operations, but, in advance of this review, I wish to tell all of you that President Eisenhower and I recognize fully the value of the Savings Bond program and are prepared to give it our enthusiastic support.

"The sale of U. S. Savings Bonds promotes thrift, gives the holder a buffer against misfortunes, and makes him a partner of the Government. The sale of Government bonds to millions of the citizens of this Country is a vital part of a sound debt management policy.

"The Savings Bond program will be under the general supervision of W. Randolph Burgess and Andrew N. Overby, who will keep in touch with you.

"We appreciate what you have done and ask your cooperation as we go forward."

Approved by Secy.
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TREASURY DEPARTMENT

Information Service WASHINGTON, D.C.

IMMEDIATE RELEASE,
Thursday, January 22, 1953. H-2

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RELEASE MORNING NEWSPAPERS,
Tuesday, January 27, 1953.

H-3

The Secretary of the Treasury announced last evening that the tenders for $1,500,000,000, or thereabouts, of 91-day Treasury bills to be dated January 29 and to mature April 30, 1953, which were offered on January 22, were opened at the Federal Reserve Banks on January 26.

The details of this issue are as follows:

Total applied for - $2,383,559,000
Total accepted - 1,500,187,000 (includes $262,638,000 entered on a non-competitive basis and accepted in full at the average price shown below)
Average price - 99.504/ Equivalent rate of discount approx. 1.961% per annum

Range of accepted competitive bids:

High	- 99.575	Equivalent rate of discount approx. 1.681% per annum
Low	- 99.500	" " " " " 1.978% " "

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

Federal Reserve District	Total Applied for	Total Accepted
Boston	$ 22,215,000	$ 19,580,000
New York	1,636,091,000	978,574,000
Philadelphia	32,004,000	13,976,000
Cleveland	57,065,000	38,840,000
Richmond	19,120,000	14,875,000
Atlanta	37,865,000	34,125,000
Chicago	260,357,000	166,337,000
St. Louis	44,718,000	27,334,000
Minneapolis	13,942,000	13,444,000
Kansas City	62,576,000	53,026,000
Dallas	62,522,000	42,789,000
San Francisco	135,084,000	97,287,000
Total	$2,383,559,000	$1,500,187,000

TREASURY DEPARTMENT

Information Service WASHINGTON, D.C.

RELEASE MORNING NEWSPAPERS,
Tuesday, January 27, 1953.

H-3

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Chicago	260,357,000	166,337,000
St. Louis	44,718,000	27,334,000
Minneapolis	13,942,000	13,444,000
Kansas City	62,576,000	53,026,000
Dallas	62,522,000	42,789,000
San Francisco	135,034,000	97,287,000
TOTAL	$2,383,559,000	$1,500,187,000

oOo

Immediate

January 27, 1953

H-4

TO MR. SILER:

The Secretary has approved the following press release, for release at 3:30 this afternoon:

"Secretary Humphrey announced today that it is the intention of the Treasury to offer the holders of the $8,868,000,000 of 1-7/8% certificates of indebtedness maturing on February 15, 1953, a choice of exchanging them either for a one-year certificate or a five to six-year security. The terms of the new issues will be announced on Friday, January 30, and the subscription books will open Monday, February 2.

no quotes

"Of the certificates maturing February 15, about $3.7 billion are held by the Federal Reserve banks, about $2.3 billion by commercial banks, and the remainder by corporations and other non-bank investors.

"The bulk of the maturing certificates is thus held by investors who prefer short-term securities. The new offering, however, will give any holders who may wish to do so an opportunity to extend their maturities."

E.F.B

Fiscal Assistant Secretary

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TREASURY DEPARTMENT

Information Service WASHINGTON, D.C.

IMMEDIATE RELEASE,
Tuesday, January 27, 1953. H-4

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Immediate
Tues, Jan 27, 1953

Secretary [redacted] Humphrey today addressed the following message to all Treasury Department employees:

H-5

"As I take up my duties as Secretary of the Treasury, I should like to tell each of you how proud I am to head the Treasury team. I hope that I may soon be able to meet as many of you as possible and to visit our field offices.

"It is my intention to review as rapidly as possible all Treasury operations in order to familiarize myself with the many important activities of the Treasury and to consider improvements that may be required in the interests of continued effective operations.

"I am sure you have heard or read many fine things of the men who will fill the other high posts in the Treasury Department. I am looking to my associates to assist me in providing effective leadership and take real responsibility for the activities in each of their respective areas.

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I know that we can depend on the complete cooperation of the fine men and women in the Treasury, and on your continued determination to render outstanding service to the Government and to the public. In return, my associates and I pledge our best efforts and abilities in carrying out the vital objectives of the Department as the business arm of the Government devoted to sound finance and the highest standards of public service.

G. M. HUMPHREY

~~G. M. Humphrey~~

Secretary of the ~~Treasury~~

TREASURY DEPARTMENT

Information Service WASHINGTON, D.C.

IMMEDIATE RELEASE,
Tuesday, January 27, 1953. H-5

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"It is my intention to review as rapidly as possible all Treasury operations in order to familiarize myself with the many important activities of the Treasury and to consider improvements that may be required in the interests of continued effective operations.

"I am sure you have heard or read many fine things of the men who will fill the other high posts in the Treasury Department. I am looking to my associates to assist me in providing effective leadership and take real responsibility for the activities in each of their respective areas. I know that we can depend on the complete cooperation of the fine men and women in the Treasury, and on your continued determination to render outstanding service to the Government and to the public. In return, my associates and I pledge our best efforts and abilities in carrying out the vital objectives of the Department as the business arm of the Government devoted to sound finance and the highest standards of public service.

G. M. HUMPHREY
Secretary of the Treasury"

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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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~~Exhibit~~

~~ALPHA~~

TREASURY DEPARTMENT
Washington

H - 6

FOR RELEASE, MORNING NEWSPAPERS,
Thursday, January 29, 1953.

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 5, 1953, in the amount of $1,301,003,000, 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 5, 1953, and will mature May 7, 1953, 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 2, 1953. 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

TREASURY DEPARTMENT

Information Service WASHINGTON, D.C.

RELEASE MORNING NEWSPAPERS,
Thursday, January 29, 1953. H-6

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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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The certification agreement announced today was adopted by the Governments of Japan and the United States to meet this specific problem. The operation of this certification system will be a matter of continuing close consultation between the two Governments.

Persons who desire to import hog bristles from Japan, or any other commodity to which the Japanese certification procedure becomes applicable in the future, may file applications for this purpose on Form TFAC-1 with the Federal Reserve Bank of New York setting forth the product to be imported, the purchase price, and the names and addresses of all persons who it is contemplated will be involved as sellers, shippers, agents, or intermediaries of any sort. Licenses granted upon such applications will authorize the importation on condition that the importer presents to the Collector of Customs at the time of entry an appropriate certificate of origin issued by the Japanese Ministry of International Trade and Industry under the new arrangements.

Applications may also be filed on Form TFAC-1 with the Federal Reserve Bank of New York for the release from Customs custody of merchandise of Japanese origin now in Customs or en route from Japan to the United States. Such applications should describe the merchandise and give the port of entry and must be accompanied by an appropriate letter from the Japanese Ministry of International Trade and Industry in support of the application for release of the particular shipment. These support letters will attest that the merchandise involved is not of Communist Chinese origin and will be issued by the Ministry of International Trade and Industry only with respect to those kinds of products to which the certification procedure applies at the time of issuance.

In cases where the Japanese Government is not able to certify a particular commodity, the procedure will be the same as heretofore. Applicants for licenses to import Chinese type goods in such cases will be required to submit to the Treasury full and satisfactory documentary proof that goods are not of Communist Chinese origin.

A similar agreement with the Hong Kong Government was recently announced.

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Release Afternoon ~~For release~~ Newspapers N

~~PRESS RELEASE~~

Thursday, January 29, 1953. Thur. afternoon papers 1/29/53 H-7

The Treasury Department today announced that an agreement has been reached with the Government of Japan to facilitate the importation of goods of ~~legitimate~~ Japanese origin and at the same time prevent Communist Chinese exports from entering the United States disguised as Japanese products. The agreement contemplates the issuance by the Japanese authorities of certificates of origin covering the importation into the United States of goods of Chinese type produced in Japan which are subject to the Foreign Assets Control Regulations of the Treasury Department.

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While the Japanese Government is prepared at present to issue certificates of origin only with respect to hog bristles, it is expected that in the near future it will be prepared to certify other commodities of Chinese type as being of ~~legitimate~~ Japanese origin. Hog bristles, which are normally imported into the United States largely from mainland China, are one of the principal Japanese commodities affected by the Foreign Assets Control Regulations.

The basic purpose of the Foreign Assets Control is to prevent Communist China and North Korea from obtaining foreign exchange with which to further their aggression in Korea. On December 16, 1950, following the unprovoked aggression by the Chinese Communists in Korea, the United States Government, in support of the objectives of the United Nations' action in Korea, announced measures designed to place under control all economic relations with Communist China in order that the Chinese Communists should be denied access to United States supplies or assets in the United States. An essential part of this program was the issuance by the United States Treasury Department, under the Trading with the Enemy Act, of the Foreign Assets Control Regulations of December 17, 1950, which forbade all trade and financial transactions involving the Communist Chinese and North Korean regimes and their nationals by persons subject to the jurisdiction of the United States unless Treasury approval was obtained.

The Treasury has amended the Foreign Assets Control Regulations from time to time in order to make certain that goods of Communist Chinese origin were kept out of United States markets. Under the Regulations licenses are now required for the importation of merchandise of Chinese type even when it is alleged to have been produced outside of Communist China. Only a few such licenses have been granted by the Treasury because importers found it difficult to furnish satisfactory proof that the specific merchandise of Chinese type offered for importation was not of Chinese origin.

Communist

TREASURY DEPARTMENT

Information Service WASHINGTON, D.C.

RELEASE AFTERNOON NEWSPAPERS
Thursday, January 29, 1953 H-7

The Treasury Department today announced that an agreement has been reached with the Government of Japan to facilitate the importation of goods of Japanese origin and at the same time prevent Communist Chinese exports from entering the United States disguised as Japanese products. The agreement contemplates the issuance by the Japanese authorities of certificates of origin covering the importation into the United States of goods of Chinese type produced in Japan which are subject to the Foreign Assets Control Regulations of the Treasury Department.

While the Japanese Government is prepared at present to issue certificates of origin only with respect to hog bristles, it is expected that in the near future it will be prepared to certify other commodities of Chinese type as being of Japanese origin. Hog bristles, which are normally imported into the United States largely from mainland China, are one of the principal Japanese commodities affected by the Foreign Assets Control Regulations.

The basic purpose of the Foreign Assets Control is to prevent Communist China and North Korea from obtaining foreign exchange with which to further their aggression in Korea. On December 16, 1950, following the unprovoked aggression by the Chinese Communists in Korea, the United States Government, in support of the objectives of the United Nations' action in Korea, announced measures designed to place under control all economic relations with Communist China in order that the Chinese Communists should be denied access to United States supplies or assets in the United States. An essential part of this program was the issuance by the United States Treasury Department, under the Trading with the Enemy Act, of the Foreign Assets Control Regulations of December 17, 1950, which forbade all trade and financial transactions involving the Communist Chinese and North Korean regimes and their nationals by persons subject to the jurisdiction of the United States unless Treasury approval was obtained.

The Treasury has amended the Foreign Assets Control Regulations from time to time in order to make certain that goods of Communist Chinese origin were kept out of United States markets. Under the Regulations licenses are now required for the importation of merchandise of Chinese type even when it is alleged to have been produced outside of Communist China. Only a few such licenses have been granted by the Treasury because importers found it difficult to furnish satisfactory proof that the specific merchandise of Chinese type offered for importation was not of Communist Chinese origin.

The certification agreement announced today was adopted by the Governments of Japan and the United States to meet this specific problem. The operation of this certification system will be a matter of continuing close consultation between the two Governments.

Persons who desire to import hog bristles from Japan, or any other commodity to which the Japanese certification procedure becomes applicable in the future, may file applications for this purpose on Form TFAC-1 with the Federal Reserve Bank of New York setting forth the product to be imported, the purchase price, and the names and addresses of all persons who it is contemplated will be involved as sellers, shippers, agents, or intermediaries of any sort. Licenses granted upon such applications will authorize the importation on condition that the importer presents to the Collector of Customs at the time of entry an appropriate certificate of origin issued by the Japanese Ministry of International Trade and Industry under the new arrangements.

Applications may also be filed on Form TFAC-1 with the Federal Reserve Bank of New York for the release from Customs custody of merchandise of Japanese origin now in Customs or en route from Japan to the United States. Such applications should describe the merchandise and give the port of entry and must be accompanied by an appropriate letter from the Japanese Ministry of International Trade and Industry in support of the application for release of the particular shipment. These support letters will attest that the merchandise involved is not of Communist Chinese origin and will be issued by the Ministry of International Trade and Industry only with respect to those kinds of products to which the certification procedure applies at the time of issuance.

In cases where the Japanese Government is not able to certify a particular commodity, the procedure will be the same as heretofore. Applicants for licenses to import Chinese type goods in such cases will be required to submit to the Treasury full and satisfactory documentary proof that goods are not of Communist Chinese origin.

A similar agreement with the Hong Kong Government was recently announced.

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Immediate
Wed Jan 28, 1953

H-8

Secretary Humphrey administered the oath of office to three new officers of the Treasury Department at 3:30 p.m. today. The ceremony took place at the Treasury. Those sworn in were:

Marion B. Folsom, Under Secretary.

H. Chapman Rose, Assistant Secretary.

Mrs. Ivy Baker Priest, Treasurer of the U.S.

Nominations of the three by President Eisenhower were confirmed yesterday by the Senate.

W. Randolph Burgess was sworn in on January 21 as ~~as Assistant to the Secretary, with the operating title of~~ Deputy to the Secretary.

It is expected that Elbert P. Tuttle, nominated and confirmed as General Counsel of the Treasury, and T. Coleman Andrews, nominated and confirmed as Commissioner of Internal Revenue, will be sworn in within the next few days.

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TREASURY DEPARTMENT

Information Service WASHINGTON, D.C.

IMMEDIATE RELEASE,
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Immediate Release
Wednesday January 28, 1953

H-9

~~ANNOUNCEMENT OF APPOINTMENT~~

Secretary ~~of the Treasury George M.~~ Humphrey today appointed Dan Throop Smith of Concord, Massachusetts, an Assistant to the Secretary.

Mr. Smith has been assigned to the Under Secretary with responsibility for analysis and planning on tax policy. He will assume operating control of such activities as may be delegated to him by the Under Secretary.

Mr. Smith, who is Professor of Finance at the Harvard Graduate School of Business Administration, is on an extended leave from Harvard University.

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~~January 28, 1953~~

TREASURY DEPARTMENT

Information Service

WASHINGTON, D.C.

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H-10

RELEASE, MORNING NEWSPAPERS,
Friday, January 30, 1953.

Secretary Humphrey announced today the terms of the new issues on which the subscription books will open Monday, February 2, for the exchange of $8,868,000,000 certificates of indebtedness, maturing on February 15, 1953.

Holders of the maturing certificates will have the option of exchanging them for 2-1/4 percent one-year certificates or 2-1/2 percent five-year ten-month bonds.

Full details will be given in the press statement and official circulars which will be made public Monday morning, February 2.

APPROVED:

Deputy to the
Secretary of the Treasury

This was approved by Dr Burgess

TREASURY DEPARTMENT

Information Service WASHINGTON, D.C.

RELEASE MORNING NEWSPAPERS,
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Full details will be given in the press statement and official circulars which will be made public Monday morning, February 2.

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In concluding its report, the Advisory Committee stated:

"We wish to reiterate that throughout our studies we have been most favorably impressed by the strict accounting and audit procedures in force in all Divisions and Bureaus with which we dealt and by the capacity of the gentlemen charged with their superwision. It would seem that every feasible safeguard has been thrown around the Treasury's assets. Our broader recommendations above are made solely out of an abundance of caution as prudent measures designed to provide complete assurance to you with respect to the existence of Treasury assets and their appropriate reflection by the Treasury's records."

In making its recommendations for verification of the gold and silver assets in the custody of the seven Bureau of the Mint institutions, the report of the Advisory Committee said:

> "Approximately 97½ percent of the gold and silver bullion in these Mint institutions is held in compartments under joint seal. The contents of some of these compartments have not been counted for a considerable period of time, although the seals have been checked and examined annually and, of course, the compartments are under what would appear to be very effective guard. We believe that in general the bullion under joint seal can be accepted according to the inventory, but we suggest that to make doubly sure of the accuracy of the audit, there should be a spot check of the gold bullion by (1) making actual count of approximately 10 percent of the compartments in which the gold is stored, (2) weighing approximately 10 percent of the gold in the counted compartments, and (3) assaying a moderate number of the bars in each of such counted compartments, the exact percentages and numbers to be specified by the Continuing Committee. The compartments should then be resealed according to the methods now in practice by the various Mints and other depositories. At the time such spot check is made, there should be present as a representative of the Continuing Committee, a person designated by it (possibly an employee of the General Accounting Office) to observe the verification and report to the Committee with respect thereto.
>
> "It seems to us that silver bars or any substantial amount of silver coin under seal are so bulky as to discourage theft of any amount of importance to the Treasury, and that the cost of an audit thereof would not be warranted. Consequently, we are not including in our recommendations the same sort of spot checking of the holdings of silver as we are with respect to gold."

assure itself of the sufficiency of the regular (and, if necessary, special) confirmation from all Federal Reserve banks of the Treasury balances, including the tax and loan accounts.

In the course of its work, the Advisory Committee reviewed audit and control procedures in present use by the Treasury Department, and interrogated responsible officials with respect to the character of accounting, auditing and safekeeping practices. The committee also conferred with officials of the General Accounting Office, and stated in its report that the GAO "is fully satisfied with respect to the adequacy and effectiveness of the internal control and accounting procedures presently in use by the Treasury Department" for controlling the money assets and securities in its custody.

The report continued:

> "Your committee was impressed with the evidence of the adequacy and effectiveness of the audit and control methods that are being followed, methods and practices which have resulted from years of experience and intelligent planning. Your committee has no reason to doubt the accuracy of the Treasury's accounts. Furthermore, we have no reason to doubt that the assets reflected in those records are intact. However, we desire to make certain recommendations for augmenting the regular procedures with the view of making doubly sure that both the incoming and outgoing officials may justifiably rely on their accuracy."

The report of the consultants was accepted by both former Secretary Snyder and Secretary Humphrey.

The Advisory Committee suggested that the steps it recommended be taken under the general supervision of a Continuing Committee representing both incoming and outgoing Treasury officials and also the Comptroller General of the United States. Members of the Continuing Committee, [redacted] agreed upon by former Secretary Snyder and Secretary Humphrey, are: Eugene G. Shreve, of the Bureau of Engraving and Printing, representing former Secretary Snyder; Maurice Melvin Washburn, office of the Comptroller of the Currency, representing Secretary Humphrey; George Reeves, office of the General Counsel, representing Mrs. Ivy Baker Priest, incoming Treasurer of the United States.

Representatives of the Comptroller General of the United States, as part of the continuing audit of Treasury accounts by the General Accounting Office, will observe and review the audits to be made in accordance with the Advisory Committee's recommendation. The Comptroller General has directed his staff to cooperate in every way with the incoming and outgoing Treasury officials in connection with the transfer of assets.

In addition to supervising the verification of assets held by the Bureau of the Mint, the Treasurer of the United States and the Division of Loans and Currency, the Continuing Committee will take appropriate steps to

Release Morning Newspapers
Saturday, January 31, 1953

H-11

Secretary Humphrey today announced the completion of plans for the verification of gold and silver bullion and other assets in the custody of the Treasury Department, and for the transfer of these assets to officials of the new Administration.

The procedures to be followed were recommended by an Advisory Committee of consultants, appointed jointly by Secretary Humphrey and former Secretary Snyder. The procedures will include test checks of gold bullion held under seal in the various institutions of the Bureau of the Mint; a full audit of all assets in the Mint institutions which are not under seal; an audit, in accordance with established procedure, of currency, coin, securities and other assets in the custody of the Treasurer of the United States in Washington as of the date on which the new Treasurer of the United States assumes office; and a similar audit of securities held in safekeeping in the Treasury's Division of Loans and Currency for account of various trust funds administered by the Secretary of the Treasury.

The members of the Advisory Committee which reviewed the problem of verifying and transferring the Treasury assets and agreed on the recommended procedures were: W. L. Hemingway, Chairman of the Board, Mercantile Trust Company, St. Louis, Chairman of the Consultants' Committee; Wm. Fulton Kurtz, Chairman of the Board, The Pennsylvania Company, Philadelphia; Sidney B. Congdon, President, National City Bank of Cleveland, Cleveland; J~~ames~~ L. Robertson, member, Board of Governors, Federal Reserve System, Washington.

TREASURY DEPARTMENT

Information Service WASHINGTON, D.C.

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Representatives of the Comptroller General of the United States, as part of the continuing audit of Treasury accounts by the General Accounting Office, will observe and review the audits to be made in accordance with the Advisory Committee's recommendation. The Comptroller General has directed his staff to cooperate in every way with the incoming and outgoing Treasury officials in connection with the transfer of assets.

In addition to supervising the verification of assets held by the Bureau of the Mint, the Treasurer of the United States and the Division of Loans and Currency, the Continuing Committee will take appropriate steps to assure itself of the sufficiency of the regular (and, if necessary, special) confirmation from all Federal Reserve banks of the Treasury balances, including the tax and loan accounts.

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"It seems to us that silver bars or any substantial amount of silver coin under seal are so bulky as to discourage theft of any amount of importance to the Treasury, and that the cost of an audit thereof would not be warranted. Consequently, we are not including in our recommendations the same sort of spot checking of the holdings of silver as we are with respect to gold."

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oOo

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 February 16, 1953, or on later allotment, and may be made only in Treasury Certificates of Indebtedness of Series A-1953, maturing February 15, 1953, which will be accepted at par, and should accompany the subscription. The full amount of interest due 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 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.

G. M. HUMPHREY,
Secretary of the Treasury.

redemption prior to maturity.

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

UNITED STATES OF AMERICA

2-1/2 PERCENT TREASURY BONDS OF 1958

Dated and bearing interest from February 15, 1953 Due December 15, 1958

Interest payable June 15 and December 15

1953
Department Circular No. 920

Fiscal Service
Bureau of the Public Debt

TREASURY DEPARTMENT,
Office of the Secretary,
Washington, February 2, 1953.

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, from the people of the United States for bonds of the United States, designated 2-1/2 percent Treasury Bonds of 1958, in exchange for 1-7/8 percent Treasury Certificates of Indebtedness of Series A-1953, maturing February 15, 1953. The amount of the offering under this circular will be limited to the amount of maturing certificates tendered in exchange and accepted.

2. In addition to the offering under this circular, holders of the maturing certificates are offered the privilege of exchanging all or any part of such certificates for 2-1/4 percent Treasury Certificates of Indebtedness of Series A-1954, which offering is set forth in Department Circular No. 919, issued simultaneously with this circular.

II. DESCRIPTION OF BONDS

1. The bonds will be dated February 15, 1953, and will bear interest from that date at the rate of 2-1/2 percent per annum, payable on a semiannual basis on June 15 and December 15 in each year until the principal amount becomes payable. They will mature December 15, 1958, and will not be subject to call for

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these reservations, all subscriptions will be allotted in full. Allotment notices will be sent out promptly upon allotment.

IV. PAYMENT

1. Payment at par for certificates allotted hereunder must be made on or before February 16, 1953, or on later allotment, and may be made only in Treasury Certificates of Indebtedness of Series A-1953, maturing February 15, 1953, which will be accepted at par, and should accompany the subscription. The full amount of interest due on the certificates surrendered will be paid 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.

G. M. HUMPHREY,
Secretary of the Treasury.

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

UNITED STATES OF AMERICA

2-1/4 PERCENT TREASURY CERTIFICATES OF INDEBTEDNESS OF SERIES A-1954

Dated and bearing interest from February 15, 1953 Due February 15, 1954

1953
Department Circular No. 919

Fiscal Service
Bureau of the Public Debt

TREASURY DEPARTMENT,
Office of the Secretary,
Washington, February 2, 1953.

I. OFFERING OF CERTIFICATES

1. The Secretary of the Treasury, pursuant to the authority of the Second Liberty Bond Act, as amended, invites subscriptions, at par, from the people of the United States for certificates of indebtedness of the United States, designated 2-1/4 percent Treasury Certificates of Indebtedness of Series A-1954, in exchange for 1-7/8 percent Treasury Certificates of Indebtedness of Series A-1953, maturing February 15, 1953. The amount of the offering under this circular will be limited to the amount of maturing certificates tendered in exchange and accepted.

2. In addition to the offering under this circular, holders of the maturing certificates are offered the privilege of exchanging all or any part of such certificates for 2-1/2 percent Treasury Bonds of 1958, which offering is set forth in Department Circular No. 920, issued simultaneously with this circular.

II. DESCRIPTION OF CERTIFICATES

1. The certificates will be dated February 15, 1953, and will bear interest from that date at the rate of 2-1/4 percent per annum, payable with the principal at maturity on February 15, 1954. They will not be subject to call for redemption prior to maturity.

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RELEASE, MORNING NEWSPAPERS,
Monday, February 2, 1953.

H-12

Secretary of the Treasury Humphrey today announced the details of the offering, through the Federal Reserve Banks, of 2-1/4 percent Treasury Certificates of Indebtedness of Series A-1954 and 2-1/2 percent Treasury Bonds of 1958, open on an exchange basis, par for par, to holders of 1-7/8 percent Treasury Certificates of Indebtedness of Series A-1953, maturing February 15, 1953, in the amount of $8,867,962,000. Cash subscriptions will not be received.

The certificates now offered will be dated February 15, 1953, and will bear interest from that date at the rate of 2-1/4 percent per annum, payable with the principal at maturity on February 15, 1954. They will be issued in bearer form only, in denominations of $1,000, $5,000, $10,000, $100,000 and $1,000,000.

The bonds now offered will be dated February 15, 1953, and will bear interest from that date at the rate of 2-1/2 percent per annum, payable on a semiannual basis on June 15 and December 15 in each year until the principal amount becomes payable. They will mature December 15, 1958, and will not be subject to call for redemption prior to maturity. 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.

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. Subscriptions for the new securities should be accompanied by the certificates to be exchanged.

The subscription books will close for the receipt of all subscriptions to both issues at the close of business Thursday, February 5.

Subscriptions addressed to a Federal Reserve Bank or Branch, or to the Treasury Department, and placed in the mail before midnight February 5, 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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TREASURY DEPARTMENT

Information Service WASHINGTON, D.C.

RELEASE MORNING NEWSPAPERS,
Monday, February 2, 1953. H-12

Secretary of the Treasury Humphrey today announced the details of the offering, through the Federal Reserve Banks, of 2-1/4 percent Treasury Certificates of Indebtedness of Series A-1954 and 2-1/2 percent Treasury Bonds of 1958, open on an exchange basis, par for par, to holders of 1-7/8 percent Treasury Certificates of Indebtedness of Series A-1953, maturing February 15, 1953, in the amount of $8,867,962,000. Cash subscriptions will not be received.

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UNITED STATES OF AMERICA

2-1/4 PERCENT TREASURY CERTIFICATES OF INDEBTEDNESS OF SERIES A-1954

Dated and bearing interest from February 15, 1953 Due February 15, 1954

1953
Department Circular No. 919

TREASURY DEPARTMENT,
Office of the Secretary,
Washington, February 2, 1953.

Fiscal Service
Bureau of the Public Debt

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1. The Secretary of the Treasury, pursuant to the authority of the Second Liberty Bond Act, as amended, invites subscriptions, at par, from the people of the United States for certificates of indebtedness of the United States, designated 2-1/4 percent Treasury Certificates of Indebtedness of Series A-1954, in exchange for 1-7/8 percent Treasury Certificates of Indebtedness of Series A-1953, maturing February 15, 1953. The amount of the offering under this circular will be limited to the amount of maturing certificates tendered in exchange and accepted.

2. In addition to the offering under this circular, holders of the maturing certificates are offered the privilege of exchanging all or any part of such certificates for 2-1/2 percent Treasury Bonds of 1958, which offering is set forth in Department Circular No. 920, issued simultaneously with this circular.

II. DESCRIPTION OF CERTIFICATES

1. The certificates will be dated February 15, 1953, and will bear interest from that date at the rate of 2-1/4 percent per annum, payable with the principal at maturity on February 15, 1954. They will not be subject to call for redemption prior to maturity.

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

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

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

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

III. SUBSCRIPTION AND ALLOTMENT

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

2. The Secretary of the Treasury reserves the right to reject any subscription, in whole or in part, to allot less than the amount of certificates applied for, and to close the books as to any or all subscriptions at any time without notice; and any action he may take in these respects shall be final. Subject to these reservations, all subscriptions will be allotted in full. Allotment notices will be sent out promptly upon allotment.

IV. PAYMENT

1. Payment at par for certificates allotted hereunder must be made on or before February 16, 1953, or on later allotment, and may be made only in Treasury Certificates of Indebtedness of Series A-1953, maturing February 15, 1953, which will be accepted at par, and should accompany the subscription. The full amount of interest due on the certificates surrendered will be paid 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.

G. M. HUMPHREY,
Secretary of the Treasury.

UNITED STATES OF AMERICA

2-1/2 PERCENT TREASURY BONDS OF 1958

Dated and bearing interest from February 15, 1953 Due December 15, 1958

Interest payable June 15 and December 15

1953
Department Circular No. 920

TREASURY DEPARTMENT,
Office of the Secretary,
Washington, February 2, 1953

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, from the people of the United States for bonds of the United States, designated 2-1/2 percent Treasury Bonds of 1958, in exchange for 1-7/8 percent Treasury Certificates of Indebtedness of Series A-1953, maturing February 15, 1953. The amount of the offering under this circular will be limited to the amount of maturing certificates tendered in exchange and accepted.

2. In addition to the offering under this circular, holders of the maturing certificates are offered the privilege of exchanging all or any part of such certificates for 2-1/4 percent Treasury Certificates of Indebtedness of Series A-1954, which offering is set forth in Department Circular No. 919, issued simultaneously with this circular.

II. DESCRIPTION OF BONDS

1. The bonds will be dated February 15, 1953, and will bear interest from that date at the rate of 2-1/2 percent per annum, payable on a semi-annual basis on June 15 and December 15 in each year until the principal amount becomes payable. They will mature December 15, 1958, and will not be subject to call for redemption prior to maturity.

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 February 16, 1953, or on later allotment, and may be made only in Treasury Certificates of Indebtedness of Series A-1953, maturing February 15, 1953, which will be accepted at par, and should accompany the subscription. The full amount of interest due 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 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.

G. M. HUMPHREY,
Secretary of the Treasury.

No ¶ He is a brigadier general in the U.S. Army Reserve.

Mr. Tuttle was born in Pasadena, California on July 17, 1897. He was graduated from Connell University ~~with~~ in 1918 and received his law degree from the Connell University Law School in 1923.

Immediate Release
Friday Jan 30, 1953

H-13

Secretary Humphrey today administered the oath of office to Elbert P. Tuttle as General Counsel of the Treasury Department.

Mr. Tuttle was nominated by President Eisenhower on January 22, 1953, and confirmed by the Senate on January 27, 1953.

As the chief legal officer of the Treasury Department, the General Counsel has supervision over and coordinates the work of the Legal Division. He is directly responsible to the Secretary of the Treasury, and performs such additional duties as are assigned by the Secretary or required by law.

Mr. Tuttle is a resident of Atlanta, Georgia. He was a member of the law firm of Sutherland, Tuttle and Brennan, with officers in Atlanta and Washington, until he was designated to be General Counsel of the Treasury Department in the new Administration.

He is a member of the American Bar Association, and was President of the Georgia Bar Association in 1947-48. In 1949 he was President of the Atlanta Chamber of Commerce.

Mr. Tuttle was in the military service for five years during World War II. He entered on active duty as a major in the National Guard , and had service in the Pacific theater.

TREASURY DEPARTMENT

Information Service WASHINGTON, D.C.

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Mr. Tuttle was born in Pasadena, California, on July 17, 1897. He was graduated from Cornell University in 1918 and received his law degree from the Cornell University Law School in 1923.

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H-14

RELEASE MORNING NEWSPAPERS,
Tuesday, February 3, 1953.

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 5 and to mature May 7, 1953, which were offered on January 29, were opened at the Federal Reserve Banks on February 2.

The details of this issue are as follows:

Total applied for - $2,133,058,000
Total accepted - 1,300,404,000 (includes $217,012,000 entered on a non-competitive basis and accepted in full at the average price shown below)

Average price - 99.487 Equivalent rate of discount approx. 2.031% per annum

Range of accepted competitive bids: (Excepting two tenders totaling $300,000)

High - 99.525 Equivalent rate of discount approx. 1.879% per annum
Low - 99.482 " " " " " 2.049% " "

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

Federal Reserve District		Total Applied for	Total Accepted
Boston		$ 22,984,000	$ 19,484,000
New York		1,443,673,000	753,683,000
Philadelphia		34,252,000	18,252,000
Cleveland		72,008,000	59,038,000
Richmond		15,866,000	14,701,000
Atlanta		28,738,000	28,272,000
Chicago		250,291,000	189,301,000
St. Louis		49,060,000	40,947,000
Minneapolis		10,386,000	10,386,000
Kansas City		53,729,000	46,879,000
Dallas		66,626,000	44,976,000
San Francisco		85,445,000	74,485,000
	TOTAL	$2,133,058,000	$1,300,404,000

TREASURY DEPARTMENT

Information Service WASHINGTON, D.C.

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Tuesday, February 3, 1953.

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Minneapolis	10,386,000	10,386,000
Kansas City	53,729,000	46,879,000
Dallas	66,626,000	44,976,000
San Francisco	85,445,000	74,485,000
TOTAL	$2,133,058,000	$1,300,404,000

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H-15

Tuesday,

IMMEDIATE RELEASE
February 3, 1953

The Bureau of Customs announced today that 3,125,332 pounds of cotton having a staple length 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 on February 2, 1953, at 12:00 noon, eastern standard time, or its equivalent in other time zones.

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

All of the above-mentioned cotton is of Egyptian origin with the exception of 10,020 pounds which is of Peruvian origin.

TREASURY DEPARTMENT

Information Service WASHINGTON, D.C.

IMMEDIATE RELEASE,
Tuesday, February 3, 1953. H-15

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

All of the above-mentioned cotton is of Egyptian origin with the exception of 10,020 pounds which is of Peruvian origin.

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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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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 13, 1953** x(8)x, in cash or other immediately available funds or in a like face amount of Treasury bills maturing **February 13, 1953** x(9)x. 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

TREASURY DEPARTMENT
Washington

H-16

FOR RELEASE, MORNING NEWSPAPERS,
Thursday, February 5, 1953.

The Secretary of the Treasury, by this public notice, invites tenders for $1,500,000,000, or thereabouts, of 90-day Treasury bills, for cash and in exchange for Treasury bills maturing February 13, 1953, in the amount of $ 1,500,852,000, 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 13, 1953, and will mature May 14, 1953, 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 9, 1953. 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

RELEASE MORNING NEWSPAPERS,
Thursday, February 5, 1953.

H-16

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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 13, 1953, in cash or other immediately available funds or in a like face amount of Treasury bills maturing February 13, 1953. 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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produced elsewhere than in Communist China. Relatively few licenses have been granted because importers have found it difficult to advance satisfactory proof that specific merchandise of Chinese type offered for importation is not of Communist Chinese origin.

The certification agreement announced today was adopted by the Governments of the United States and China to meet this problem. The actual operation of this certification system will be a matter of continuing close consultation between the Governments of the United States and China.

Persons who desire to import from Formosa any commodity to which the certification procedure applies may file applications for this purpose on Form TFAC-1 with the Federal Reserve Bank of New York setting forth the product to be imported, the purchase price, and the names and addresses of all persons who it is contemplated will be involved as sellers, shippers, agents, or intermediaries of any sort. Licenses granted upon such applications will authorize the importation on condition that the importer presents to the Collector of Customs at the time of entry an appropriate certificate of origin issued by the Chinese Ministry of Economic Affairs on Formosa under the new arrangements.

Applications may also be filed on Form TFAC-1 with the Federal Reserve Bank of New York for the release from Customs custody of merchandise of Formosan origin now in Customs custody in the United States. Such applications should describe the merchandise and give the port of entry and must be accompanied by an appropriate letter from the Chinese Ministry of Economic Affairs on Formosa in support of the application for release of the particular shipment. These support letters will attest that the merchandise involved is not of Communist Chinese origin and will be issued by the Ministry of Economic Affairs only with respect to those kinds of products to which the certification procedure applies at the time of issuance.

In cases where the Government of China authorities on Formosa are not able to certify a particular commodity, the procedure will be the same as heretofore, namely, applicants for importation licenses will be required to submit to the Treasury full documentary proof that the goods are not of Communist Chinese origin.

Similar agreements with the Governments of Hong Kong and Japan were recently announced. Discussions along the same lines are also currently in progress with other governments.

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H-17

~~PRESS RELEASE~~
Immediate Release
Thursday, February 5, 1953

The Treasury Department today announced that an agreement has been reached with the Chinese Government in Formosa to facilitate the export of goods of legitimate Formosan origin to the United States and at the same time prevent Communist Chinese exports from entering the United States disguised as products of Formosa. This agreement contemplates the issuance by the Chinese Government of certificates of origin which will permit the importation into the United States of goods of Chinese type produced on Formosa, which are subject to the Foreign Assets Control Regulations of the Treasury Department.

While the Government of China authorities on Formosa are prepared at present to issue certificates of origin only with respect to water chestnuts and seagrass squares, it is expected that in the near future they will be prepared to certify other commodities of Chinese type as being of Formosan origin.

The basic purpose of the Foreign Assets Control is to prevent Communist China and North Korea from obtaining foreign exchange with which to further their aggression in Korea. On December 16, 1950, following the unprovoked aggression by the Chinese Communists in Korea, the United States Government, in support of the objectives of the United Nations' action in Korea, announced measures designed to place under control all economic relations with Communist China in order that the Chinese Communists should be denied access to United States supplies or assets in the United States. An essential part of this program was the issuance by the United States Treasury Department, under the Trading with the Enemy Act, of the Foreign Assets Control Regulations of December 17, 1950, which forbade all trade and financial transactions involving the Communist Chinese and North Korean regimes and their nationals by persons subject to the jurisdiction of the United States unless Treasury approval was obtained.

From time to time, amendments and interpretations of the Foreign Assets Control Regulations have been promulgated in an effort to achieve maximum effectiveness while producing the minimum of interference with normal trade practices of Free World countries. Under the Regulations, licenses are now required for the importation of merchandise of Chinese type even when it is alleged to have been

TREASURY DEPARTMENT

Information Service WASHINGTON, D.C.

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IMMEDIATE RELEASE,
Thursday, February 5, 1953.

H-17

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From time to time, amendments and interpretations of the Foreign Assets Control Regulations have been promulgated in an effort to achieve maximum effectiveness while producing the minimum of interference with normal trade practices of Free World countries. Under the Regulations, licenses are now required for the importation of merchandise of Chinese type even when it is alleged to have been produced elsewhere than in Communist China. Relatively few licenses have been granted because importers have found it difficult to advance satisfactory proof that specific merchandise of Chinese type offered for importation is not of Communist Chinese origin.

The certification agreement announced today was adopted by the Governments of the United States and China to meet this problem. The actual operation of this certification system will be a matter of continuing close consultation between the Governments of the United States and China.

Persons who desire to import from Formosa any commodity to which the certification procedure applies may file applications for this purpose on Form TFAC-1 with the Federal Reserve Bank of New York setting forth the product to be imported, the purchase price and the names and addresses of all persons who it is contemplated will be involved as sellers, shippers, agents, or intermediaries of any sort. Licenses granted upon such applications will authorize the importation on condition that the importer presents to the Collector of Customs at the time of entry an appropriate certificate of origin issued by the Chinese Ministry of Economic Affairs on Formosa under the new arrangements.

Applications may also be filed on Form TFAC-1 with the Federal Reserve Bank of New York for the release from Customs custody of merchandise of Formosan origin now in Customs custody in the United States. Such applications should describe the merchandise and give the port of entry and must be accompanied by an appropriate letter from the Chinese Ministry of Economic Affairs on Formosa in support of the application for release of the particular shipment. These support letters will attest that the merchandise involved is not of Communist Chinese origin and will be issued by the Ministry of Economic Affairs only with respect to those kinds of products to which the certification procedure applies at the time of issuance.

In cases where the Government of China authorities on Formosa are not able to certify a particular commodity, the procedure will be the same as heretofore, namely, applicants for importation licenses will be required to submit to the Treasury full documentary proof that the goods are not of Communist Chinese origin.

Similar agreements with the Governments of Hong Kong and Japan were recently announced. Discussions along the same lines are also currently in progress with other governments.

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end of January, 1953, $4 billion, or 75%, were being retained by their owners under the automatic extension privilege, to increase in cash value each six months at a level rate of 3%, compounded semi-annually, for up to ten additional years.

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The Treasury Department announced today that sales of

~~Washington, Feb. 3 --~~ Defense Bonds ~~sales~~ in January, totall~~ing~~ed $504,000,000, which was ~~were~~ 14% above those of January, 1952. Redemptions of all series last month were $435,000,000 12% lower than Jany a year ago. Total sales of all series exceeded redemptions of matured and unmatured bonds by $69 million.

In January 1952, sales of all series amounted to $441,000,000 and redemptions were $493,000,000.

E Bond sales of $397,000,000 were up 9% compared to those of January, 1952, when they amounted to $364,000,000. Redemptions of matured and unmatured E bonds were down 11%, to $361,000,000. from $406,000,000 in Jany 1952

The difference between the 9% gain in E bond sales and the 14% gain for all four series was accounted for by sales of $43,000,000 of Series H bonds this January. The new current income H bond has been issued only since June 1, 1952.

January sales of Series J and K savings bonds, which superseded Series F and G on May 1, 1952, totalled $64,000,000.

In announcing these figures today, W. Randolph Burgess, Deputy to the Secretary of the Treasury, ascribed the gain in E bond sales to the cumulative effects of intensified promotion of the payroll savings plan since the end of 1950, as part of the national defense program. Industry-wide campaigns in the steel, glass, rubber, automotive, aircraft, petroleum and other industries, and promotions in thousands of business and industrial establishments throughout the nation had brought payroll savers up to around eight million by the end of 1952. Compared to 4½ million at the postwar low point in the fall of 1947, this is a gain of 77 per cent.

At the end of January, 1953, Savings Bonds of all series outstanding had a cash value of over $58.2 billion. Series E bonds, all held by individuals, reached a new high mark in cash value of $35.3 billion. This is nearly $800 million more than the amount held on May 1, 1951, when E bonds began to mature. Of the $5.3 billion that had matured up to the

Immediate Release
Thursday, Feb 5, 1953

H-18

The Treasury Department announced today that sales of Defense Bonds in January totalled $504,000,000, which was 14% above those of January, 1952. Redemptions of all series last month were $435,000,000 or 12% lower than January a year ago. Total sales of all series exceeded redemptions of matured and unmatured bonds by $69 million.

In January 1952, sales of all series amounted to $441,000,000 and redemptions were $493,000,000.

E Bond sales of $397,000,000 were up 9% compared to those of January, 1952, when they amounted to $364,000,000. Redemptions of matured and unmatured E bonds were down 11%, to $361,000,000 from $406,000,000 in January 1952.

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TREASURY DEPARTMENT

Information Service WASHINGTON, D.C.

IMMEDIATE RELEASE,
Thursday, February 5, 1953. H-18 05

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The difference between the 9% gain in E bond sales and the 14% gain for all four series was accounted for by sales of \$43,000,000 of Series H bonds this January. The new current income H bond has been issued only since June 1, 1952.

January sales of Series J and K savings bonds, which superseded Series F and G on May 1, 1952, totalled \$64,000,000.

In announcing these figures today, W. Randolph Burgess, Deputy to the Secretary of the Treasury, ascribed the gain in E bond sales to the cumulative effects of intensified promotion of the payroll savings plan since the end of 1950, as part of the national defense program. Industry-wide campaigns in the steel, glass, rubber, automotive, aircraft, petroleum and other industries, and promotions in thousands of business and industrial establishments throughout the nation had brought payroll savers up to around eight million by the end of 1952. Compared to 4½ million at the postwar low point in the fall of 1947, this is a gain of 77 per cent.

At the end of January, 1953, Savings Bonds of all series outstanding had a cash value of over \$58.2 billion. Series E bonds, all held by individuals, reached a new high mark in cash value of \$35.3 billion. This is nearly \$800 million more than the amount held on May 1, 1951, when E bonds began to mature. Of the \$5.3 billion that had matured up to the end of January, 1953, \$4 billion, or 75%, were being retained by their owners under the automatic extension privilege, to increase in cash value each six months at a level rate of 3%, compounded semi-annually, for up to ten additional years.

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Immediate Release
Friday, February 6, 1953

Secretary Humphrey announced that Mr. Preston Delano had tendered his resignation as Comptroller of the Currency, effective February 15, 1953, and that the President had accepted the resignation.

Mr. Delano has served as Comptroller of the Currency since October 1938, and held an appointment which would have expired ~~on~~ in January, 1954.

In announcing Mr. Delano's resignation, Secretary Humphrey said, "Comptroller Delano has earned the respect and esteem of the bankers of the Country through his graciousness, integrity, and fairness to all, and has rendered his Country valuable service".

TREASURY DEPARTMENT

Information Service WASHINGTON, D.C.

67

IMMEDIATE RELEASE,
Friday, February 6, 1953. H-19

Secretary Humphrey announced that Mr. Preston Delano had tendered his resignation as Comptroller of the Currency, effective February 15, 1953, and that the President had accepted the resignation.

Mr. Delano has served as Comptroller of the Currency since October 1938, and held an appointment which would have expired in January, 1954.

In announcing Mr. Delano's resignation, Secretary Humphrey said, "Comptroller Delano has earned the respect and esteem of the bankers of the Country through his graciousness, integrity, and fairness to all, and has rendered his Country valuable service".

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A-20

RELEASE MORNING NEWSPAPERS,
Tuesday, February 10, 1953.

The Secretary of the Treasury announced last evening that the tenders for $1,500,000,000, or thereabouts, of 90-day Treasury bills to be dated February 13 and to mature May 14, 1953, which were offered on February 5, were opened at the Federal Reserve Banks on February 9.

The details of this issue are as follows:

Total applied for - $2,386,094,000
Total accepted - 1,500,600,000 (includes $240,655,000 entered on a non-competitive basis and accepted in full at the average price shown below)
Average price - 99.502 Equivalent rate of discount approx. 1.993% per annum

Range of accepted competitive bids:

High - 99.520 Equivalent rate of discount 1.920% per annum
Low - 99.499 " " " " 2.004% " "

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

Federal Reserve District	Total Applied for	Total Accepted
Boston	$ 20,220,000	$ 14,820,000
New York	1,603,753,000	931,491,000
Philadelphia	35,469,000	17,119,000
Cleveland	50,719,000	39,589,000
Richmond	17,777,000	15,912,000
Atlanta	31,251,000	27,056,000
Chicago	276,521,000	208,371,000
St. Louis	45,545,000	28,613,000
Minneapolis	12,311,000	11,301,000
Kansas City	83,277,000	53,327,000
Dallas	78,259,000	55,009,000
San Francisco	130,992,000	97,992,000
TOTAL	$2,386,094,000	$1,500,600,000

TREASURY DEPARTMENT

Information Service WASHINGTON, D.C.

09

RELEASE MORNING NEWSPAPERS,
Tuesday, February 10, 1953. H-20

The Secretary of the Treasury announced last evening that the tenders for $1,500,000,000, or thereabouts, of 90-day Treasury bills to be dated February 13 and to mature May 14, 1953, which were offered on February 5, were opened at the Federal Reserve Banks on February 9.

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San Francisco	130,992,000	97,992,000
TOTAL	$2,386,094,000	$1,500,600,000

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TREASURY DEPARTMENT
Fiscal Service
Washington, Feb. 4, 1953
10

STATUTORY DEBT LIMITATION

AS OF January 31, 1953

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	$21,709,448,000		
Certificates of indebtedness	16,712,423,000		
Treasury notes	35,951,753,800	$ 74,373,624,800	
Bonds -			
Treasury	79,752,764,250		
Savings (current redemp. value)	58,133,936,138		
Depositary	401,655,500		
Armed Forces Leave	-		
Investment series	13,440,474,000	151,728,829,888	
Special Funds -			
Certificates of indebtedness	24,071,838,000		
Treasury notes	15,025,140,400	39,096,978,400	
Total interest-bearing		265,199,433,088	
Matured, interest-ceased		281,145,725	
Bearing no interest:			
War savings stamps	49,139,877		
Excess profits tax refund bonds	1,564,518		
Special notes of the United States:			
Internat'l Monetary Fund series	1,258,000,000	1,308,704,395	
Total		266,789,283,208	
Guaranteed obligations (not held by Treasury):			
Interest-bearing:			
Debentures: F.H.A.	46,291,536		
Demand obligations: C.C.C.	505,478	46,797,014	
Matured, interest-ceased		1,379,525	
		48,176,539	
Grand total outstanding			266,837,459,747
Balance face amount of obligations issuable under above authority			8,162,540,253

Reconcilement with Statement of the Public Debt Jan. 31, 1953
(Date)
(Daily Statement of the United States Treasury, Feb. 2, 1953
(Date)

Outstanding -	
Total gross public debt	267,402,058,633
Guaranteed obligations not owned by the Treasury	48,176,539
Total gross public debt and guaranteed obligations	267,450,235,172
Deduct - other outstanding public debt obligations not subject to debt limitation	612,775,425
	266,837,459,747

H-21

STATUTORY DEBT LIMITATION
AS OF JANUARY 31, 1953

February 10, 1953

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Grand total outstanding			266,837,459,747
Balance face amount of obligations issuable under above authority			8,162,540,253

Reconcilement with Statement of the Public Debt - January 31, 1953
(Daily Statement of the United States Treasury, February 2, 1953)

Outstanding -	
Total gross public debt	267,402,058,633
Guaranteed obligations not owned by the Treasury	48,176,539
Total gross public debt and guaranteed obligations	267,450,235,172
Deduct - other outstanding public debt obligations not subject to debt limitation	612,775,425
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IMMEDIATE RELEASE
Monday, February 9, 1953 H-22

Secretary Humphrey announced today that preliminary reports of subscriptions for the new offering of certificates and bonds to be dated February 15 amount to $8,731,000,000. This represents about 98 and 1/2 percent of the $8,868,000,000 maturing certificates.

Subscriptions to the 2-1/4 percent one-year certificates amounted to $8,112,000,000, and to the 2-1/2 percent bonds of December 15, 1958, $619,000,000.

Final results of the offering will be announced later this week.

TREASURY DEPARTMENT

Information Service WASHINGTON, D.C.

IMMEDIATE RELEASE,
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to a receptacle for new English coins once kept in the Chapel of the Pyx in Westminister Abby, London.

For the 1953 ceremony, 42,449 silver coins have been assembled at Philadelphia in the manner prescribed by law, taken from the Mints' silver coinage production last year of over 400 million pieces. The Assay Commission will observe ~~use~~ a variety of tests to determine that the coins meet all legal requirements.

FOR IMMEDIATE RELEASE
Tuesday, February 10, 1953

H-23

Secretary Humphrey today announced the appointment by the President of members of the Annual Assay Commission which will meet at the United States Mint in Philadelphia at 10 a.m., Wednesday, February 11, for the traditional ceremony of the "trial of the coins." Members of the Commission are:

Otto B. Heaton, Columbus, Ohio
Edmund A. Rice, Prospect Plains, New Jersey
J. Reece White, Millsboro, Delaware
George L. Stark, Philadelphia, Pennsylvania
Loyd B. Gettys, David City, Nebraska
Mrs. Walter Annenberg, Wynnewood, Pennsylvania
Albert A. Shuger, Baltimore, Maryland
Frank Elmendorf, Cleveland, Ohio
Philip T. Sharples, Haverford, Pennsylvania
Mrs. Charles A. Dean, Jr., Grosse Pointe, Michigan
Peter Hofstra, Paterson, New Jersey
Mrs. William Preston Few, Durham, North Carolina
Mrs. Robert O. Bonnell, Baltimore, Maryland
A. V. Astin, Washington, D. C.
John Verduin, Paterson, New Jersey
Joseph M. Gazzam, Jr., Philadelphia, Pennsylvania

The following are ex-Officio members of the Commission:

Judge William H. Kirkpatrick, United States District Court, Philadelphia, Pennsylvania
Preston Delano, Comptroller of the Currency, Washington, D. C.
Joseph S. Buford, Chief Assayer, United States Assay Office, New York City

The Commission, which will be convened by Nellie Tayloe Ross, Director of the Mint, is one of the oldest institutions in the Government. Its origin dates back to 1791 when Alexander Hamilton, first Secretary of the Treasury, presented to the Congress the result of his "inquiries and reflections" relative to the establishment of a Mint. He suggested a system of sampling and testing coins.

At all United States Mints, one silver coin out of every 10,000 delivered from the coining room must, under the law, be taken out and deposited in a strongbox called the "pyx", similar

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TREASURY DEPARTMENT

Information Service WASHINGTON, D.C.

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~~ALPHA~~

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.

~~ALPHA~~

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 19, 1953, in cash or other immediately available funds or in a like face amount of Treasury bills maturing February 19, 1953. 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

~~Exhibit~~

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TREASURY DEPARTMENT
Washington

FOR RELEASE, MORNING NEWSPAPERS,
Thursday, February 12, 1953 .

H-24

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 19, 1953 , in the amount of $1,300,519,000 , 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 19, 1953 , and will mature May 21, 1953 , 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 16, 1953. 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

TREASURY DEPARTMENT

Information Service WASHINGTON, D.C.

RELEASE MORNING NEWSPAPERS,
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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 19, 1953, in cash or other immediately available funds or in a like face amount of Treasury bills maturing February 19, 1953. Cash and exchange tenders will receive equal treatment. Cash adjustments will be made for differences between the par value of maturing bills accepted in exchange and the issue price of the new bills.

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

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

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Treasury Department
Washington

Thursday

H-25

IMMEDIATE RELEASE
February ~~11~~, 1953
12

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 January 31, 1953, inclusive, as follows:

Commodity	Period and Quantity		Unit of Quantity	Imports as of January 31, 1953
Whole milk, fresh or sour	Calendar year	3,000,000	Gallon	64
Cream	Calendar year	1,500,000	Gallon	48
Butter	Nov. 1, 1952-Mar. 31, 1953	50,000,000	Pound	4,439
Fish, fresh or frozen, filleted, etc., cod, haddock, hake, pollock, cusk, and rosefish . . .	Calendar year	33,866,287	Pound	8,450,018 (1)
White or Irish potatoes:				
certified seed	12 months from Sept. 15, 1952	150,000,000	Pound	80,725,703
other	12 months from Sept. 15, 1952	798,900,000	Pound	47,150,383
Walnuts	Calendar year	5,000,000	Pound	880,070
Almonds: shelled, blanched, roasted, or otherwise prepared or preserved . .	12 months from Oct. 1, 1952	7,000,000	Pound	3,273,063

(1) Imports for consumption at the quota rate are limited to 8,466,572 pounds during the first three months of the calendar year.

TREASURY DEPARTMENT
Washington

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Thursday, February 12, 1953

H-25

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Cream....................	Calendar year	1,500,000	Gallon	48
Butter....................	Nov. 1, 1952-Mar. 31, 1953	50,000,000	Pound	4,439
Fish, fresh or frozen, filleted, etc., cod, haddock, hake, pollock, cusk, and rosefish......	Calendar year	33,866,287	Pound	8,450,018 (1)
White or Irish potatoes:				
certified seed..........	12 months from	150,000,000	Pound	80,725,703
other....................	Sept. 15, 1952	798,900,000	Pound	47,150,383
Walnuts....................	Calendar year	5,000,000	Pound	880,070
Almonds: shelled, blanched, roasted, or otherwise prepared or preserved....	12 months from Oct. 1, 1952	7,000,000	Pound	3,273,063

(1) Imports for consumption at the quota rate are limited to 8,466,572 pounds during the first three months of the calendar year.

Treasury Department
Washington

Thursday,

~~IMMEDIATE RELEASE~~
February ~~11~~, 1953
12

H-26

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, 1953, to January 31, 1953, inclusive, as follows:

Products of the Philippines		Established Quota Quantity	Unit of Quantity	Imports as of January 31, 1953
Buttons		850,000	Gross	85,083
Cigars		200,000,000	Number	17,800
Coconut Oil		448,000,000	Pound	9,514,728
Cordage		6,000,000	Pound	396,576
Rice		1,040,000	Pound	-
Sugars	(Refined	1,904,000,000	Pound	-
	(Unrefined			130,866,338
Tobacco		6,500,000	Pound	70,781

TREASURY DEPARTMENT

Washington

IMMEDIATE RELEASE
Thursday, February 12, 1953

H-26

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Coconut Oil	448,000,000	Pound	9,514,728
Cordage	6,000,000	Pound	396,576
Rice	1,040,000	Pound	-
Sugars (Refined . . .	1,904,000,000	Pound	-
(Unrefined . .			130,866,338
Tobacco	6,500,000	Pound	70,781

Treasury Department
Washington

H-27

~~FOR~~ IMMEDIATE RELEASE,
Thursday, February ~~11~~ 12, 1953

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, 1952 as follows:

Country of Origin	Wheat: Established Quota	Wheat: Imports May 29, 1952, to February 11, 1953	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, 1952, to February 11,
	(Bushels)	(Bushels)	(Pounds)	(Pounds)
Canada	795,000	794,576	3,815,000	1,718,776
China	-	-	24,000	-
Hungary	-	-	13,000	-
Hong Kong	-	-	13,000	-
Japan	-	-	8,000	-
United Kingdom	100	-	75,000	44
Australia	-	-	1,000	-
Germany	100	-	5,000	-
Syria	100	-	5,000	-
New Zealand	-	-	1,000	-
Chile	-	-	1,000	-
Netherlands	100	-	1,000	-
Argentina	2,000	-	14,000	-
Italy	100	-	2,000	-
Cuba	-	-	12,000	-
France	1,000	-	1,000	-
Greece	-	-	1,000	-
Mexico	100	-	1,000	-
Panama	-	-	1,000	-
Uruguay	-	-	1,000	-
Poland and Danzig	-	-	1,000	-
Sweden	-	-	1,000	-
Yugoslavia	-	-	1,000	-
Norway	-	-	1,000	-
Canary Islands	-	-	1,000	-
Rumania	1,000	-	-	-
Guatemala	100	-	-	-
Brazil	100	-	-	-
Union of Soviet Socialist Republics	100	-	-	-
Belgium	100	-	-	-
	800,000	794,576	4,000,000	1,718,820

TREASURY DEPARTMENT
Washington

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Thursday, February 12, 1953

H-27

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China	-	-	24,000	-
Hungary	-	-	13,000	-
Hong Kong	-	-	13,000	-
Japan	-	-	8,000	-
United Kingdom	100	-	75,000	44
Australia	-	-	1,000	-
Germany	100	-	5,000	-
Syria	100	-	5,000	-
New Zealand	-	-	1,000	-
Chile	-	-	1,000	-
Netherlands	100	-	1,000	-
Argentina	2,000	-	14,000	-
Italy	100	-	2,000	-
Cuba	-	-	12,000	-
France	1,000	-	1,000	-
Greece	-	-	1,000	-
Mexico	100	-	1,000	-
Panama	-	-	1,000	-
Uruguay	-	-	1,000	-
Poland and Danzig	-	-	1,000	-
Sweden	-	-	1,000	-
Yugoslavia	-	-	1,000	-
Norway	-	-	1,000	-
Canary Islands	-	-	1,000	-
Rumania	1,000	-	-	-
Guatemala	100	-	-	-
Brazil	100	-	-	-
Union of Soviet Socialist Republics	100	-	-	-
Belgium	100	-	-	-
	800,000	794,576	4,000,000	1,718,820

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, 1952, to February 11, 1953	Established 33-1/3% of Total Quota	Imports 1/ Sept. 20, 1952, to February 11, 1953
United Kingdom	4,323,457	78,053	1,441,152	77,446
Canada	239,690	211,091	-	-
France	227,420	13,032	75,807	13,032
British India	69,627	48,162	-	-
Netherlands	68,240	15,715	22,747	15,715
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	25,054	25,443	25,054
Italy	21,263	6,430	7,088	6,430
	5,482,509	397,537	1,599,886	137,677

1/ Included in total imports, column 2.

Prepared by the Bureau of Customs

Treasury Department Washington

17-28

IMMEDIATE RELEASE
February 11, 1953
Thursday, 12

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, 1952, to February 11, 1953, 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	587	Paraguay	871	-
British India	2,003,483	-	Colombia	124	-
China	1,370,791	-	Iraq	195	-
Mexico	8,883,259	6,566,313	British East Africa ...	2,240	-
Brazil	618,723	-	Netherlands E. Indies	71,388	-
Union of Soviet Socialist Republics	475,124	-	Barbados	-	-
Argentina	5,203	1,382	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, 1952, to January 31, 1953

Established Quota (Global)	Imports
70,000,000	5,064,388

Cotton 1-1/8" or more, but less than 1-11/16"
Imports Feb. 1, 1953, to February 11, 1953

Established Quota (Global)	Imports
45,656,420	5,836,729

TREASURY DEPARTMENT
Washington

IMMEDIATE RELEASE
Thursday, February 12, 1953

H-28

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

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Japan	341,535	-	-	-
China	17,322	-	-	-
Egypt	8,135	-	-	-
Cuba	6,544	-	-	-
Germany	76,329	25,054	25,443	25,054
Italy	21,263	6,430	7,088	6,430
	5,482,509	397,537	1,599,886	137,677

1/ Included in total imports, column 2.

Prepared by the Bureau of Customs

TREASURY DEPARTMENT

Information Service WASHINGTON, D.C.

RELEASE MORNING NEWSPAPERS,
~~Monday, January 19, 1953.~~
Friday, February 13, 1953

H-29
~~S-3296~~

During the month of ~~December, 1952~~ January, 1953 market transactions in direct and guaranteed securities of the Government for Treasury investment and other accounts resulted in net purchases of ~~$8,238,200.00~~ $24,581,000.00, Secretary ~~Snyder~~ Humphrey announced today.

oOo

TREASURY DEPARTMENT

Information Service WASHINGTON, D.C.

RELEASE MORNING NEWSPAPERS,
Friday, February 13, 1953. H-29

During the month of January, 1953 market transactions in direct and guaranteed securities of the Government for Treasury investment and other accounts resulted in net purchases of $24,581,000.00, Secretary Humphrey announced today.

oOo

There were 2,313 convictions, representing 98 percent of convictions in all cases that were prosecuted.

Prison sentences during the year totaled 2,633 years and additional sentences of 2,499 years were suspended or probated. Fines in criminal cases totaled $27,163.60.

Cases of all types received for investigation, including counterfeiting and forgery cases, totaled 39,403, and although agents completed 39,157 investigations during the year, there was a backlog of 9,738 cases still awaiting investigation as of December 31, Chief Baughman reported.

Fear and fire helped to catch one bond forger, Richard A. Shekoski, 24, of Hamtramck, Michigan, who tried to burn his clues behind him. Shekoski was acquainted with a workman at the Plymouth Motor Car Company in Detroit who let it be known that he had $3,925 worth of defense bonds in his home in Utica, Michigan. Shekoski went to the house while the bond owner was at work, entered with a skeleton key, and ransacked the place until he found the bonds in a bureau drawer in the bedroom. He tried to cover up the theft by setting fire to the mattress, but when it started to blaze, he apparently became frightened, extinguished it and left the house.

The next day he cashed four bonds at a Hamtramck bank, using for identification an automobile registration certificate which he had also stolen in the house. He then obtained an operator's license bearing his own description and used it to cash the rest of the 67 bonds.

He was soon arrested, pleaded guilty and was sentenced to 2½ years in prison.

The duties of the White House Police, a unit of the Secret Service, were increased beginning in April, when the White House was opened to the public. Daily attendance since that time has averaged about 5,500. The White House Police Pistol Team maintained its reputation as one of the nation's best by winning 71 awards in competition against other top teams in the country.

In addition to counterfeiters and forgers, the Secret Service arrested 186 persons for other crimes, bringing total arrests to 2,540.

appeared to be merely an enlisted man, he was really a Marine Corps officer engaged on a highly secret intelligence mission. In order to pay him for this work, he said, the Marine Corps issued checks payable to a fictitious person and allowed him to negotiate them and thus receive extra pay. His wife was satisfied with the explanation, but it failed to impress her skeptical father, who asked for an explanation at Marine Corps headquarters, where Mosley's fraud was revealed, the Secret Service said. Mosley was arrested and is awaiting court martial.

A relentless 4-year search by the Secret Service for a forger who stole 68 Government checks worth $5,611 and who deserted his wife and children, ended October 3, 1952, when agents arrested Ira P. Valentine at a Chicago drug store where he was employed as a clerk.

From 1946 to 1948 Valentine had worked as a clerk at the University of Illinois, Champaign, Ill., where for a year he stole and forged GI subsistence checks addressed to students. When Secret Service agents began an investigation Valentine fled to Chicago without a word to his wife and family. He worked there under the name of Herbert Parker until agents finally tracked him down. He pleaded guilty and was sentenced to $3\frac{1}{2}$ years in prison.

Bond forgeries were not as heavy in 1952 as in past years, Chief Baughman said, probably because more bond owners had learned to keep their defense bonds in safe deposit boxes. The Secret Service received 4,909 bond forgery cases for investigation and closed 4,329 cases involving $343,252.16. There were 97 persons arrested for bond forgery.

When they told Clinkscale what had happened, he insisted they should return to the store and steal the fingerprint. They decided that Bradley and the girl would go into the store, where she would attempt to steal some merchandise, thus creating enough commotion to allow Bradley to steal the card with the fingerprint. She tried to steal clothing from a counter, but when she was promptly arrested by store detectives, Bradley became frightened and fled without the fingerprint. Agents soon picked him up with Clinkscale and all three were convicted and sentenced to prison terms.

A quantity of marriage license blanks, a tall story and a skeptical father-in-law landed a U. S. Marine in the brig, charged with forging $2,780 in Marine Corps allotment checks. Richard Mosley's expenses were exceeding his military pay. One day he accompanied a friend who obtained a marriage license, and conceived an ingenious idea. According to the Secret Service, Mosley stole a quantity of marriage license blanks, one of which he executed to show that he had married one Gloria Klaus, a girl he had known only slightly in high school at Pittsburgh, Pa. With the fictitious license, he applied for an allotment payable to Gloria Klaus Mosley, and each succeeding month he received a check for $130, which he forged in his mythical "wife's" name, Chief Baughman reported. The checks were deposited in a joint bank account in Alexandria, Va., for several months.

In May 1951 Mosley did marry an Alexandria school teacher. Asked by his wife and her family why no allotment was forthcoming for her, Mosley exhausted all possible excuses, finally saying that although he

One girl arrested in New York City for forgery gave her name as Mrs. Helen Meany Rountree and told Secret Service agents she was the former Helen Meany, one-time Olympic swimming champion. Employed as a room clerk in a New York hotel, Mrs. Rountree told agents she had stolen and forged a $55 check to help her 16-year-old daughter, who was a narcotic addict and who had been arrested for burglary.

She insisted she had stolen only the one check, but agents soon identified her as the forger of at least six others. They also established that she was not the former Olympic champion and was not related to the famous mermaid. The crowning irony was the discovery that the Rountree woman was a former Correctional Officer of the City of New York, that she had also posed as the sister of Inspector Meany of the New York Police Department, and that she had never used any of the proceeds of the forged checks to help her unfortunate daughter. She pleaded guilty and was sentenced November 21.

From Louisville, Kentucky, came a report of the arrest of a trio of check forgers who put over a forgery but were caught when they went back to steal a fingerprint. Two men, Nat Clinkscale and William J. Bradley, stole a check payable to a woman, so they persuaded Dorothy Lewis to pose as the payee. She and Bradley took the check to a store and bought women's clothing. Before cashing the check, the merchant asked the Lewis woman to place her fingerprint on a card, which she did. The check was cashed and she and Bradley left with the new clothes.

Morris was subsequently identified as having passed at least 15 counterfeits in Times Square restaurants and night clubs. When he refused to name his source of supply, he was "bebopped" into a Federal penitentiary for six years.

The adage that it pays to advertise doesn't include advertising stuck to United States coins. Eddie Bohn~~, Chairman of the Colorado State Boxing Commission,~~ was arrested by Secret Service agents when he persisted in gluing stickers on silver dollars advertising his Cafe Motel Service Station at Denver. Bohn was warned in 1951 that this form of advertising was a violation of the Federal laws, and he promised to discontinue it. Several months later he resumed the same kind of promotion. Secret Service agents who lunched at his restaurant received in change two silver dollars with stickers attached, and promptly arrested Mr. Bohn. He later pleaded guilty in Federal Court at Denver, was fined $250 and was advised to change his advertising methods. According to the Secret Service, complaints have been made by banks and by owners of merchandise vending machines to the effect that coins bearing stickers interfere with counting and with mechanical operations.

Public losses from forged Government checks were far greater in 1952 than those from counterfeit money, Chief Baughman reported. During the year the Secret Service received 27,604 check forgery cases for investigation. Agents completed 27,967 cases, involving forged checks worth $2,256,621.86, and arrested 2,037 persons on forgery charges.

In New York City a truck driver from Buffalo used counterfeit $10 notes to finance a "bebop" spree which landed him a prison term. James Morris filled two wallets with the counterfeits and registered in a midtown hotel, where he bought drinks for acquaintances at the bar and left a handsome, if worthless, tip for the bartender. Next morning he bought what he called "bebop" shirts, ties and jackets and invited friends from the Bronx to be his guests at a Times Square bebop club. During the week-end he entertained his friends lavishly, insisting on paying all checks for expensive meals and drinks.

When Morris prepared to check out of his hotel, he gave the cashier two $10 notes which the cashier identified as counterfeits. Morris acted surprised, said he had received the bills from a bank. He paid with other money and went into the bar.

The hotel clerk notified the New York Secret Service office, and a special agent went to the hotel with a New York police detective. They found Morris in his room and asked to examine his money. He produced a billfold crammed with genuine $1 and $5 notes and explained that he carried a quantity of small denominations so he would look like a "big shot."

Suddenly, without warning, Morris lunged toward the special agent and at the same time hurled two wallets through a window which was open about 16 inches. While the detective stayed in the room, the special agent rushed to the street below and found a man bending over the billfolds which were in the gutter. The special agent retrieved the wallets, each of which held ten counterfeit $10 notes.

agents raided the house and arrested the pair, seizing the plates for the $10 and $20 bills and a quantity of finished tens.

Darneille attempted to take all blame for the enterprise, but agents found Woody's fingerprints on the counterfeit plates and he then confessed. Both pleaded guilty. Darneille was sentenced to 6½ years, Woody to 6 years and 9 months.

Another counterfeiter, ~~who set up his plant in his home in Jefferson, Pa., escaped arrest and deserted his wife and four children. The fugitive,~~ William B. Lancaster, was on parole from Western State Penitentiary, Pittsburgh, when he began to buy supplies that could be used in making counterfeit bills. He worked the night shift in a Pennsylvania coal mine, and during the morning was employed by a weekly newspaper ~~in Waynesburg, Pa.~~

When special agents ~~were~~ became convinced that Lancaster was manufacturing counterfeit money, they obtained a search warrant for his home in Jefferson, Pa., but discovered that he had fled after ~~he swindled~~ swindling the owner of the weekly newspaper out of $300 in a used-car deal. Special Agents and Pennsylvania State Police seized five plates for counterfeit $10 bills and several proofs indicating that Lancaster was ready to produce finished counterfeits.

Lancaster stands indicted on the counterfeiting charge. ~~Warrants for his arrest on bad check charges are also held by local authorities in Greene and Washington Counties, Pa.~~ Lancaster is white, 26 years old, 5 feet 7 inches, weighs 145 pounds, has gray eyes, brown hair, ruddy complexion, and a pug nose. Any information regarding his whereabouts should be reported to the nearest office of the U. S. Secret Service.

The decrease in counterfeiting followed the arrest and conviction of four Chicago counterfeiters who had been the source of supply for bogus $10 and $20 bills appearing in large cities from coast to coast. During the year the Secret Service seized a total of $501,188.45 in counterfeit bills and coins. Of this amount, $269,163.40 was captured before it could be ~~passed on the public~~ circulated, and $232,025.05 was passed on unsuspecting merchants and cashiers. Agents arrested 220 persons for violation of the counterfeiting laws and seized several plants.

In Seattle, Washington, a chance meeting between Harold O. Woody and Stockton V. Darneille led to a partnership in competition with the Bureau of Engraving and Printing. Woody and Darneille had become friends in 1940, when both were serving prison terms at Leavenworth, Kansas. At the Seattle meeting they agreed to manufacture counterfeit $10 notes and to sell the notes in wholesale quantities to underworld characters.

They made plates and printed a batch of counterfeits. Then~~, with true industrial integrity,~~ they decided to test just one bill. Darneille tried to spend it in a drug store in a Seattle suburb. The clerk, Mrs. Shirley Austin, suspected the note and showed it to her husband. They decided it was counterfeit, but Darneille had fled. The Austins reported the incident to the Secret Service.

From rogues' gallery photographs the Austins identified Darneille as their would-be customer. Agents learned Darneille was working in a defense plant, along with Harold Woody. Surveillance revealed that the two were living together in Woody's home. Armed with a search warrant, Release Sunday Newspapers

Feb. 15, 1953

~~PRESS RELEASE~~
~~U. S. SECRET SERVICE~~
~~CALENDAR YEAR 1952~~

H - 30

A lull in counterfeiting in 1952 was contrasted by an increase in security duties for the U. S. Secret Service, which had a dual responsibility of protecting a President and a President-elect for the first time in 20 years, Chief U. E. Baughman said in his 1952 year-end report. ~~(the first he has submitted to the new Secretary of the Treasury, George M. Humphrey.)~~

Simultaneous protection of President Truman and President-elect Eisenhower necessitated the maintenance of two details of special agents. One squad, headed by James J. Rowley, Special Agent in Charge of the White House Detail, was assigned to Mr. Eisenhower at the Commodore Hotel in New York City as soon as his victory was conceded. ~~After the inauguration, some of the special agents from both details were returned to investigative duties in field offices.~~

Chief Baughman revealed that the Secret Service had investigated several obscene and threatening letters addressed to President Eisenhower before his inauguration, and said some of the letter-writers had earlier written to former President Truman.

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TREASURY DEPARTMENT

Information Service WASHINGTON, D.C.

RELEASE SUNDAY NEWSPAPERS
February 15, 1953 H-30

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In Seattle, Washington, a chance meeting between Harold O. Woody and Stockton V. Darneille led to a partnership in competition with the Bureau of Engraving and Printing. Woody and Darneille had become friends in 1940, when both were serving prison terms at Leavenworth, Kansas. At the Seattle meeting they agreed to manufacture counterfeit $10 notes and to sell the notes in wholesale quantities to underworld characters.

They made plates and printed a batch of counterfeits. Then they decided to test just one bill. Darneille tried to spend it in a drug store in a Seattle suburb. The clerk, Mrs. Shirley Austin, suspected the note and showed it to her husband. They decided it was counterfeit, but Darneille had fled. The Austins reported the incident to the Secret Service.

From rogues' gallery photographs the Austins identified Darneille as their would-be customer. Agents learned Darneille was working in a defense plant, along with Harold Woody. Surveillance revealed that that the two were living together in Woody's home. Armed with a search warrant, agents raided the house and arrested the pair, seizing the plates for the $10 and $20 bills and a quantity of finished tens.

Darneille attempted to take all blame for the enterprise, but agents found Woody's fingerprints on the counterfeit plates and he then confessed. Both pleaded guilty. Darneille was sentenced to $6\frac{1}{2}$ years, Woody to 6 years and 9 months.

Another counterfeiter, William B. Lancaster, was on parole from Western State Penitentiary, Pittsburgh, when he began to buy supplies that could be used in making counterfeit bills. He worked the night shift in a Pennsylvania coal mine, and during the morning was employed by a weekly newspaper.

When special agents became convinced that Lancaster was manufacturing counterfeit money, they obtained a search warrant for his home in Jefferson, Pennsylvania, but discovered that he had fled after swindling the owner of the weekly newspaper out of $300 in a used-car deal. Special Agents and Pennsylvania State Police seized five plates for counterfeit $10 bills and several proofs indicating that Lancaster was ready to produce finished counterfeits.

Lancaster stands indicted on the counterfeiting charge. Lancaster is white, 26 years old, 5 feet 7 inches, weighs 145 pounds, has gray eyes, brown hair, ruddy complexion, and a pug nose. Any information regarding his whereabouts should be reported to the nearest office of the U. S. Secret Service.

In New York City a truck driver from Buffalo used counterfeit $10 notes to finance a "bebop" spree which landed him a prison term. James Morris filled two wallets with the counterfeits and registered in a mid-town hotel, where he bought drinks for acquaintances at the bar and left a handsome, if worthless, tip for the bartender. Next morning he bought what he called "bebop" shirts, ties and jackets and invited friends from the Bronx to be his guests at a Times Square bebop club. During the week-end he entertained his friends lavishly, insisting on paying all checks for expensive meals and drinks.

When Morris prepared to check out of his hotel, he gave the cashier two $10 notes which the cashier identified as counterfeits. Morris acted surprised, said he had received the bills from a bank. He paid with other money and went into the bar.

The hotel clerk notified the New York Secret Service office, and a special agent went to the hotel with a New York police detective. They found Morris in his room and asked to examine his money. He produced a billfold crammed with genuine $1 and $5 notes and explained that he carried a quantity of small denominations so he would look like a "big shot."

Suddenly, without warning, Morris lunged toward the special agent and at the same time hurled two wallets through a window which was open about 16 inches. While the detective stayed in the room, the special agent rushed to the street below and found a man bending over the billfolds which were in the gutter. The special agent retrieved the wallets, each of which held ten counterfeit $10 notes.

Morris was subsequently identified as having passed at least 15 counterfeits in Times Square restaurants and night clubs. When he refused to name his source of supply, he was "bebopped" into a Federal penitentiary for six years.

The adage that it pays to advertise doesn't include advertising stuck to United States coins. Eddie Bohn was arrested by Secret Service agents when he persisted in gluing stickers on silver dollars advertising his Cafe Motel Service Station at Denver. Bohn was warned in 1951 that this form of advertising was a violation of the Federal laws, and he promised to discontinue it. Several months later he resumed the same kind of promotion. Secret Service agents who lunched at his restaurant received in change two silver dollars with stickers attached, and promptly arrested Mr. Bohn. He later pleaded guilty in Federal Court at Denver, was fined $250 and was advised to change his advertising methods. According to the Secret Service, complaints have been made by banks and by owners of merchandise vending machines to the effect that coins bearing stickers interfere with counting and with mechanical operations.

Public losses from forged Government checks were far greater in 1952 than those from counterfeit money, Chief Baughman reported. During the year the Secret Service received 27,604 check forgery cases for investigation. Agents completed 27,967 cases, involving forged checks worth $2,256,621.86, and arrested 2,037 persons on forgery charges.

From Louisville, Kentucky, came a report of the arrest of a trio of check forgers who put over a forgery but were caught when they went back to steal a fingerprint. Two men, Nat Clinkscale and William J. Bradley, stole a check payable to a woman, so they persuaded Dorothy Lewis to pose as the payee. She and Bradley took the check to a store and bought women's clothing. Before cashing the check, the merchant asked the Lewis woman to place her fingerprint on a card, which she did. The check was cashed and she and Bradley left with the new clothes.

When they told Clinkscale what had happened, he insisted they should return to the store and steal the fingerprint. They decided that Bradley and the girl would go into the store, where she would attempt to steal some merchandise, thus creating enough commotion to allow Bradley to steal the card with the fingerprint. She tried to steal clothing from a counter, but when she was promptly arrested by store detectives, Bradley became frightened and fled without the fingerprint. Agents soon picked him up with Clinkscale and all three were convicted and sentenced to prison terms.

Bond forgeries were not as heavy in 1952 as in past years, Chief Baughman said, probably because more bond owners had learned to keep their defense bonds in safe deposit boxes. The Secret Service received 4,909 bond forgery cases for investigation and closed 4,329 cases involving $343,252.16. There were 97 persons arrested for bond forgery.

Fear and fire helped to catch one bond forger, Richard A. Shekoski, 24, of Hamtramck, Michigan, who tried to burn his clues behind him. Shekoski was acquainted with a workman at the Plymouth Motor Car Company in Detroit who let it be known that he had $3,925 worth of defense bonds in his home in Utica, Michigan. Shekoski went to the house while the bond owner was at work, entered with a skeleton key, and ransacked the place until he found the bonds in a bureau drawer in the bedroom. He tried to cover up the theft by setting fire to the mattress, but when it started to blaze, he apparently became frightened, extinguished it and left the house.

The next day he cashed four bonds at a Hamtramck bank, using for identification an automobile registration certificate which he had also stolen in the house. He then obtained an operator's license bearing his own description and used it to cash the rest of the 67 bonds.

He was soon arrested, pleaded guilty and was sentenced to 2½ years in prison.

In addition to counterfeiters and forgers, the Secret Service arrested 186 persons for other crimes, bringing total arrests to 2,540. There were 2,313 convictions, representing 98 percent of convictions in all cases that were prosecuted.

Prison sentences during the year totaled 2,633 years and additional sentences of 2,499 years were suspended or probated. Fines in criminal cases totaled $27,163.60.

Cases of all types received for investigation, including counterfeiting and forgery cases, totaled 39,403, and although agents completed 39,157 investigations during the year, there was a backlog of 9,738 cases still awaiting investigation as of December 31, Chief Baughman reported.

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STANDARD FORM NO. 64

Office Memorandum • UNITED STATES GOVERNMENT

TO : MR. SILER

DATE: February 12, 1953

FROM : MR. KILBY

SUBJECT:

There is attached a press statement for release morning papers tomorrow, February 13, which contains the formal notice of call signed by Secretary Humphrey with respect to the redemption on June 15, 1953, of the 2 percent Treasury Bonds of 1953-55.

801

H-31

RELEASE MORNING NEWSPAPERS,
Friday, February 13, 1953.

Secretary of the Treasury Humphrey announced today that all outstanding 2 percent Treasury Bonds of 1953-55, dated October 7, 1940, due June 15, 1955, are called for redemption on June 15, 1953. There are now outstanding $724,677,900 of these bonds. The bonds of this issue are being called at this time because of the partially tax-exempt attributes they carry.

Two issues of 2 percent Treasury Bonds of 1952-54, the 2 percent Treasury Bonds of 1951-55, and the 2-1/4 percent Treasury Bonds of 1952-55, which are also callable on June 15, 1953, will not be called for redemption on that date.

The text of the formal notice of call is as follows:

TWO PERCENT TREASURY BONDS OF 1953-55
(DATED OCTOBER 7, 1940)

NOTICE OF CALL FOR REDEMPTION

To Holders of 2 percent Treasury Bonds of 1953-55, and Others Concerned:

1. Public notice is hereby given that all outstanding 2 percent Treasury Bonds of 1953-55, dated October 7, 1940, due June 15, 1955, are hereby called for redemption on June 15, 1953, on which date interest on such bonds will cease.

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

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

G. M. Humphrey,
Secretary of the Treasury.

TREASURY DEPARTMENT,
Washington, February 13, 1953.

TREASURY DEPARTMENT

Information Service WASHINGTON, D.C.

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TREASURY DEPARTMENT,
Washington, February 13, 1953.

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H-32

IMMEDIATE RELEASE,
Friday, February 13, 1953.

The Secretary of the Treasury today announced the subscription and allotment figures with respect to the current offering of 2-1/4 percent Treasury Certificates of Indebtedness of Series A-1954 and 2-1/2 percent Treasury Bonds of 1958, to be dated February 15, open to the holders of 1-7/8 percent Treasury Certificates of Indebtedness of Series A-1953, maturing February 15.

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

Federal Reserve District	Series A-1954 Certificates Total Subscriptions Received & Allotted	Treasury Bonds of 1958 Total Subscriptions Received & Allotted
Boston	$ 155,646,000	$ 20,960,000
New York	5,533,099,000	310,562,000
Philadelphia	83,898,000	19,973,000
Cleveland	270,093,000	36,023,000
Richmond	113,044,000	19,443,000
Atlanta	189,611,000	18,299,000
Chicago	724,206,000	76,161,000
St. Louis	210,441,000	21,393,000
Minneapolis	131,676,000	14,069,000
Kansas City	269,473,000	21,307,000
Dallas	143,290,000	18,098,000
San Francisco	243,695,000	43,008,000
Treasury	45,920,000	932,000
TOTAL	$8,114,092,000	$620,228,000

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A-33

RELEASE MORNING NEWSPAPERS,
Tuesday, February 17, 1953.

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 19 and to mature May 21, 1953, which were offered on February 12, were opened at the Federal Reserve Banks on February 16.

The details of this issue are as follows:

Total applied for - $2,291,545,000
Total accepted - 1,301,266,000 (includes $242,061,000 entered on a non-competitive basis and accepted in full at the average price shown below)
Average price - 99.500/ Equivalent rate of discount approx. 1.976% per annum

Range of accepted competitive bids:

High - 99.520 Equivalent rate of discount approx. 1.899% per annum
Low - 99.498 " " " " " 1.986% " "

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

Federal Reserve District	Total Applied for	Total Accepted
Boston	$ 20,738,000	$ 19,938,000
New York	1,527,939,000	770,454,000
Philadelphia	30,785,000	13,880,000
Cleveland	56,493,000	34,673,000
Richmond	18,700,000	17,700,000
Atlanta	42,975,000	34,926,000
Chicago	268,925,000	175,969,000
St. Louis	54,242,000	39,431,000
Minneapolis	17,657,000	14,742,000
Kansas City	54,332,000	38,394,000
Dallas	60,945,000	38,925,000
San Francisco	137,814,000	102,234,000
Total	$2,291,545,000	$1,301,266,000

TREASURY DEPARTMENT

Information Service WASHINGTON, D.C.

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BUREAU OF CUSTOMS
WASHINGTON

TO: Mr. M. L. Harney

Customs enforcement release as per your memorandum of December 19, 1952.

GHR

Seizures valued at many thousands of dollars were made in foiling attempts to export a wide variety of merchandise without valid licenses from the Office of International Trade, Department of Commerce. Many of these seizures involved strategic materials. Other investigations involved falsification of documents to obtain favorable Customs treatment of goods manufactured in Iron Curtain countries. On the West Coast agents smashed an extensive traffic~~, from Canada to the United States,~~ in goods of suspected Communist Chinese origin. These importations were in violation of Foreign Assets Control regulations intended to prevent the Communist Chinese Government from earning dollars in commerce with this country.

Several major investigations during the year involved attempts to export arms and ammunition without valid State Department licenses.

* * *

The largest of several cattle smuggling cases developed in the Texas-Mexico border area, prior to lifting of the Department of Agriculture quarantine against livestock importations from that country, reached a successful conclusion just after the turn of the new year. Four principals were convicted in Federal court at El Paso, on charges of conspiracy and smuggling. The case involved several hundred head of cattle stolen in Mexico, driven across the Rio Grande at isolated spots, and subsequently dispersed through auction sales markets far from the border. Customs officers, in a month long, painstaking checking of sales records, brand identifications and other evidence, traced most of the animals, some into adjoining States, and effected seizures.

Cattle smuggling also constituted a problem on the Canadian border after imposition of the hoof and mouth disease quarantine against that country.

There was the usual run of individual efforts to import high value articles without payment of duties, with several seizures of jewelry valued up to $25,000 and more. One of the major commercial smuggling efforts thwarted occurred at the port of New York, when $15,000 worth of watch movements were found concealed in a case of porcelain ware.

At Tampa, Florida, agents did a bit of under cover work to ~~"scotch"~~ check a neat scheme of officers of a Spanish vessel to peddle liquors supposedly safely under Customs seal while the ship was in port. It was found a secret trap door into the storeroom was being employed to divert the liquor to private sale. Beverages valued at $500 were seized and heavy penalties levied against the violators.

evidence of appropriate customs clearance should be insisted upon in the public interest and for the dealers' own protection.

During the past year there have been reported several deaths from psittacosis in this country, and one customs agent participating in the seizures suffered a critical illness diagnosed as this disease.

Customs officers continued to wage effective war against international narcotic traffickers, with more large, individual seizures being effected than has been the case in recent years. One such case involved 105 pounds of opium found by customs searchers aboard a foreign flag vessel arriving at the port of Philadelphia. Sixty ounces of smoking opium were captured near Calexico, California, along with two automobiles. Two arrests were made. The opium, packed in tobacco cans, was concealed inside a door panel of one of the cars. Several other large seizures of opium were made in this area, as well as at Arizona and Texas border points.

At El Paso, Texas, a former Mexican police officer was convicted in Federal court in a case involving delivery of 47 pounds of opium to an under cover customs agent.

At the port of New York, a customs inspector discovered 70 ounces of heroin in a false-bottomed suitcase carried by a foreign student arriving to enter school in this country. At San Francisco, 36 ounces of this drug were found aboard an incoming passenger liner.

Numerous seizures of marihuana were made, principally at Mexican border points, ranging up to 100 pounds in individual cases. Sixty-three pounds of the weed were found by searchers aboard an Italian vessel arriving at New Orleans.

Release Wednesday PMs

Feb 18. Release Afternoon Newspapers ~~Proposed Press Release~~ H-34

Wednesday, February 18, 1953

Illegal international traffic in birds of the parrot family presented ~~burgeoned into~~ a major Customs enforcement problem during 1952, Frank Dow, Commissioner of Customs, reported today ~~to Treasury Secretary Humphrey.~~

The United States Public Health Service has a quarantine against such birds ~~of the psittacine family~~ for the prevention of parrot fever (psittacosis). This quarantine is enforced by customs officers, and for a number of years occasional seizures of small lots of the birds have been made, principally along the United States-Mexico border.

However, evidence developed by customs agents indicates large numbers of the birds were ~~have been~~ brought into Mexico from Belgium and Holland during the past year, intended for the lucrative United States market. The potentials of this illicit business have been estimated as high as a quarter of a million dollars a year. Runners attempt to deliver the birds to confederates on the United States side of the line at isolated points, or else employ trick cages concealed in automobiles moving through regular ports of entry. In at least one case the bird smugglers are believed to have employed an airplane.

Customs officers have seized thousands of the birds and made a score of arrests in combating the smugglers. Birds valued at $30,000 were taken as a result of a single investigation in the San Diego, California area. Texas border points also have been "hot spots" in the racket.

Chester A. Emerick, Deputy Commissioner of Customs and Head of the Bureau's Division of Investigations, warned bird dealers to use every precaution in the purchase of such birds. Proof of origin should be required, and, if imported, as most of such birds on the market are,

TREASURY DEPARTMENT

Information Service WASHINGTON, D.C.

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ALPHA

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.

ALPHA

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 26, 1953, in cash or other immediately available funds or in a like face amount of Treasury bills maturing February 26, 1953. 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

~~Exhibit~~

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TREASURY DEPARTMENT
Washington

H-35

FOR RELEASE, MORNING NEWSPAPERS,
Tuesday, February 17, 1953 .
(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 26, 1953 (4), in the amount of $1,300,013,000 , 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 26, 1953 (5), and will mature May 28, 1953 (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, Friday, February 20, 1953 (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

TREASURY DEPARTMENT

Information Service WASHINGTON, D.C.

RELEASE MORNING NEWSPAPERS,
Tuesday, February 17, 1953. H-35

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 26, 1953, in the amount of $1,300,013,000, 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 26, 1953, and will mature May 28, 1953, 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, Friday, February 20, 1953. 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 26, 1953, in cash or other immediately available funds or in a like face amount of Treasury bills maturing February 26, 1953. 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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and Company, Incorporated; G. Harold Welch of New Haven, Vice President, the New Haven Bank; and Reno Odlin of Tacoma, Washington, President, Puget Sound National Bank, with Mr. Odlin as chairman.

The status of Series F, G, J and K bonds in the overall program is under study. Policy regarding them will be announced in due course. Meanwhile, the emphasis is upon increased sales of Series E and H bonds.

* * * * * * *

cumulative efforts of many thousands of patriotic volunteer workers, and the deeply ingrained thrift habits of the American people. They appear to reflect also a renewed confidence in the stability of the U. S. dollar.

"The public debt, which now amounts to $267 billion, is a major influence on the economic life of the Country. Our first task is to keep the debt from increasing, and then to reduce it gradually. This will take the vigorous cooperation of the Congress, the Administration, and the American people.

"As President Eisenhower said in his recent message to the Congress, another essential step is to lengthen the debt so that not so much of it falls due within the next few years, and to spread the ownership of the debt among all the people, so that much less of it will be concentrated in banking institutions.

"The best way to spread the ownership of the debt is to sell more Savings Bonds. Every purchase of Savings Bonds helps place the public debt on a sounder basis."

The committee of Volunteer State Chairmen with which Mr. Burgess and other Treasury officials consulted was composed of John C. Cornelius, of Minneapolis, Vice President of Batten, Barton, Durstine and Osborne; Loring L. Gelbach of Cleveland, President, Central National Bank of Cleveland; Howard D. Mills of Los Angeles, Vice President of the Lionel D. Edie

Sup Service Heading

2:30 P.M. E.D.T.

RELEASE ~~12 O'CLOCK NOON E.S.T.~~
Monday, February 16, 1953

H-36

The Treasury and representatives of the nationwide organization of volunteer salesmen of U. S. Savings Bonds are agreed on energetic promotion of the sale of Savings Bonds as a major feature of the Government's over-all debt management policies, it was stated today to a meeting of the National Women's Advisory Committee on U. S. Savings Bonds/ by W. Randolph Burgess, Deputy to Secretary of the Treasury G. M. Humphrey. The sale of Savings Bonds has been and is a nonpartisan movement for reassuring the soundness of the U. S. Dollar.

"No changes in the form or terms of Series E and Series H Savings Bonds are under consideration," Mr. Burgess said.

"A committee representing the volunteer State Chairmen has been in Washington for several days conferring with us, and we met last week with a Committee of the American Bankers Association. These groups agree that in the present and prospective market, Savings Bonds of the familiar E series as well as the newer bonds of the H series are attractive as to rates and terms. The January sales figures~~, showing sales of $504,000,000 as compared with redemptions of $435,000,000~~ substantiate this opinion. The January results reflect the

TREASURY DEPARTMENT

Information Service WASHINGTON, D.C.

RELEASE 2:30 P.M. E.S.T.
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"The public debt, which now amounts to $267 billion, is a major influence on the economic life of the Country. Our first task is to keep the debt from increasing, and then to reduce it gradually. This will take the vigorous cooperation of the Congress, the Administration, and the American people.

"As President Eisenhower said in his recent message to the Congress, another essential step is to lengthen the debt so that not so much of it falls due within the next few years, and to spread the ownership of the debt among all the people, so that much less of it will be concentrated in banking institutions.

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The status of Series F, G, J and K bonds in the overall program is under study. Policy regarding them will be announced in due course. Meanwhile, the emphasis is upon increased sales of Series E and H bonds.

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To: Mr Parsons

Mr Lennartson suggests that this announcement be issued today for release in Thursday AM newspapers -

The first paragraph perhaps should say he was appointed "an Assistant to the Secretary", rather than "as Assistant", since there are other Assistants.

The biographical sketch would be an attachment

AMS 7/18/53

FROM: Leon M. Siler
Room 3420

OK by Rose 7/18/53

~~BIOGRAPHY OF NILS A. LENNARTSON~~

A native of Webster, Mass., Mr. Lennartson is the son of Mrs. Anna and the late Andrew L. Lennartson of Concord, New Hampshire. He was graduated from Bates College, Lewiston, Maine, in 1936 and for six years served as a reporter for the Guy Gannett Newspapers at Portland, Maine. Mr. Lennartson entered the Air Force as a private in 1942 and went on inactive duty as a captain in 1945 after service overseas and in Washington, D.C. He was with the Maine Central Railroad at Portland, Maine, and the U. S. Steel Corporation at Boston, Mass., until returning to the Air Force as a civilian in 1948. He received the Air Force's Exceptional Civilian Service Award for "distinguished patriotic service from June 1948 to February 1952" in May, 1952. Mr. Lennartson, married to the former Emily E. Weston of Skowhegan, Maine, now lives at Box 214M, Fort Hunt Road, Alexandria, Virginia.

Release Morning Newspapers ~~Thursday~~

~~FOR~~ RELEASE ~~IN~~ A.M. NEWSPAPERS, February 19, 1953 H-
Thursday, February 19, 1953

Secretary of the Treasury George M. Humphrey today appointed Nils A. Lennartson, 37, of Falmouth Foreside, Maine, ~~as~~ an Assistant to the Secretary. ~~of the Treasury.~~

Secretary Humphrey said that Mr. Lennartson would have specific responsibility for public information activities in the Department of the Treasury as well as other duties assigned by the Secretary.

Mr. Lennartson, now Director of Public Information for the Department of Commerce, will assume the Treasury post about February 23. He went with the Commerce Department a year ago after nearly four years as Deputy Director of Public Relations and Special Assistant to the Secretary of the Air Force at the Pentagon.

TREASURY DEPARTMENT

Information Service

WASHINGTON, D.C.

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A native of Webster, Massachusetts, Mr. Lennartson is the son of Mrs. Anna and the late Andrew L. Lennartson of Concord, New Hampshire. He graduated from Bates College, Lewiston, Maine, in 1936 and for six years served as a reporter for the Guy Gannett Newspapers at Portland, Maine. Mr. Lennartson entered the Air Force as a private in 1942 and went on inactive duty as a captain in 1945 after service overseas and in Washington, D.C. He was with the Maine Central Railroad at Portland, Maine, and the U. S. Steel Corporation at Boston, Massachusetts, until returning to the Air Force as a civilian in 1948. He received the Air Force's Exceptional Civilian Service Award for "distinguished patriotic service from June 1948 to February 1952" in May, 1952. Mr. Lennartson, married to the former Emily E. Weston of Skowhegan, Maine, now lives at Box 214M, Fort Hunt Road, Alexandria, Virginia.

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H-38

RELEASE MORNING NEWSPAPERS,
Saturday, February 21, 1953.

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 26 and to mature May 28, 1953, which were offered on February 17, were opened at the Federal Reserve Banks on February 20.

The details of this issue are as follows:

Total applied for - $1,992,840,000
Total accepted - 1,300,495,000 (includes $196,134,000 entered on a non-competitive basis and accepted in full at the average price shown below)
Average price - 99.477 Equivalent rate of discount approx. 2.070% per annum

Range of accepted competitive bids:

High - 99.550 Equivalent rate of discount approx. 1.780% per annum
Low - 99.470 " " " " " 2.097% " "

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

Federal Reserve District	Total Applied for	Total Accepted
Boston	$ 21,014,000	$ 18,014,000
New York	1,416,621,000	819,016,000
Philadelphia	29,243,000	14,243,000
Cleveland	58,868,000	57,208,000
Richmond	16,372,000	15,042,000
Atlanta	18,545,000	18,545,000
Chicago	202,717,000	148,907,000
St. Louis	37,865,000	34,205,000
Minneapolis	9,988,000	9,988,000
Kansas City	48,218,000	42,218,000
Dallas	40,064,000	38,084,000
San Francisco	93,325,000	85,025,000
TOTAL	$1,992,840,000	$1,300,495,000

TREASURY DEPARTMENT

Information Service

WASHINGTON, D.C.

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H-38

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Minneapolis	9,988,000	9,988,000
Kansas City	48,218,000	42,218,000
Dallas	40,064,000	38,084,000
San Francisco	93,325,000	85,025,000
TOTAL	$1,992,840,000	$1,300,495,000

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Immediate Release (at 3 pm)
Friday, February 20, 1953

H-39

~~PRESS RELEASE~~

Secretary Humphrey announced today that he had established in the Office of the Under Secretary an Analysis Staff, which will operate under the immediate supervision of Mr. Dan Throop Smith, Assistant to the Secretary.

The Analysis Staff is being organized to provide more effective coordination and economical operation of the analytical activities in the Treasury Department relating to financing, debt management, and tax policies. In addition, it will perform such other functions as may be assigned from time to time by the Secretary and the Under Secretary. Some of the duties and responsibilities of the Analysis Staff were previously performed by the Office of the Technical Staff and Tax Advisory Staff, both of which have been abolished.

TREASURY DEPARTMENT

Information Service WASHINGTON, D.C.

IMMEDIATE RELEASE,
Friday, February 20, 1953. H-39

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The Secretary designated Assistant Secretary H. Chapman Rose to supervise the Bureau of Customs, United States Coast Guard, Bureau of the Mint, United States Secret Service, Bureau of Narcotics, Information Service, and Enforcement.

The Secretary directed that General Counsel Elbert P. Tuttle have charge of the Legal Division.

In case of the absence or sickness of the Secretary, Under Secretary Folsom will act as Secretary of the Treasury. In case of the absence or sickness of both the Secretary and the Under Secretary, the officials designated to act as Secretary are, in order, Assistant Secretary Rose, Assistant Secretary Overby and General Counsel Tuttle.

In case of the absence or sickness of the Fiscal Assistant Secretary or a vacancy in that office, Assistant Secretary Overby will act as Fiscal Assistant Secretary.

M.B.J.

Immediate Release Friday, Feb 20, 1953

H-40

Responsibility for the supervision of the various bureaus of the Treasury Department was assigned today by Secretary Humphrey to the Under Secretary, Deputy to the Secretary, Assistant Secretaries and General Counsel of the Treasury. The assignments are effective March 1.

The Secretary designated Under Secretary Marion B. Folsom to supervise the operations of the Bureau of Internal Revenue, Analysis Staff, and Office of Tax Legislative Counsel. Mr. Folsom also will have general supervision over the functions assigned to Administrative Assistant Secretary William W. Parsons, who is to supervise the Office of Budget, Office of Personnel, Office of Administrative Services and Bureau of Engraving and Printing.

The Secretary designated his Deputy, W. Randolph Burgess, to have general supervision over the functions assigned to Assistant Secretary Andrew N. Overby and Fiscal Assistant Secretary Edward F. Bartelt. Assistant Secretary Overby will continue to supervise the Office of International Finance (including Foreign Assets Control), United States Savings Bonds Division, and Office of the Comptroller of the Currency. Fiscal Assistant Secretary Bartelt will continue to supervise the Bureau of Accounts, Office of the Treasurer, and Bureau of the Public Debt.

TREASURY DEPARTMENT

Information Service WASHINGTON, D.C.

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In case of the absence or sickness of the Secretary, Under Secretary Folsom will act as Secretary of the Treasury. In case of the absence or sickness of both the Secretary and the Under Secretary, the officials designated to act as Secretary are, in order, Assistant Secretary Rose, Assistant Secretary Overby and General Counsel Tuttle.

In case of the absence or sickness of the Fiscal Assistant Secretary or a vacancy in that office, Assistant Secretary Overby will act as Fiscal Assistant Secretary.

oOo

~~ALPHA~~

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.

~~XXPMX~~

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 5, 1953, in cash or other immediately available funds or in a like face amount of Treasury bills maturing March 5, 1953. 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

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TREASURY DEPARTMENT
Washington

14-41

FOR RELEASE, MORNING NEWSPAPERS,
Thursday, February 26, 1953 .

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 March 5, 1953 , in the amount of $1,300,750,000 , 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 5, 1953 , and will mature June 4, 1953 , 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 2, 1953 . 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

TREASURY DEPARTMENT

Information Service WASHINGTON, D.C.

RELEASE MORNING NEWSPAPERS,
Thursday, February 26, 1953. H-41

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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.

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(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 5, 1953, in cash or other immediately available funds or in a like face amount of Treasury bills maturing March 5, 1953. Cash and exchange tenders will receive equal treatment. Cash adjustments will be made for differences between the par value of maturing bills accepted in exchange and the issue price of the new bills.

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

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

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RELEASE MORNING NEWSPAPERS,
Tuesday, March 3, 1953.

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 March 5 and to mature June 4, 1953, which were offered on February 26, were opened at the Federal Reserve Banks on March 2.

The details of this issue are as follows:

Total applied for - $1,996,167,000
Total accepted - 1,300,085,000 (includes $197,423,000 entered on a non-competitive basis and accepted in full at the average price shown below)
Average price - 99.453 Equivalent rate of discount approx. 2.164% per annum

Range of accepted competitive bids:

High - 99.500 Equivalent rate of discount approx. 1.978% per annum
Low - 99.448 " " " " " 2.184% " "

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

Federal Reserve District	Total Applied for	Total Accepted
Boston	$ 12,888,000	$ 12,888,000
New York	1,334,309,000	756,199,000
Philadelphia	50,463,000	29,803,000
Cleveland	50,920,000	44,920,000
Richmond	13,045,000	11,545,000
Atlanta	28,676,000	28,110,000
Chicago	241,940,000	182,885,000
St. Louis	38,829,000	31,458,000
Minneapolis	8,096,000	8,096,000
Kansas City	60,603,000	50,773,000
Dallas	36,062,000	36,062,000
San Francisco	120,336,000	107,346,000
Total	$1,996,167,000	$1,300,085,000

TREASURY DEPARTMENT

Information Service WASHINGTON, D.C.

RELEASE MORNING NEWSPAPERS,
Tuesday, March 3, 1953. H-42

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 March 5 and to mature June 4, 1953, which were offered on February 26, were opened at the Federal Reserve Banks on March 2.

The details of this issue are as follows:

Total applied for - $1,996,167,000
Total accepted - 1,300,085,000 (includes $197,423,000 entered on a non-competitive basis and accepted in full at the average price shown below)
Average price - 99.453 Equivalent rate of discount approx. 2.164% per annum

Range of accepted competitive bids:

High - 99.500 Equivalent rate of discount approx. 1.978 % per annum
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Kansas City	60,603,000	50,773,000
Dallas	36,062,000	36,062,000
San Francisco	120,336,000	107,346,000
TOTAL	$1,996,167,000	$1,300,085,000

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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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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 12, 1953 (8) xxx, in cash or other immediately available funds or in a like face amount of Treasury bills maturing March 12, 1953 (9) xxx. 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

TREASURY DEPARTMENT
Washington

FOR RELEASE, MORNING NEWSPAPERS,
Thursday, March 5, 1953 .

H-43

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 12, 1953 , in the amount of $1,200,342,000 , 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 12, 1953 , and will mature June 11, 1953 , 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 9, 1953 . 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

TREASURY DEPARTMENT

Information Service WASHINGTON, D.C.

RELEASE MORNING NEWSPAPERS,
Thursday, March 5, 1953. H-43

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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 12, 1953, in cash or other immediately available funds or in a like face amount of Treasury bills maturing March 12, 1953. 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 inhis 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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Sales of Series E and H bonds in February, 1953, were $362,000,000 , compared with Series E sales of $288,000,000 in February, 1952. Since the Series H bond, which was first offered for sale on June 1, 1952, is the current income companion of the Series E bond, current sales of the two series are reported together.

Redemptions of matured and unmatured Series E and Series H bonds in February, 1953, totaled $296,000,000, compared with Series E redemptions of $334,000,000 in February, 1952.

Although about three quarters of all Series E bonds which have matured to date are still outstanding under the E bond extension ~~xxxxx~~ program, cash redemptions of matured bonds continue to rise as the bonds sold in the war years reach their original maturity. However, redemptions before maturity have been declining, and this more than offsets the increase in redemptions of matured bonds.

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Immediate Release

Thursday, March 5, 1953

H-40

Sales of all series of United States Savings Bonds in the first two months of this year totaled $919,000,000, compared with $780,000,000 in the first two months of 1952, for a gain of 18 percent, the Treasury Department announced today.

Redemptions of all series for the first two months of 1953 totaled ~~[illegible]~~ $804,000,000, giving an excess of $115,000,000 of sales receipts over redemptions. In the first two months of 1952, redemptions exceeded sales by $124,000,000.

February, 1953, sales of all series were $414,000,000 compared with $339,000,000 in February of last year. The February, 1953, redemptions of all series were $369,000,000, compared with $411,000,000 in February of last year.

The February, 1953, record is particularly significant, since it marks the second consecutive month in which sales have exceeded redemptions. In both January and February, 1953, the improvement in sales as compared with a year ago was due mainly to sales of Series E and H bonds.

TREASURY DEPARTMENT

Information Service WASHINGTON, D.C.

IMMEDIATE RELEASE,
Thursday, March 5, 1953. H-44

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UNITED STATES GOLD TRANSACTIONS WITH FOREIGN COUNTRIES, 1952
(In millions of dollars at $35 per ounce)

Negative figures represent net sales by the United States; positive figures, net purchases.

Country	1st Quarter 1952	2nd Quarter 1952	3rd Quarter 1952	4th Quarter 1952	Calendar 1952
Afghanistan	-$2.5	--	--	--	-$2.5
Argentina	--	--	--	-$20.0	-20.0
Belgium	20.2	--	--	-24.0	-3.8
Belgian Congo	--	--	--	-2.0	-2.0
Bolivia	--	--	-$2.0	2.0	--
Canada	--	$6.9	.3	--	7.2
Chile	--	1.8	--	--	1.8
Colombia	-17.5	-5.2	--	--	-22.8
Denmark	--	--	--	-7.0	-7.0
Germany	--	--	--	-10.0	-10.0
Greece	-12.3	--	--	--	-12.3
Lebanon	-1.1	-1.3	--	-.7	-3.1
Mexico	11.3	101.4	--	-25.0	87.7
Netherlands	--	--	--	-100.0	-100.0
Philippines	.3	.4	.4	--	1.2
Portugal	--	--	--	-5.0	-5.0
Salvador	--	-4.0	--	--	-4.0
Switzerland	22.5	--	--	--	22.5
Switzerland-Bank for International Settlements	2.3	--	--	-2.3	--
Syria	--	-1.5	--	-1.0	-2.5
South Africa	4.3	7.2	--	--	11.5
Turkey	--	--	~~2.1~~	2.1	2.1
United Kingdom	520.0	--	--	-80.0	440.0
Uruguay	10.0	--	--	4.8	14.9
All Other	-.2	--	-.1	--	-.2
TOTAL	$557.3	$105.7	-$1.3	-$268.0	$393.6

Some figures will not add to totals because of rounding.

Press Release

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Immediate Release
Friday, Mar 6, 1953

H-45

The Treasury Department today made public a report of monetary gold transactions with foreign governments and central banks for the calendar year 1952. For the year as a whole, U.S. purchases of monetary gold exceeded sales by $394 million. Net sales of $269 million in the second half were more than offset by net purchases of $663 million in the first half.

A table showing quarterly and annual net transactions, by country, is attached.

TREASURY DEPARTMENT

Information Service WASHINGTON, D.C.

IMMEDIATE RELEASE,
Friday, March 6, 1953. H-45

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A table showing quarterly and annual net transactions, by country, is attached.

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(In millions of dollars at $35 per ounce)

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Afghanistan	-$2.5	--	--	--	-$2.5
Argentina	--	--	--	-$20.0	-20.0
Belgium	20.2	--	--	-24.0	-3.8
Belgian Congo	--	--	--	-2.0	-2.0
Bolivia	--	--	-$2.0	2.0	--
Canada	--	$6.9	.3	--	7.2
Chile	--	1.8	--	--	1.8
Colombia	-17.5	-5.2	--	--	-22.8
Denmark	--	--	--	-7.0	-7.0
Germany	--	--	--	-10.0	-10.0
Greece	-12.3	--	--	--	-12.3
Lebanon	-1.1	-1.3	--	-.7	-3.1
Mexico	11.3	101.4	--	-25.0	87.7
Netherlands	--	--	--	-100.0	-100.0
Philippines	.3	.4	.4	--	1.2
Portugal	--	--	--	-5.0	-5.0
Salvador	--	-4.0	--	--	-4.0
Switzerland	22.5	--	--	--	22.5
Switzerland-Bank for International Settlements	2.3	--	--	-2.3	--
Syria	--	-1.5	--	-1.0	-2.5
South Africa	4.3	7.2	--	--	11.5
Turkey	--	--	--	2.1	2.1
United Kingdom	520.0	--	--	-80.0	440.0
Uruguay	10.0	--	--	4.8	14.9
All Other	-.2	--	-.1	--	-.2
TOTAL	$557.3	$105.7	-$1.3	-$268.0	$393.6

Some figures will not add to totals because of rounding.

STATUTORY DEBT LIMITATION

AS OF February 28, 1953

TREASURY DEPARTMENT
Fiscal Service
Washington, March 5, 1953
6

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	$21,709,862,000		
Certificates of indebtedness	15,958,431,000		
Treasury notes	35,923,639,400	$ 73,591,932,400	
Bonds -			
Treasury	80,370,758,750		
Savings (current redemp. value)	58,267,863,799		
Depositary	399,238,000		
Armed Forces Leave	-		
Investment series	13,433,261,000	152,471,121,549	
Special Funds -			
Certificates of indebtedness	24,221,338,000		
Treasury notes	15,081,019,400	39,302,357,400	
Total interest-bearing		265,365,411,349	
Matured, interest-ceased		279,591,375	
Bearing no interest:			
War savings stamps	49,531,672		
Excess profits tax refund bonds	1,532,362		
Special notes of the United States:			
Internat'l Monetary Fund series	1,277,000,000	1,328,064,034	
Total		266,973,066,758	
Guaranteed obligations (not held by Treasury):			
Interest-bearing:			
Debentures: F.H.A.	48,686,236		
Demand obligations: C.C.C.	11,631	48,697,867	
Matured, interest-ceased		1,331,925	
		50,029,792	
Grand total outstanding			267,023,096,550
Balance face amount of obligations issuable under above authority			7,976,903,450

Reconcilement with Statement of the Public Debt Feb. 28, 1953
(Date)
(Daily Statement of the United States Treasury, Mar. 2, 1953)
(Date)

Outstanding -	
Total gross public debt	267,583,710,329
Guaranteed obligations not owned by the Treasury	50,029,792
Total gross public debt and guaranteed obligations	267,633,740,121
Deduct - other outstanding public debt obligations not subject to debt limitation	610,643,571
	267,023,096,550

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TD - OAS - DC

STATUTORY DEBT LIMITATION
AS OF FEBRUARY 28, 1953

March 9, 1953

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 notes.................	35,923,639,400	$ 73,591,932,400	
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Depositary...................	399,238,000		
Armed Forces Leave...........	-		
Investment series............	13,433,261,000	152,471,121,549	
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Matured, Interest-ceased........................		1,331,925	
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Grand total outstanding..			267,023,096,550
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Deduct - other outstanding public debt obligations not subject to debt limitation..	610,643,571
	267,023,096,550

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Comparison of principal items of assets and liabilities of national banks - continued

(In thousands of dollars)

	Dec. 31, 1952	Sept. 5, 1952	Dec. 31, 1951	Increase or decrease since Sept. 5, 1952 Amount	Percent	Increase or decrease since Dec. 31, 1951 Amount	Percent
LIABILITIES							
Deposits of individuals, partnerships, and corporations:							
Demand	$56,682,902	$53,075,645	$54,855,841	$3,607,257	6.80	$1,827,061	3.33
Time	21,517,160	20,905,423	19,825,659	611,737	2.93	1,691,501	8.53
Deposits of U. S. Government	3,238,050	2,803,524	2,233,623	434,526	15.50	1,004,427	44.97
Postal savings deposits	13,588	13,695	10,003	-107	-.78	3,585	35.84
Deposits of States and political subdivisions	6,271,676	5,875,435	5,924,592	396,241	6.74	347,084	5.86
Deposits of banks	9.920,522	8,657,187	9,789,974	1,263,335	14.59	130,548	1.33
Other deposits (certified and cashiers' checks, etc.)	1,613,878	1,172,936	1,791,869	440,942	37.59	-177,991	-9.93
Total deposits	99,257,776	92,503,845	94,431,561	6,753,931	7.30	4,826,215	5.11
Bills payable, rediscounts, and other liabilities for borrowed money	75,921	1,069,238	15,484	-993,317	-92.90	60,437	390.32
Other liabilities	1,739,825	1,632,854	1,621,397	106,971	6.55	118,428	7.30
Total liabilities, excluding capital accounts	101,073,522	95,205,937	96,068,442	5,867,585	6.16	5,005,080	5.21
CAPITAL ACCOUNTS							
Capital stock:							
Preferred	5,666	6,319	8,546	-653	-10.33	-2,880	-33.70
Common	2,219,186	2,201,602	2,096,799	17,584	.80	122,387	5.84
Total	2,224,852	2,207,921	2,105,345	16,931	.77	119,507	5.68
Surplus	3,334,218	3,197,085	3,083,495	137,133	4.29	250,723	8.13
Undivided profits	1,225,731	1,296,349	1,212,538	-70,618	-5.45	13,193	1.09
Reserves	274,420	266,416	268,740	8,004	3.00	5,680	2.11
Total surplus, profits, and reserves	4,834,369	4,759,850	4,564,773	74,519	1.57	269,596	5.91
Total capital accounts	7,059,221	6,967,771	6,670,118	91,450	1.31	389,103	5.83
Total liabilities and capital accounts	108,132,743	102,173,708	102,738,560	5,959,035	5.83	5,394,183	5.25
RATIOS:	Percent	Percent	Percent				
U.S. Gov't securities to total assets	33.23	34.24	34.22				
Loans & discounts to total assets	33.40	33.06	31.56				
Capital accounts to total deposits	7.11	7.53	7.06				

NOTE: Minus sign denotes decrease.

Statement showing comparison of principal items of assets and liabilities of active national banks as of December 31, 1952, September 5, 1952, and December 31, 1951

(In thousands of dollars)

	Dec. 31, 1952	Sept. 5, 1952	Dec. 31, 1951	Increase or decrease since Sept. 5, 1952		Increase or decrease since Dec. 31, 1951	
				Amount	Percent	Amount	Percent
Number of banks	4,916	4,927	4,946	-11	-.22	-30	-.61
ASSETS							
Commercial and industrial loans	$16,894,489	$15,509,764	$15,689,255	$1,384,725	8.93	$1,205,234	7.68
Loans on real estate	8,265,630	8,006,885	7,541,103	258,745	3.23	724,527	9.61
All other loans, including overdrafts	11,477,850	10,763,311	9,663,758	714,539	6.64	1,814,092	18.77
Total gross loans	36,637,969	34,279,960	32,894,116	2,358,009	6.88	3,743,853	11.38
Less valuation reserves	518,296	497,914	470,339	20,382	4.09	47,957	10.20
Net loans	36,119,673	33,782,046	32,423,777	2,337,627	6.92	3,695,896	11.40
U. S. Government securities:							
Direct obligations	35,921,239	34,971,610	35,146,687	949,629	2.72	774,552	2.20
Obligations fully guaranteed	15,203	11,761	9,656	3,442	29.27	5,547	57.45
Total U. S. securities	35,936,442	34,983,371	35,156,343	953,071	2.72	780,099	2.22
Obligations of States and political subdivisions	5,982,753	5,988,324	5,333,230	-5,571	-.09	649,523	12.18
Other bonds, notes, and debentures	2,176,230	2,344,284	2,373,149	-168,054	-7.17	-196,919	-8.30
Corporate stocks, including stocks of Fed. Reserve banks	196,860	188,113	180,895	8,747	4.65	15,965	8.83
Total securities	44,292,285	43,504,092	43,043,617	788,193	1.81	1,248,668	2.90
Total loans and securities	80,411,958	77,286,138	75,467,394	3,125,820	4.04	4,944,564	6.55
Currency and coin	1,446,134	1,145,096	1,418,564	301,038	26.29	27,570	1.94
Reserve with Fed. Reserve banks	12,956,212	13,353,314	12,821,432	-397,102	-2.97	134,780	1.05
Balances with other banks	11,997,057	9,055,097	11,772,162	2,941,960	32.49	224,895	1.91
Total cash, balances with other banks, including reserve balances and cash items in process of collection	26,399,403	23,553,507	26,012,158	2,845,896	12.08	387,245	1.49
Other assets	1,321,382	1,334,063	1,259,008	-12,681	-.95	62,374	4.95
Total assets	108,132,743	102,173,708	102,738,560	5,959,035	5.83	5,394,183	5.25

others for the purpose of purchasing and carrying securities, and to banks, etc., amounted to $11,478,000,000, an increase since September of 7 percent. The percentage of loans and discounts to total assets on December 31, 1952 was 33.40 in comparison with 33.06 on September 5 and 31.56 in December 1951.

Investments of the banks in United States Government obligations (including $15,000,000 guaranteed obligations) on December 31, 1952 aggregated $35,936,000,000, which was an increase of $953,000,000 since September, and an increase of $780,000,000 since the previous December. These investments were 33 percent of total assets, compared to 34 percent the year previous. Other bonds, stocks and securities of $8,356,000,000, which included obligations of States and political subdivisions of $5,983,000,000, were $165,000,000 less than in September, but $469,000,000 more than the amount held in December the previous year. The total securities held aggregated $44,000,000,000, an increase of $788,000,000 since September, and an increase of $1,000,000,000 in the year.

Cash of $1,446,000,000, reserve with Federal Reserve banks of $12,956,000,000 and balances with other banks (including cash items in process of collection) of $11,997,000,000, a total of $26,399,000,000, showed and increase of $2,846,000,000 since September.

Borrowed money of $76,000,000 was nearly $1,000,000,000 less than in September.

The unimpaired capital stock of the banks on December 31, 1952 was $2,225,000,000, including less than $6,000,000 of preferred stock. Surplus was $3,334,000,000, undivided profits $1,226,000,000 and capital reserves $274,000,000, or a total of $4,834,000,000. Total capital accounts of $7,059,000,000, which increased $389,000,000 in the year, were 7.11 percent of total deposits, compared to 7.06 percent on December 31, 1951.

TREASURY DEPARTMENT
Washington, D. C.

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approved
L.A. Jennings

RELEASE MORNING NEWSPAPERS
Tuesday, March 10, 1953

Press Series
H-49

The total assets of national banks on December 31, 1952 amounted to more than $108,000,000,000, an all-time high, it was announced today by Acting Comptroller of the Currency L. A. Jennings. The returns covered the 4,916 active national banks in the United States and possessions. The assets were $6,000,000,000 more than the amount reported by the 4,927 active banks on September 5, 1952, the date of the previous call, and were more than $5,000,000,000 over the amount reported by the 4,946 active banks as of December 31, 1951.

The deposits of the banks on December 31 were $99,000,000,000, an increase of nearly $7,000,000,000 since September, and exceeded by $5,000,000,000 the amount reported in the previous December. Included in the recent deposit figures were demand deposits of individuals, partnerships and corporations of $56,683,000,000, which increased $3,607,000,000 since September, and time deposits of individuals, partnerships and corporations of $21,517,000,000, an increase of $612,000,000. Deposits of the United States Government of $3,238,000,000 were up $435,000,000, and deposits of States and political subdivisions of $6,272,000,000 were up $396,000,000. Deposits of banks amounting to $9,920,000,000 increased $1,263,000,000. Postal savings were $14,000,000 and certified and cashiers' checks, etc., were $1,614,000,000.

Net loans and discounts on December 31, 1952 were $36,120,000,000, another all-time high. They were $2,338,000,000, or 7 percent, above the September figure, and $3,700,000,000, or 11 percent, over the December 1951 loans. Commercial and industrial loans as of the recent call date were $16,894,000,000, an increase of 9 percent since September, and loans on real estate of $8,266,000,000 were up 3 percent. All other loans, including loans to farmers, to brokers and dealers and

TREASURY DEPARTMENT

Information Service WASHINGTON, D.C.

RELEASE MORNING NEWSPAPERS,
Tuesday, March 10, 1953. H-47

The total assets of national banks on December 31, 1952 amounted to more than $108,000,000,000, an all-time high, it was announced today by Acting Comptroller of the Currency L. A. Jennings. The returns covered the 4,916 active national banks in the United States and possessions. The assets were $6,000,000,000 more than the amount reported by the 4,927 active banks on September 5, 1952, the date of the previous call, and were more than $5,000,000,000 over the amount reported by the 4,946 active banks as of December 31, 1951.

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Investments of the banks in United States Government obligations (including $15,000,000 guaranteed obligations) on December 31, 1952 aggregated $35,936,000,000, which was an increase of $953,000,000 since September, and an increase of $780,000,000 since the previous December. These investments were 33 percent of total assets, compared to 34 percent the year previous. Other bonds, stocks and securities of $8,356,000,000, which included obligations of States and political subdivisions of $5,983,000,000, were $165,000,000 less than in September, but $469,000,000 more than the amount held in December the previous year. The total securities held aggregated $44,000,000,000, an increase of $788,000,000 since September, and an increase of $1,000,000,000 in the year.

Cash of $1,446,000,000, reserve with Federal Reserve banks of $12,956,000,000 and balances with other banks (including cash items in process of collection) of $11,997,000,000, a total of $26,399,000,000, showed an increase of $2,846,000,000 since September.

Borrowed money of $76,000,000 was nearly $1,000,000,000 less than in September.

The unimpaired capital stock of the banks on December 31, 1952 was $2,225,000,000, including less than $6,000,000 of preferred stock. Surplus was $3,334,000,000, undivided profits $1,226,000,000 and capital reserves $274,000,000, or a total of $4,834,000,000. Total capital accounts of $7,059,000,000, which increased $389,000,000 in the year, were 7.11 percent of total deposits, compared to 7.06 percent on December 31, 1951.

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Statement showing comparison of principal items of assets and liabilities of active national banks as of December 31, 1952, September 5, 1952, and December 31, 1951
(In thousands of dollars)

	Dec. 31, 1952	Sept. 5, 1952	Dec. 31, 1951	Increase or decrease since Sept. 5, 1952		Increase or decrease since Dec. 31, 1951	
				Amount	Percent	Amount	Percent
Number of banks................	4,916	4,927	4,946	-11	-.22	-30	-.61
ASSETS							
Commercial and industrial loans	$16,894,489	$15,509,764	$15,689,255	$1,384,725	8.93	$1,205,234	7.68
Loans on real estate..........	8,265,630	8,006,885	7,541,103	258,745	3.23	724,527	9.61
All other loans, including overdrafts.................	11,477,850	10,763,311	9,663,758	714,539	6.64	1,814,092	18.77
Total gross loans...........	36,637,969	34,279,960	32,894,116	2,358,009	6.88	3,743,853	11.38
Less valuation reserves...	518,296	497,914	470,339	20,382	4.09	47,957	10.20
Net loans................	36,119,673	33,782,046	32,423,777	2,337,627	6.92	3,695,896	11.40
U. S. Government securities:							
Direct obligations...........	35,921,239	34,971,610	35,146,687	949,629	2.72	774,552	2.20
Obligations fully guaranteed.	15,203	11,761	9,656	3,442	29.27	5,547	57.45
Total U. S. securities......	35,936,442	34,983,371	35,156,343	953,071	2.72	780,099	2.22
Obligations of States and political subdivisions........	5,982,753	5,988,324	5,333,230	-5,571	-.09	649,523	12.18
Other bonds, notes, and debentures....................	2,176,230	2,344,284	2,373,149	-168,054	-7.17	-196,919	-8.30
Corporate stocks, including stocks of Fed. Reserve banks.	196,860	188,113	180,895	8,747	4.65	15,965	8.83
Total securities............	44,292,285	43,504,092	43,043,617	788,193	1.81	1,248,668	2.90
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Currency and coin..............	1,446,134	1,145,096	1,418,564	301,038	26.29	27,570	1.94
Reserve with Fed. Reserve banks	12,956,212	13,353,314	12,821,432	-397,102	-2.97	134,780	1.05
Balances with other banks......	11,997,057	9,055,097	11,772,162	2,941,960	32.49	224,895	1.91
Total cash, balances with other banks, including reserve balances and cash items in process of collection.....	26,399,403	23,553,507	26,012,158	2,845,896	12.08	387,245	1.49
Other assets....................	1,321,382	1,334,063	1,259,008	-12,681	-.95	62,374	4.95
Total assets................	108,132,743	102,173,708	102,738,560	5,959,035	5.83	5,394,183	5.25

(In thousands of dollars) 4

	Dec. 31, 1952	Sept. 5, 1952	Dec. 31, 1951	Increase or decrease since Sept. 5, 1952: Amount	Increase or decrease since Sept. 5, 1952: Percent	Increase or decrease since Dec. 31, 1951: Amount	Increase or decrease since Dec. 31, 1951: Percent
LIABILITIES							
Deposits of individuals, partnerships, and corporations:							
Demand	$56,682,902	$53,075,645	$54,855,841	$3,607,257	6.80	$1,827,061	3.33
Time	21,517,160	20,905,423	19,825,659	611,737	2.93	1,691,501	8.53
Deposits of U. S. Government	3,238,050	2,803,524	2,233,623	434,526	15.50	1,004,427	44.97
Postal savings deposits	13,588	13,695	10,003	-107	-.78	3,585	35.84
Deposits of States and political subdivisions	6,271,676	5,875,435	5,924,592	396,241	6.74	347,084	5.86
Deposits of banks	9,920,522	8,657,187	9,789,974	1,263,335	14.59	130,548	1.33
Other deposits (certified and cashiers' checks, etc.)	1,613,878	1,172,936	1,791,869	440,942	37.59	-177,991	-9.93
Total deposits	99,257,776	92,503,845	94,431,561	6,753,931	7.30	4,826,215	5.11
Bills payable, rediscounts, and other liabilities for borrowed money	75,921	1,069,238	15,484	-993,317	-92.90	60,437	390.32
Other liabilities	1,739,825	1,632,854	1,621,397	106,971	6.55	118,428	7.30
Total liabilities, excluding capital accounts	101,073,522	95,205,937	96,068,442	5,867,585	6.16	5,005,080	5.21
CAPITAL ACCOUNTS							
Capital stock:							
Preferred	5,666	6,319	8,546	-653	-10.33	-2,880	-33.70
Common	2,219,186	2,201,602	2,096,799	17,584	.80	122,387	5.84
Total	2,224,852	2,207,921	2,105,345	16,931	.77	119,507	5.68
Surplus	3,334,228	3,197,085	3,083,495	137,133	4.29	250,723	8.13
Undivided profits	1,225,731	1,296,349	1,212,538	-70,618	-5.45	13,193	1.09
Reserves	274,420	266,416	268,740	8,004	3.00	5,680	2.11
Total surplus, profits, and reserves	4,834,369	4,759,850	4,564,773	74,529	1.57	269,596	5.91
Total capital accounts	7,059,221	6,967,771	6,670,118	91,450	1.31	389,103	5.83
Total liabilities and capital accounts	108,132,743	102,173,708	102,738,560	5,959,035	5.83	5,394,183	5.25
RATIOS:	Percent	Percent	Percent				
U.S.Gov't securities to total assets	33.23	34.24	34.22				
Loans & discounts to total assets	33.40	33.06	31.56				
Capital accounts to total deposits	7.11	7.53	7.06				

NOTE: Minus sign denotes decrease.

The certification agreement announced today was adopted by the Governments of the Republic of Korea and the United States to meet this specific problem. The operation of this certification system will be a matter of continuing close consultation between the two Governments.

Persons who desire to import hog bristles from Korea, or any other commodity to which the Republic of Korea certification procedure becomes applicable in the future, may file applications for this purpose on Form TFAC-1 with the Federal Reserve Bank of New York setting forth the product to be imported, the purchase price, and the names and addresses of all persons who it is contemplated will be involved as sellers, shippers, agents, or intermediaries of any sort. Licenses granted upon such applications will authorize the importation on condition that the importer presents to the Collector of Customs at the time of entry an appropriate certificate of origin issued by the Ministry of Commerce and Industry of the Republic of Korea under the new arrangements.

Applications may also be filed on Form TFAC-1 with the Federal Reserve Bank of New York for the release from Customs custody of merchandise of South Korean origin now in Customs or en route from Korea to the United States. Such applications should describe the merchandise and give the port of entry and must be accompanied by an appropriate letter from the Ministry of Commerce and Industry of the Republic of Korea in support of the application for release of the particular shipment. These support letters will attest that the merchandise involved is not of Communist Chinese origin and will be issued by the Ministry of Commerce and Industry only with respect to those kinds of products to which the certification procedure applies at the time of issuance.

In cases where the Republic of Korea Government is not able to certify a particular commodity, the procedure will be the same as heretofore. Applicants for licenses to import Chinese type goods in such cases will be required to submit to the Treasury full and satisfactory documentary proof that goods are not of Communist Chinese origin.

Similar agreements with the Governments of Hong Kong and Japan, and with the Chinese Government in Formosa were recently announced.

Cleared with
Leon Seler, EA,
2/20/53
H-48 Naider

Release Morning Newspapers
Thursday, March 12, 1953

3/6/53 And with Republic of Korea. Naider

~~PRESS RELEASE~~

The Treasury Department today announced that an agreement has been reached with the Government of the Republic of Korea to facilitate the importation of goods of South Korean origin and at the same time prevent Communist Chinese exports from entering the United States disguised as Republic of Korea products. The agreement contemplates the issuance by the Republic of Korea authorities of certificates of origin covering the importation into the United States of goods of Chinese type produced in South Korea which are subject to the Foreign Assets Control Regulations of the Treasury Department.

While the Republic of Korea Government is prepared at present to issue certificates of origin only with respect to hog bristles, it is expected that in the near future it will be prepared to certify other commodities of Chinese type as being of South Korean origin. Hog bristles, which are normally imported into the United States largely from mainland China, are one of the principal Korean commodities affected by the Foreign Assets Control Regulations.

The basic purpose of the Foreign Assets Control is to prevent Communist China and North Korea from obtaining foreign exchange with which to further their aggression in Korea. On December 16, 1950, following the unprovoked aggression by the Chinese Communists in Korea, the United States Government, in support of the objectives of the United Nations' action in Korea, announced measures designed to place under control all economic relations with Communist China in order that the Chinese Communists should be denied access to United States supplies or assets in the United States. An essential part of this program was the issuance by the United States Treasury Department, under the Trading with the Enemy Act, of the Foreign Assets Control Regulations of December 17, 1950, which forbade all trade and financial transactions involving the Communist Chinese and North Korean regimes and their nationals by persons subject to the jurisdiction of the United States unless Treasury approval was obtained.

The Treasury has amended the Foreign Assets Control Regulations from time to time in order to make certain that goods of Communist Chinese origin were kept out of United States markets. Under the Regulations licenses are now required for the importation of merchandise of Chinese type even when it is alleged to have been produced outside of Communist China. Only a few such licenses have been granted by the Treasury because importers found it difficult to furnish satisfactory proof that the specific merchandise of Chinese type offered for importation was not of Communist Chinese origin.

TREASURY DEPARTMENT

Information Service WASHINGTON, D.C.

RELEASE MORNING NEWSPAPERS,
Thursday, March 12, 1953. H-48

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The certification agreement announced today was adopted by the Governments of the Republic of Korea and the United States to meet this specific problem. The operation of this certification system will be a matter of continuing close consultation between the two Governments.

Persons who desire to import hog bristles from Korea, or any other commodity to which the Republic of Korea certification procedure becomes applicable in the future, may file applications for this purpose on Form TFAC-1 with the Federal Reserve Bank of New York setting forth the product to be imported, the purchase price, and the names and addresses of all persons who it is contemplated will be involved as sellers, shippers, agents, or intermediaries of any sort. Licenses granted upon such applications will authorize the importation on condition that the importer presents to the Collector of Customs at the time of entry an appropriate certificate of origin issued by the Ministry of Commerce and Industry of the Republic of Korea under the new arrangements.

Applications may also be filed on Form TFAC-1 with the Federal Reserve Bank of New York for the release from Customs custody of merchandise of South Korean origin now in Customs or en route from Korea to the United States. Such applications should describe the merchandise and give the port of entry and must be accompanied by an appropriate letter from the Ministry of Commerce and Industry of the Republic of Korea in support of the application for release of the particular shipment. These support letters will attest that the merchandise involved is not of Communist Chinese origin and will be issued by the Ministry of Commerce and Industry only with respect to those kinds of products to which the certification procedure applies at the time of issuance.

In cases where the Republic of Korea Government is not able to certify a particular commodity, the procedure will be the same as heretofore. Applicants for licenses to import Chinese type goods in such cases will be required to submit to the Treasury full and satisfactory documentary proof that goods are not of Communist Chinese origin.

Similar agreements with the Governments of Hong Kong and Japan, and with the Chinese Government in Formosa were announced recently.

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RELEASE MORNING NEWSPAPERS,
Tuesday, March 10, 1953.

H-49

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 12 and to mature June 11, 1953, which were offered on March 5, were opened at the Federal Reserve Banks on March 9.

The details of this issue are as follows:

Total applied for - $2,442,093,000
Total accepted - 1,201,878,000 (includes $230,117,000 entered on a non-competitive basis and accepted in full at the average price shown below)
Average price - 99.470 Equivalent rate of discount approx. 2.098% per annum

Range of accepted competitive bids: (Excepting one tender of $200,000)

High - 99.476 Equivalent rate of discount approx. 2.073% per annum
Low - 99.468 " " " " " 2.105% " "

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

Federal Reserve District	Total Applied for	Total Accepted
Boston	$ 20,054,000	$ 11,732,000
New York	1,682,267,000	811,631,000
Philadelphia	29,433,000	13,731,000
Cleveland	59,767,000	35,855,000
Richmond	17,128,000	14,477,000
Atlanta	33,890,000	23,529,000
Chicago	237,888,000	88,626,000
St. Louis	39,945,000	18,745,000
Minneapolis	11,631,000	10,606,000
Kansas City	76,818,000	29,743,000
Dallas	73,164,000	30,892,000
San Francisco	160,108,000	112,311,000
TOTAL	$2,442,093,000	$1,201,878,000

TREASURY DEPARTMENT

Information Service WASHINGTON, D.C.

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Richmond	17,128,000	14,477,000
Atlanta	33,890,000	23,529,000
Chicago	237,888,000	88,626,000
St. Louis	39,945,000	18,745,000
Minneapolis	11,631,000	10,606,000
Kansas City	76,818,000	29,743,000
Dallas	73,164,000	30,892,000
San Francisco	160,108,000	112,311,000
TOTAL	$2,442,093,000	$1,201,878,000

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In accepting her appointment as Associate National Chairman, Miss Pickford said: "It is a privilege for any American to be called upon to serve ~~his~~ the country and especially is this true at a time of ~~dire~~ threat to our national security. Therefore, it is with great pride that I join our First Lady, Mrs. Eisenhower, Honorary National Chairman of the Women's Crusade for America, as Associate National Chairman for the forthcoming Bond-A-Month drive. I am certain that the women of America will welcome the opportunity to ~~rally around Mrs. Eisenhower and~~ give their full and enthusiastic support to this ~~all important~~ cause.

"This is not the first time I have participated in a United States Bond Drive. ~~consequently,~~ I know from experience what an excellent investment government bonds are and always have been, but the investment in dollars is ~~not as~~ less important ~~as~~ than the investment in freedom.

"~~Statistics prove that~~ The women of America~~, through their buying power,~~ ~~control~~ hold the purse strings of the nation; therefore, it is important that they be acquainted with the wisdom ~~and necessity~~ of buying United States ~~Defense~~ Savings Bonds regularly."

Following is the itinerary for Miss Pickford's Tour:

March 30-31, Washington, D.C.; April 2-3, Boston; April 4-7, Philadelphia; April 9-11, Atlanta; April 12-14, St. Louis; April 15-17, Kansas City, Mo.; April 18-21, Des Moines; April 23-24, Minneapolis; April 27-28, Dallas; April 30-May 2, Denver; May 4-6, Salt Lake City; May 7-8, Portland, Oregon; May 13, San Francisco.

~~For Monday, Mar. 9, 1953, a.m. Newspaper Re~~lease

H-50

The Treasury Department —
~~Secretary of the Treasury George M. Humphrey today~~ announced today that Mary Pickford will tour the country in connection with a nation-wide campaign of women volunteers to sign up additional savings bond buyers on the Bond-A-Month Plan, beginning in April.

The motion picture star, long known as "America's Sweetheart", toured the nation during World War I in behalf of sales of Liberty Bonds. Her 1953 tour will begin in Washington, D. C., March 30-31, and will include 12 other metropolitan centers: Boston, Philadelphia, Atlanta, St. Louis, Kansas City, ~~Missouri,~~ Des Moines, Minneapolis, Dallas, Denver, Salt Lake City, Portland, Oregon; and San Francisco.

Miss Pickford will serve as associate national chairman of the Bond-A-Month sign-up campaign, of which Mrs. Dwight D. Eisenhower is honorary national chairman.

Plans for her tour include ~~luncheons, dinners~~, receptions, press conferences and personal calls on prospective customers among self-employed professional and business men and women, and the showing of a specially prepared film of scenes from motion pictures in which she has appeared since her sixteenth year. The film will review ~~reviewing~~ the remarkable career in this land of opportunity of a girl who in seven years rose from bit-player in silent films to a star under a million dollar contract, and then became a producer and executive of important producing units in the industry.

TREASURY DEPARTMENT

Information Service WASHINGTON, D.C.

IMMEDIATE RELEASE,
Tuesday, March 10, 1953. H-50

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In accepting her appointment as Associate National Chairman, Miss Pickford said: "It is a privilege for any American to be called upon to serve the country and especially is this true at a time of threat to our national security. Therefore, it is with great pride that I join our First Lady, Mrs. Eisenhower, Honorary National Chairman of the Women's Crusade for America, as Associate National Chairman for the forthcoming Bond-A-Month drive. I am certain that the women of America will welcome the opportunity to give their full and enthusiastic support to this cause.

"This is not the first time I have participated in a United States Bond Drive. I know from experience what an excellent investment government bonds are and always have been, but the investment in dollars is less important than the investment in freedom.

"The women of America hold the purse strings of the nation; therefore, it is important that they be acquainted with the wisdom of buying United States Savings Bonds regularly."

Following is the itinerary for Miss Pickford's tour:

March 30-31, Washington, D. C.; April 2-3, Boston; April 4-7, Philadelphia; April 9-11, Atlanta; April 12-14, St. Louis; April 15-17, Kansas City, Mo.; April 18-21, Des Moines; April 23-24, Minneapolis; April 27-28, Dallas; April 30-May 2, Denver; May 4-6, Salt Lake City; May 7-8, Portland, Oregon; May 13, San Francisco.

oOo

~~ALPHA~~

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.

~~ALPHA~~

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 19, 1953, in cash or other immediately available funds or in a like face amount of Treasury bills maturing March 19, 1953. 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

~~XXXXXXXX~~

~~XXXXX~~

TREASURY DEPARTMENT
Washington

H-51

FOR RELEASE, MORNING NEWSPAPERS,
Thursday, March 12, 1953.

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 19, 1953, in the amount of $1,199,975,000, 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 19, 1953, and will mature June 18, 1953, 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 16, 1953. 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

TREASURY DEPARTMENT

Information Service WASHINGTON, D.C.

RELEASE MORNING NEWSPAPERS,
Thursday, March 12, 1953. H-51

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 19, 1953, in the amount of $1,199,975,000, 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 19, 1953, and will mature June 18, 1953, 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 March 19, 1953, in cash or other immediately available funds or in a like face amount of Treasury bills maturing March 19, 1953. 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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H-52

RELEASE MORNING NEWSPAPERS,
Friday, [redacted] 13, 1953. ~~H-29~~
March

During the month of ~~January~~ February, 1953 market transactions in direct and guaranteed securities of the Government for Treasury investment and other accounts resulted in net purchases of ~~$24,581,000.00~~ $8,797,700, Secretary Humphrey announced today.

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TREASURY DEPARTMENT

Information Service WASHINGTON, D.C.

RELEASE MORNING NEWSPAPERS,
Friday, March 13, 1953. H-52

During the month of February, 1953 market transactions in direct and guaranteed securities of the Government for Treasury investment and other accounts resulted in net purchases of $8,797,700, Secretary Humphrey announced today.

oOo

Washington

IMMEDIATE RELEASE
Thurs, March 12, 1953

14-53

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, 1953, to February 28, 1953, inclusive, as follows:

Products of the Philippines	Established Quota Quantity	Unit of Quantity	Imports as of February 28, 1953
Buttons	850,000	Gross	139,945
Cigars	200,000,000	Number	384,910
Coconut Oil	448,000,000	Pound	15,463,028
Cordage	6,000,000	Pound	779,923
Rice	1,040,000	Pound	2,500
Sugars (Refined	1,904,000,000	Pound	-
Sugars (Unrefined			289,863,233
Tobacco	6,500,000	Pound	346,502

TREASURY DEPARTMENT
Washington

IMMEDIATE RELEASE,
Thursday, March 12, 1953.

H-53

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, 1953, to February 28, 1953, inclusive, as follows:

Products of the Philippines	Established Quota Quantity	Unit of Quantity	Imports as of February 28, 1953
Buttons............	850,000	Gross	139,945
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Coconut Oil.........	448,000,000	Pound	15,463,028
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Rice................	1,040,000	Pound	2,500
Sugars (Refined........	1,904,000,000	Pound	-
Sugars (Unrefined......			289,863,233
Tobacco............	6,500,000	Pound	346,502

Treasury Dept
Wash

14-54

FOR IMMEDIATE RELEASE,
Thurs, March 12, 1953

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, 1952, as follows:

Country of Origin	Wheat		Wheat flour, semolina, crushed or cracked wheat, and similar wheat products	
	Established Quota	Imports May 29, 1952, to March 12, 1953	Established Quota	Imports May 29, 1952, to March 12, 1953
	(Bushels)	(Bushels)	(Pounds)	(Pounds)
Canada	795,000	794,576	3,815,000	1,718,450
China	-	-	24,000	-
Hungary	-	-	13,000	-
Hong Kong	-	-	13,000	-
Japan	-	-	8,000	-
United Kingdom	100	-	75,000	44
Australia	-	-	1,000	-
Germany	100	-	5,000	-
Syria	100	-	5,000	-
New Zealand	-	-	1,000	-
Chile	-	-	1,000	-
Netherlands	100	-	1,000	-
Argentina	2,000	-	14,000	-
Italy	100	-	2,000	-
Cuba	-	-	12,000	-
France	1,000	-	1,000	-
Greece	-	-	1,000	-
Mexico	100	-	1,000	-
Panama	-	-	1,000	-
Uruguay	-	-	1,000	-
Poland and Danzig	-	-	1,000	-
Sweden	-	-	1,000	-
Yugoslavia	-	-	1,000	-
Norway	-	-	1,000	-
Canary Islands	-	-	1,000	-
Rumania	1,000	-	-	-
Guatemala	100	-	-	-
Brazil	100	-	-	-
Union of Soviet Socialist Republics	100	-	-	-
Belgium	100	-	-	-
	800,000	794,576	4,000,000	1,718,494

TREASURY DEPARTMENT
Washington

IMMEDIATE RELEASE
Thursday, March 12, 1953

H-54

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, 1952, as follows:

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Canada	795,000	794,576	3,815,000	1,718,450
China	-	-	24,000	-
Hungary	-	-	13,000	-
Hong Kong	-	-	13,000	-
Japan	-	-	8,000	-
United Kingdom	100	-	75,000	44
Australia	-	-	1,000	-
Germany	100	-	5,000	-
Syria	100	-	5,000	-
New Zealand	-	-	1,000	-
Chile	-	-	1,000	-
Netherlands	100	-	1,000	-
Argentina	2,000	-	14,000	-
Italy	100	-	2,000	-
Cuba	-	-	12,000	-
France	1,000	-	1,000	-
Greece	-	-	1,000	-
Mexico	100	-	1,000	-
Panama	-	-	1,000	-
Uruguay	-	-	1,000	-
Poland and Danzig	-	-	1,000	-
Sweden	-	-	1,000	-
Yugoslavia	-	-	1,000	-
Norway	-	-	1,000	-
Canary Islands	-	-	1,000	-
Rumania	1,000	-	-	-
Guatemala	100	-	-	-
Brazil	100	-	-	-
Union of Soviet Socialist Republics	100	-	-	-
Belgium	100	-	-	-
	800,000	794,576	4,000,000	1,718,494

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, 1952, to March 12, 1953	Established 33-1/3% of Total Quota	Imports 1/ Sept. 20, 1952, to March 12, 1953
United Kingdom	4,323,457	78,053	1,441,152	77,446
Canada	239,690	239,495	-	-
France	227,420	13,032	75,807	13,032
British India	69,627	48,162	-	-
Netherlands	68,240	15,715	22,747	15,715
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	25,054	25,443	25,054
Italy	21,263	6,430	7,088	6,430
	5,482,509	425,941	1,599,886	137,677

1/ Included in total imports, column 2.

Prepared by the Bureau of Customs

Thurs, H-55

IMMEDIATE RELEASE
March 12, 1953

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, 1952, to March 12, 1953, inclusive

Country of Origin	Established Quota	Imports
Egypt and the Anglo-Egyptian Sudan	783,816	-
Peru	247,952	587
British India	2,003,483	-
China	1,370,791	-
Mexico	8,883,259	8,883,259
Brazil	618,723	-
Union of Soviet Socialist Republics	475,124	-
Argentina	5,203	1,382
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, 1952, to February 28, 1953

Established Quota (Global)	Imports
70,000,000	7,642,640

Cotton 1-1/8" or more, but less than 1-11/16"
Imports Feb. 1, 1953, to March 12, 1953

Established Quota (Global)	Imports
45,656,420	9,960,069

TREASURY DEPARTMENT
Washington

IMMEDIATE RELEASE
Thursday, March 12, 1953

H-55

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, 1952, to March 12, 1953, inclusive

Country of Origin	Established Quota	Imports
Egypt and the Anglo-Egyptian Sudan	783,816	-
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British India	2,003,483	-
China	1,370,791	-
Mexico	8,883,259	8,883,259
Brazil	618,723	-
Union of Soviet Socialist Republics	475,124	-
Argentina	5,203	1,382
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, 1952, to February 28, 1953

Established Quota (Global)	Imports
70,000,000	7,642,640

Cotton 1-1/8" or more, but less than 1-11/16"
Imports Feb. 1, 1953, to March 12, 1953

Established Quota (Global)	Imports
45,656,420	9,960,069

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, 1952, to March 12, 1953	Established 33-1/3% of Total Quota	Imports 1/ Sept. 20, 1952, to March 12, 1953
United Kingdom	4,323,457	78,053	1,441,152	77,446
Canada	239,690	239,495	-	-
France	227,420	13,032	75,807	13,032
British India	69,627	48,162	-	-
Netherlands	68,240	15,715	22,747	15,715
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	25,054	25,443	25,054
Italy	21,263	6,430	7,088	6,430
	5,482,509	425,941	1,599,886	137,677

1/ Included in total imports, column 2.

Prepared by the Bureau of Customs

Treasury Department
Wash

IMMEDIATE RELEASE
March 12, 1953
Thursday

77-56

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 28, 1953, inclusive, as follows:

Commodity	Period and Quantity		Unit of Quantity	Imports as of February 28, 1953
Whole milk, fresh or sour	Calendar year	3,000,000	Gallon	122
Cream	Calendar year	1,500,000	Gallon	83
Butter	Nov. 1, 1952-Mar. 31, 1953	50,000,000	Pound	5,439
Fish, fresh or frozen, filleted, etc., cod, haddock, hake, pollock, cusk, and rosefish . . .	Calendar year	33,866,287	Pound	(1) Quota Filled
White or Irish potatoes:				
certified seed	12 months from	150,000,000	Pound	88,973,288
other	Sept. 15, 1952	798,900,000	Pound	55,983,688
Walnuts	Calendar year	5,000,000	Pound	1,937,449
Almonds: shelled, blanched, roasted, or otherwise prepared or preserved . .	12 months from Oct. 1, 1952	7,000,000	Pound	3,918,908

(1) Imports for consumption at the quota rate are limited to 8,466,572 pounds during the first three months of the calendar year.

TREASURY DEPARTMENT
Washington

IMMEDIATE RELEASE
Thursday, March 12, 1953

H-56

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 28, 1953, inclusive, as follows:

Commodity	Period	Quantity	Unit of Quantity	Imports as of Feb.28,1953
Whole milk, fresh or sour	Calendar year	3,000,000	Gallon	122
Cream...................	Calendar year	1,500,000	Gallon	83
Butter.................	Nov. 1, 1952-Mar. 31, 1953	50,000,000	Pound	5,439
Fish, fresh or frozen, filleted, etc., cod, haddock, hake, pollock, cusk, and rosefish....	Calendar year	33,866,287	Pound	(1) Quota Filled
White or Irish potatoes:				
certified seed........	12 months from	150,000,000	Pound	88,973,288
other................	Sept. 15, 1952	798,900,000	Pound	55,983,688
Walnuts................	Calendar year	5,000,000	Pound	1,937,449
Almonds:				
Shelled, blanched, roasted, or otherwise prepared or preserved	12 months from Oct. 1, 1952	7,000,000	Pound	3,918,908

(1) Imports for consumption at the quota rate are limited to 8,466,572 pounds during the first three months of the calendar year.

FOR RELEASE

Kenneth W. Gemmill of Philadelphia has been appointed an Assistant to the Secretary of the Treasury, it was announced today by Secretary George M. Humphrey.

Mr. Gemmill, long active in the Federal tax field in private practice as well as in Bar Association circles, will be assigned to the Under Secretary of the Treasury Marion B. Folsom as legal advisor on tax matters.

It was also announced that Mr. Gemmill will head a unit in the General Counsel's office to be known as the Legal Advisory Staff. The new unit will supersede the Office of the Tax Legislative Counsel and will analyze and prepare reports on the legal aspects of proposed tax legislation and regulations.

Mr. Gemmill is now a member of the law firm of Barnes, Dechert, Price, Myers and Rhoads of Philadelphia. He is a graduate of Princeton University and of the University of Pennsylvania Law School. He will resign from his law firm and commence his duties in the Treasury Department on April 1.

MEMORANDUM

March 9, 1953

To: Mr. Lennartson

From: Mr. Tuttle EDT

Mr. Folsom has agreed with me that the release on Mr. Gemmill should be changed to read as follows. It is to be held until further notice.

Immediate Release
Friday, March 13, 1953

~~FOR RELEASE~~

H-57

Friday, March 13

Kenneth W. Gemmill of Philadelphia has been appointed an Assistant to the Secretary of the Treasury, it was announced today by Secretary George M. Humphrey.

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TREASURY DEPARTMENT

Information Service

WASHINGTON, D.C.

IMMEDIATE RELEASE
Friday, March 13, 1953

H-57

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"LET'S MEET 'EM WITH A SMILE"

A MESSAGE FROM COMMISSIONER ANDREWS

Your editors were very generous to me in the news and editorial notices that appeared in the February issue of THE BULLETIN, and I have received from many of the officers and employees of the Bureau and members of N.A.I.R.E. messages of congratulations, good wishes and assurances of loyalty and co-operation.

These kindly expressions have both touched me deeply and given me an encouragingly acute sense of the power that is within us to set an example of faithfulness, industry and efficiency that will make this establishment of ours what I am sure everyone in the Bureau wants it to become, namely, the pride of the Government's Executive Branch.

In addition, I have had a very pleasant and encouraging chat with your president, Mr. Edward W. McCabe; your secretary-treasurer, Mr. Arthur J. Geniesse; and the editor of THE BULLETIN, Mr. Oscar W. Ristau.

Those messages and the chat with your officers covered a wide range of subjects, each of which I want to discuss frankly with you in due time. I'd like to start with one that I am sure you will agree is the most timely.

It is grievously clear to me that the whole Bureau is widely regarded with distrust or suspicion because of the instances of unfaithfulness on the part of Bureau personnel that have made so many headlines recently.

(See "COMMISSIONER" — page 4, col. 2)

(2)

"COMMISSIONER" — from page 1

Now I would not intentionally underestimate the seriousness of this situation, because I know that unfaithfulness on the part of government officials and agents is perhaps more certain than anything else to destroy a people's confidence in their government, and that no government, no matter how ideal or strong, can long survive unbridled corruption.

But, while it may be that an abnormal portion of the Bureau's personnel has turned out bad, I am confident that the vast majority are faithful public servants and God-fearing men and women whose good name cannot be purchased by anyone for any price. Moreover, those who have let their fellow workers down are being ferreted out, and I give you solemn assurance that we will carry on a relentless search for those who betray their fellow workers and the Bureau's good name, that every act of unfaithfulness will be promptly and appropriately dealt with, and that assuring safeguards against recurrences will be established.

Therefore, to those whose consciences are clear let me say: The stigma of shame is not upon you; so "keep your chins up," for we may not expect confidence except by showing it. And to those whose consciences are not clear I say: "Be sure your sins will find you out."

Now a reminder and a suggestion. Between now and March 15 many of you will be coming face to face with more taxpayers than at any time during the year. This affords us a fine chance to start the Bureau on the road back to high standing in the eyes of the public. So let's "meet 'em with a smile" — with the kind of attitude that speaks eloquently of a sincere desire to be helpful.

I suppose it is too much to expect that as tax collectors we may hope to achieve popularity, although all of us have seen tax collectors who were popular. But we can at least aim at gaining the taxpayers' respect, and I am sure we will succeed in this aim if we go about it properly. Moreover, the prestige of respect probably is more to be desired than the glamor of popularity, if for no other reason than that it lasts longer.

Perhaps what I have been trying to say can be most simply expressed this way: We are in business to help the taxpayer. So let's put ourselves in the taxpayers' position and treat them the way we'd want them to treat us if the situation were reversed. Let's all try it; it can't do any harm, and it may give the Bureau a head start toward restoration of that degree of public confidence and respect to which everyone in the Bureau with whom I thus far have come in contact seems to aspire as earnestly as I do.

T. Coleman Andrews,
Commissioner.

Dear Mr. Andrews:

I read with grdat satisfaction your recent message on "Let's Meet 'Em with a Smile" to personnel in the Bureau of Internal Revenue. I would like to add my 100 percent endorsement to what you said.

As you put it so well in your message, we must meet taxpayers with the kind of attitude that shows a sincere desire to be helpful. Although a tax collector can never be really popular, he can be respected.

We are in business to help the taxpayer. If we put ourselves in the position of treating those who come to us as we would like to be treated ourselves, the chance is that we will do about what is right.

I congratulate you, Mr. Andrews, not only for your message but for your work in running the very vital Bureau of Internal Revenue the few short weeks you have been in charge. I also congratulate the Bureau's employees for the sincere job of service I feel they are doing.

I am making this note to you public in the thought that taxpayers throughout the country may know of our sincere effotts and hopes to regain confidence in a bureau of our Government ~~of~~ from which Americans rightly expect -- and will get -- the highest standards of patriotic service.

Sincerely,

~~GMH~~

~~George M.~~

G. M. Humphrey

Release AM Newspapers

~~For Immediate Release~~
~~Friday, March 13, 1953~~
Monday, ~~AM Papers~~ March 16, 1953

H-58

The Treasury Department released the following letter by Secretary George M. Humphrey, commenting on a message from Commissioner T. Coleman Andrews to the employees of the Bureau of Internal Revenue on "Let's Meet 'Em with a Smile."

(1) (Insert text of Mr. Humphrey's letter)

(2) ~~Extracts from~~ Commissioner Andrews' message to Revenue Service employees said:

TREASURY DEPARTMENT

Information Service WASHINGTON, D.C.

RELEASE MORNING NEWSPAPERS
Monday, March 16, 1953

H-58

The Treasury Department released the following letter by Secretary George M. Humphrey, commenting on a message from Commissioner T. Coleman Andrews to the employees of the Bureau of Internal Revenue on "Let's Meet 'Em with a Smile."

"Dear Mr. Andrews:

"I read with great satisfaction your recent message on 'Let's Meet 'Em with a Smile' to personnel in the Bureau of Internal Revenue. I would like to add my 100 percent endorsement to what you said.

"As you put it so well in your message, we must meet taxpayers with the kind of attitude that shows a sincere desire to be helpful. Although a tax collector can never be really popular, he can be respected.

"We are in business to help the taxpayer. If we put ourselves in the position of treating those who come to us as we would like to be treated ourselves, the chance is that we will do about what is right.

"I congratulate you, Mr. Andrews, not only for your message but for your work in running the very vital Bureau of Internal Revenue the few short weeks you have been in charge. I also congratulate the Bureau's employees for the sincere job of service I feel they are doing.

"I am making this note to you public in the thought that taxpayers throughout the country may know of our sincere efforts and hopes to regain confidence in a bureau of our Government from which Americans rightly expect -- and will get -- the highest standards of patriotic service.

Sincerely,

G. M. HUMPHREY"

Commissioner Andrews' message to Revenue Service employees said:

"It is grievously clear to me that the whole Bureau is widely regarded with distrust or suspicion because of the instances of unfaithfulness on the part of Bureau personnel that have made so many headlines recently.

"Now I would not intentionally underestimate the seriousness of this situation, because I know that unfaithfulness on the part of government officials and agents is perhaps more certain than anything else to destroy a people's confidence in their government, and that no government, no matter how ideal or strong, can long survive unbridled corruption.

"But, while it may be that an abnormal portion of the Bureau's personnel has turned out bad, I am confident that the vast majority are faithful public servants and God-fearing men and women whose good name cannot be purchased by anyone for any price. Moreover, those who have let their fellow workers down are being ferreted out, and I give you solemn assurance that we will carry on a relentless search for those who betray their fellow workers and the Bureau's good name, that every act of unfaithfulness will be promptly and appropriately dealt with, and that assuring safeguards against recurrences will be established.

"Therefore, to those whose consciences are clear let me say: The stigma of shame is not upon you; so 'keep your chins up,' for we may not expect confidence except by showing it. And to those whose consciences are not clear I say: 'Be sure your sins will find you out.'

"Now a reminder and a suggestion. Between now and March 15 many of you will be coming face to face with more taxpayers than at any time during the year. This affords us a fine chance to start the Bureau on the road back to high standing in the eyes of the public. So let's 'meet 'em with a smile' -- with the kind of attitude that speaks eloquently of a sincere desire to be helpful.

"I suppose it is too much to expect that as tax collectors we may hope to achieve popularity, although all of us have seen tax collectors who were popular. But we can at least aim at gaining the taxpayers' respect, and I am sure we will succeed in this aim if we go about it properly. Moreover, the prestige of respect probably is more to be desired than the glamor of popularity, if for no other reason than that it lasts longer.

"Perhaps what I have been trying to say can be most simply expressed this way: We are in business to help the taxpayer. So let's put ourselves in the taxpayers' position and treat them the way we'd want them to treat us if the situation were reversed. Let's all try it; it can't do any harm, and it may give the Bureau a head start toward restoration of that degree of public confidence and respect to which everyone in the Bureau with whom I thus far have come in contact seems to aspire as earnestly as I do.

T. Coleman Andrews,
Commissioner"

H-59

RELEASE MORNING NEWSPAPERS,
Tuesday, March 17, 1953.

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 19 and to mature June 18, 1953, which were offered on March 12, were opened at the Federal Reserve Banks on March 16.

The details of this issue are as follows:

20987

Total applied for - $2,388,071,000
Total accepted - 1,200,548,000 (includes $275,009,000 entered on a non-competitive basis and accepted in full at the average price shown below)
Average price - 99.487/ Equivalent rate of discount approx. 2.029% per annum

Range of accepted competitive bids:

High	- 99.500	Equivalent rate of discount approx.	1.978% per annum
Low	- 99.485	" " " " "	2.037% " "

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

Federal Reserve District	Total Applied for	Total Accepted
Boston	$ 27,649,000	$ 17,505,000
New York	1,583,126,000	660,778,000
Philadelphia	34,008,000	17,408,000
Cleveland	68,664,000	46,699,000
Richmond	25,361,000	21,011,000
Atlanta	44,558,000	32,501,000
Chicago	248,990,000	166,971,000
St. Louis	50,596,000	21,446,000
Minneapolis	15,057,000	13,352,000
Kansas City	55,754,000	40,733,000
Dallas	72,560,000	40,360,000
San Francisco	161,748,000	121,784,000
TOTAL	$2,388,071,000	$1,200,548,000

TREASURY DEPARTMENT

Information Service

WASHINGTON, D.C.

RELEASE MORNING NEWSPAPERS,
Tuesday, March 17, 1953.

H-59

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San Francisco	161,748,000	121,784,000
TOTAL	$2,388,071,000	$1,200,548,000

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~~ALPHA~~

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.

~~ALPHA~~

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 26, 1953 ~~(8)~~, in cash or other immediately available funds or in a like face amount of Treasury bills maturing March 26, 1953 ~~(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

~~Exhibit~~

~~ALPHA~~

H-60

TREASURY DEPARTMENT
Washington

FOR RELEASE, MORNING NEWSPAPERS,
Thursday, March 19, 1953.

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 26, 1953, in the amount of $1,200,337,000, 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 26, 1953, and will mature June 25, 1953, 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 23, 1953. 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

TREASURY DEPARTMENT

Information Service WASHINGTON, D.C.

RELEASE MORNING NEWSPAPERS,
Thursday, March 19, 1953. H-60

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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 26, 1953, in cash or other immediately available funds or in a like face amount of Treasury bills maturing March 26, 1953. 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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Suggested remarks by Under Secretary Folsom

Every report reaching my desk indicates clearly that Coleman Andrews has taken to his new job as Commissioner of Internal Revenue like a duck to water.

With the characteristic thoroughness of the experienced accountant, Mr. Andrews is digging for facts -- first-hand facts -- regarding his huge organization. When these facts are in, he's the sort of man who will take immediate and courageous action to bring about any changes indicated.

Mr. Andrews believes -- as do we at the Treasury -- that the collection of the Nation's revenues can be simplified, that the burden on both the tax-payer and the government can be eased, that real economies can be made by reducing administrative paper work and, at the same time, bolstering the Bureau's enforcement activities. Progress has already been made. More is to be expected.

You may have read ~~There are rumors afoot~~ that Commissioner Andrews is a "tax-payer's man." That is as it should be. The laws of the land, under which the Bureau is ~~Commissioner~~ operated ~~his vast and complicated collection machinery, will, of course,~~ chart is ~~his~~ administrative course, but it is good ~~comforting~~ to know that the action of the Commissioner's ~~his~~ hand will be tempered with the sincere desire to consider the problems of those whom we all serve -- the Nation's tax-payers.

Pick up

TREASURY DEPARTMENT
Washington

Remarks by Under Secretary Marion B. Folsom
at dinner of American Institute of Accountants,
Hotel Statler, Washington, D. C., 8:00 p.m.
Thursday, March 19, 1953. Release on delivery.

I am glad to join with those here tonight who are paying tribute to T. Coleman Andrews, the new Commissioner of Internal Revenue.

Included in my responsibilities as Under Secretary of the Treasury is supervision of this very vital Bureau. In this connection, I have come to have the highest regard for Mr. Andrews' ability and performance in the relatively few weeks he has been Commissioner. My observations lead me to believe that Mr. Andrews is firmly determined to get the facts about his Bureau before he moves. I also have observed that in this process of getting the facts, he has received a high degree of cooperation from Bureau personnel who are coming to recognize him as a man who is going to work in diligent but friendly fashion to restore the Bureau of Internal Revenue to the place of high confidence that it rightfully deserves in the eyes of the American public.

I know that Secretary Humphrey, who regrets he cannot be with us at this dinner tonight, also shares my enthusiasm for the work that Mr. Andrews is doing in helping ~~bring~~ to maintain the Bureau of Internal Revenue to the highest possible standards of efficiency and integrity.

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H-61

TREASURY DEPARTMENT
Washington

Remarks by Under Secretary Marion B. Folsom
at dinner of American Institute of Accountants,
Hotel Statler, Washington, D. C., 8:00 p.m.
Thursday, March 19, 1953. Release on delivery.

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Mr. Andrews believes -- as do we at the Treasury -- that the collection of the Nation's revenues can be simplified, that the burden on both the tax-payer and the government can be eased, that real economies can be made by reducing administrative paper work and, at the same time, bolstering the Bureau's enforcement activities. Progress has already been made. More is to be expected.

You may have read that Commissioner Andrews is a "tax-payer's man." That is as it should be. The laws of the land, under which the Bureau is operated chart its administrative course, but it is good to know that the action of the Commissioner's hand will be tempered with the sincere desire to consider the problems of those whom we all serve -- the Nation's tax-payers.

I know that Secretary Humphrey, who regrets he cannot be with us at this dinner tonight, also shares my enthusiasm for the work that Mr. Andrews is doing in helping to return the Bureau of Internal Revenue to the highest possible standards of efficiency and integrity.

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H-61

H-62

RELEASE MORNING NEWSPAPERS,
Tuesday, March 24, 1953.

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 26 and to mature June 25, 1953, which were offered on March 19, were opened at the Federal Reserve Banks on March 23.

The details of this issue are as follows:

Total applied for - $2,230,081,000
Total accepted - 1,201,152,000 (includes $241,402,000 entered on a non-competitive basis and accepted in full at the average price shown below)

Average price - 99.485/ Equivalent rate of discount approx. 2.036% per annum

Range of accepted competitive bids:

High - 99.522 Equivalent rate of discount approx. 1.891% per annum
Low - 99.484 " " " " " 2.041% " "

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

Federal Reserve District	Total Applied for	Total Accepted
Boston	$ 38,639,000	$ 30,196,000
New York	1,478,643,000	681,260,000
Philadelphia	39,578,000	15,359,000
Cleveland	74,366,000	55,973,000
Richmond	19,008,000	16,648,000
Atlanta	27,392,000	23,582,000
Chicago	252,206,000	169,943,000
St. Louis	37,348,000	24,355,000
Minneapolis	11,148,000	10,498,000
Kansas City	80,615,000	52,763,000
Dallas	62,892,000	42,091,000
San Francisco	108,246,000	78,484,000
TOTAL	$2,230,081,000	$1,201,152,000

TREASURY DEPARTMENT

Information Service WASHINGTON, D.C.

RELEASE MORNING NEWSPAPERS,
Tuesday, March 24, 1953.

H-62

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Range of accepted competitive bids:

High - 99.522 Equivalent rate of discount approx. 1.891% per annum
Low - 99.484 Equivalent rate of discount approx. 2.041% per annum

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

Federal Reserve District	Total Applied for	Total Accepted
Boston	$ 38,639,000	$ 30,196,000
New York	1,478,643,000	681,260,000
Philadelphia	39,578,000	15,359,000
Cleveland	74,366,000	55,973,000
Richmond	19,008,000	16,648,000
Atlanta	27,392,000	23,582,000
Chicago	252,206,000	169,943,000
St. Louis	37,348,000	24,355,000
Minneapolis	11,148,000	10,498,000
Kansas City	80,615,000	52,763,000
Dallas	62,892,000	42,091,000
San Francisco	108,246,000	78,484,000
TOTAL	$2,230,081,000	$1,201,152,000

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ALPHA

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.

~~ALPHA~~

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 2, 1953 ~~(8)~~, in cash or other immediately available funds or in a like face amount of Treasury bills maturing April 2, 1953 ~~(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

H-63

TREASURY DEPARTMENT
Washington

FOR RELEASE, MORNING NEWSPAPERS,
Thursday, March 26, 1953 .

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 2, 1953 , in the amount of $1,200,662,000 , 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 2, 1953 , and will mature July 2, 1953 , 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 30, 1953. 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

TREASURY DEPARTMENT

Information Service WASHINGTON, D.C.

RELEASE MORNING NEWSPAPERS,
Thursday, March 26, 1953.

H-63

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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.

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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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U.S. DEPARTMENT OF TREASURY

News Release Clearance Record

SUBJECT Treasury release for Newspapers & Labor Press

WRITTEN BY Ed Northup

ORIGINATING OFFICE Labor Section

CLEARED BY:

(Name)	(Office)	(Date)
John Koepf Jr	Public Liaison Section	3/24/53
Chas P Shaffer	Sales Coordination	3/25
Bill McDonald	acting Natl Director	3/25/53
A. N. Overby		3/25/53
WRB.		3/26/53

Nils A. Lennartson
Assistant to the Secretary — (Date)

LMS Leon M. Siler — 3/26/53 (Date)

Robert A. Dillon — (Date)

TD-OAS-DC

Harry E. O'Reilly, director of organization, A. F. of L.; William C. Doherty, President, National Association of Letter Carriers; and Frank Coleman, secretary, Washington, D. C. Central Labor Union.

Appointed by Mr. Reuther to serve with him on the C. I. O. National Labor Advisory Committee are: James B. Carey, secretary-treasurer, Congress of Industrial Organizations; David J. McDonald, President, United Steel Workers of America; Jacob S. Potofsky, President, Amalgamated Clothing Workers of America; Emil Rieve, President, Textile Workers Union of America.

Serving with Mr. Leighty on the National Railway Labor Advisory Committee are: D. B. Robertson, President, Brotherhood of Locomotive Firemen and Enginemen; Michael Fox, President, Railway Employes' Department, A. F. of L.; George M. Harrison, President, Brotherhood of Railway and Steamship Clerks; A. J. Hayes, President, International Association of Machinists.

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For Treasury release
to Newspapers and
Labor Press.

Immediate release
Thursday, March 26, 1953

H-64

Secretary of the Treasury George M. Humphrey today announced the appointment of George Meany, President of the A. F. of L., and Walter P. Reuther, President of the C. I. O., as National chairmen of their respective Labor Advisory committees on U. S. Savings Bonds. They succeed the late President William Green of the A. F. of L. and the late President Philip Murray of the C. I. O.

George E. Leighty, Chairman of the Railway Labor Executives' Association, was reappointed chairman of the National Railway Labor Advisory Committee for Savings Bonds.

The Labor Advisory committees advise with the Secretary on the Savings Bonds program and help coordinate the bond sales program among labor memberships.

Since the United States was drawn into the second World War, American labor organizations have been heavy investors of their own funds in U. S. Savings Bonds and have consistently supported and promoted the payroll savings plan for the systematic purchase of these bonds. Almost 8 million wage and salary earners are payroll savers today, and ~~union leaders estimate~~ a large proportion ~~that more than three-fourths~~ of these savers are union members.

Serving with Mr. Meany on the A. F. of L. National Labor Advisory Committee are: Lewis Hines, special representative, American Federation of Labor;

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TREASURY DEPARTMENT

Information Service WASHINGTON, D.C.

IMMEDIATE RELEASE,
Thursday, March 26, 1953. H-64

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Serving with Mr. Leighty on the National Railway Labor Advisory Committee are: D. B. Robertson, President, Brotherhood of Locomotive Firemen and Enginemen; Michael Fox, President, Railway Employes' Department, A. F. of L.; George M. Harrison, President, Brotherhood of Railway and Steamship Clerks; A. J. Hayes, President, International Association of Machinists.

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The indicted firms and individuals are subject, if convicted, to a fine of $10,000 and 10 years in prison for each violation of the Foreign Assets Control Regulations and $10,000 and 5 years in prison for each violation of the prohibition against submission of a false statement or document to the United States Government.

Immediate Release
Friday, Mar 27, 1953

14-65

~~PRESS RELEASE~~

A Federal Grand Jury in New York City today indicted two New York firms for violations of the Treasury's Foreign Assets Control Regulations and for submitting false documents to the Treasury Department.

In one case the Grand Jury returned an 18-count indictment against John Manners & Company, 59 Pearl Street, New York 8, New York, and its vice president and general manager, David Adler, 785 West End Avenue, New York City. In the other the Grand Jury returned a 20 count indictment against Chin Kom Gee, 57 Mott Street, New York City. The indictments were announced by U. S. Attorney Myles Lane and his Assistant, David Carton. The ~~violations were uncovered~~ indictments followed months of investigation of the cases by agents of the ~~Treasury's~~ Foreign Assets Control.

The Foreign Assets Control Regulations, which were issued on December 17, 1950, under The Trading with the Enemy Act, shortly after the Chinese Communists attacked United Nations' forces in North Korea, prohibit trade and financial transactions with Communist China and North Korea.

The Manners' indictment charges John Manners & Company and its vice president and manager, David Adler, with having knowingly submitted false documents to the Treasury Department to induce the Treasury to grant applications authorizing importation into this country of goods from Communist China. These documents included Hong Kong warehouse receipts, bills of sale and other shipping documents, all purporting to prove that the goods had left Communist China and were owned by the company's Hong Kong office before the blocking regulations were issued. The charge alleges that these supporting documents had been forged and that Adler, the company's vice president, knew the documents were false at the time they were filed with the Treasury. In addition, the indictment charges the company with having unlawfully transferred more than $40,000 from a mainland Chinese account to one in the name of John Manners & Company, Ltd., Hong Kong.

The other indictment involves Chin Kom Gee, the owner and manager of the Quong Wo Chong Company at 57 Mott Street, New York City. The indictment charges that Chin Kom Gee submitted a sworn statement to representatives of the Treasury Department alleging that during the year 1951 he had remitted only $11,000 to Hong Kong. In fact, it is charged, Chin remitted to Hong Kong amounts greatly in excess of $11,000. The Government ~~[illegible]~~ contends that these amounts totalled approximately $375,000. The indictment also charges that Chin illegally evaded the Treasury's blocking of his bank accounts by opening a new account under a different name, and, that when this account was later discovered and blocked by the Treasury, Chin continued to evade the Treasury's blocking order by purchasing money orders under a third name.

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TREASURY DEPARTMENT

Information Service WASHINGTON, D.C.

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The indicted firms and individuals are subject, if convicted, to a fine of $10,000 and 10 years in prison for each violation of the Foreign Assets Control Regulations and $10,000 and 5 years in prison for each violation of the prohibition against submission of a false statement or document to the United States Government.

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RELEASE MORNING NEWSPAPERS,
Tuesday, March 31, 1953.

H-66

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 April 2 and to mature July 2, 1953, which were offered on March 26, were opened at the Federal Reserve Banks on March 30.

The details of this issue are as follows:

Total applied for - $1,942,856,000
Total accepted - 1,200,447,000 (includes $201,247,000 entered on a non-competitive basis and accepted in full at the average price shown below)

Average price - 99.487/ Equivalent rate of discount approx. 2.029% per annum

Range of accepted competitive bids:

High - 99.494 Equivalent rate of discount approx. 2.002% per annum
Low - 99.485 " " " " " 2.037% " "

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

Federal Reserve District	Total Applied for	Total Accepted
Boston	$ 16,244,000	$ 15,674,000
New York	1,367,073,000	811,262,000
Philadelphia	44,046,000	18,028,000
Cleveland	38,852,000	29,042,000
Richmond	12,870,000	11,148,000
Atlanta	24,950,000	23,576,000
Chicago	213,988,000	116,632,000
St. Louis	48,537,000	45,349,000
Minneapolis	10,212,000	8,954,000
Kansas City	36,618,000	33,751,000
Dallas	64,737,000	27,583,000
San Francisco	64,729,000	59,448,000
Total	$1,942,856,000	$1,200,447,000

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TOTAL	$1,942,856,000	$1,200,447,000

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March 30, 1953

STATEMENT BEFORE SENATE BANKING AND CURRENCY COMMITTEE

There has been some discussion of re-instituting consumer credit controls by the Federal Reserve Board. While there has been a substantial expansion of consumer credit, it may be that this will soon be checked by normal business practice. It will not require many collection losses or many repossessions or foreclosures to cause dealer and credit consumer companies to tighten up on this source of credit.

We believe, however, that there may be conditions that will be helped by some flexibility of action by the President in this consumer credit field, and Congress may feel that some indirect controls by way of checking consumer credit should be available to the President. If Congress should feel that such controls should be made available, I would recommend that they be provided for by legislation which authorizes the President to direct the Federal Reserve Board to re-establish them when, in his judgment, such action is necessary. Such authority, when exercised by the President, should give the Federal Reserve Board some degree of flexibility in the application of controls.

H- 67

~~on behalf of Secretary Humphrey~~

Single Space

STATEMENT BY ELBERT P. TUTTLE, GENERAL COUNSEL

OF THE TREASURY DEPARTMENT, on Behalf of Secretary Humphrey, BEFORE SENATE

BANKING AND CURRENCY COMMITTEE

March 30, 1953

H-67

STATEMENT BY ELBERT P. TUTTLE, GENERAL COUNSEL
OF THE TREASURY DEPARTMENT, ON BEHALF OF
SECRETARY HUMPHREY, BEFORE SENATE
BANKING AND CURRENCY COMMITTEE
March 30, 1953

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H-67

savers to the 190,000 now participating. This would mean an increase of $25 million per year in the purchase of Savings Bonds.

The Aircraft Industries Association, through its President, Admiral D. C. Ramsey, has pledged cooperation in the drive. Organizational meetings scheduled for April include one in New York for the east coast manufacturers and at Los Angeles for west coast members.

During a previous industry-wide drive in 1951, more than 125,000 employees were enrolled for the Payroll Savings Plan with an increase of $5 million per year in the purchase of Savings Bonds.

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Release morning newspapers Apr 6

200 copies for Savings Bonds Div.

~~News Release~~
~~U. S. Savings Bonds Division~~

H-68

Secretary of the Treasury George M. Humphrey today announced the acceptance by Robert E. Gross, Chairman and President of the Lockheed Aircraft Corporation, of appointment as chairman of a committee to conduct ~~promote~~ a U. S. Savings Bonds Payroll Savings campaign among employees of the aircraft manufacturing industry. ~~one of the country's first lines of defense.~~ Chairman Gross has already set an enviable Payroll Savings enrollment record in his own plants with more than 50 per cent participation.

In acknowledging the acceptance, Secretary Humphrey wrote to Mr. Gross in part:

"Savings Bonds are an important consideration in our public debt management policy and the expansion of the Payroll Savings Plan among aircraft workers is vital to widespread ownership of the national debt among all Americans.

"The sale of Savings Bonds promotes thrift, gives the holder a buffer against misfortune and makes him a partner of our government."

Mr. Gross wrote to the Secretary:
~~In his reply to the Secretary Chairman Gross said:~~

"In view of the great merit of the bond program, I am glad to undertake the chairmanship of the campaign for the aircraft industry.

"I believe that we employees of the aircraft industry appreciate our special responsibility to take the leadership in the bond program when a large share of government expenditures is going for the purchase and maintenance of the airplanes we build."

In the 40 companies of the aircraft manufacturing industry, which has 600,000 employees, the drive objective is to add another 100,000 payroll

TREASURY DEPARTMENT

Information Service WASHINGTON, D.C.

RELEASE MORNING NEWSPAPERS,
Monday, April 6, 1953.

H-68

Secretary of the Treasury George M. Humphrey today announced the acceptance by Robert E. Gross, Chairman and President of the Lockheed Aircraft Corporation, of appointment as chairman of a committee to conduct a U. S. Savings Bonds Payroll Savings campaign among employees of the aircraft manufacturing industry. Chairman Gross has already set an enviable Payroll Savings enrollment record in his own plants with more than 50 per cent participation.

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TREASURY DEPARTMENT
Washington

IMMEDIATE RELEASE 1953
Tuesday, March 31, ~~[illegible]~~

H-69

Frank ~~X.~~ Dow, Commissioner of Customs, is retiring effective April 1, after 43 years in the Customs Bureau, the Treasury announced today.

Mr. Dow is 65 years old and has been Commissioner since 1949, and prior to that had served as Assistant Commissioner for 22 years.

Commenting on Mr. Dow's retirement, ~~the~~ Secretary of the Treasury (Humphrey) said:

> "Mr. Dow is entitled to the grateful thanks of the citizens of this country for the excellent record he has made during his many years of faithful and patriotic service."

Mr. David Strubinger, Assistant Commissioner, becomes Acting Commissioner.

(Copy of Mr. Dow's biography is attached.)

IMMEDIATE RELEASE,
Tuesday, March 31, 1953. H-69

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Mr. Dow is 65 years old and has been Commissioner since 1949, and prior to that had served as Assistant Commissioner for 22 years.

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> "Mr. Dow is entitled to the grateful thanks of the citizens of this country for the excellent record he has made during his many years of faithful and patriotic service."

Mr. David Strubinger, Assistant Commissioner, becomes Acting Commissioner.

(Copy of Mr. Dow's biography is attached.)

FRANK DOW
Commissioner of Customs

Mr. Dow was born in Sangerville, Maine, on February 8, 1888, and was educated at Sangerville High School and the University of Maine. In September, 1908, he went directly from school into the Government service as a teacher in Puerto Rico under Civil Service status, holding this position until December, 1909.

From December, 1909, until July, 1910, he was Internal Revenue Agent at San Juan, Puerto Rico, in the Insular Treasury Department, and from July, 1910, to July, 1913, was attached to the United States Customs Service at San Juan.

From 1913 to 1920 Mr. Dow served as appraising officer in the Customs Service at Philadelphia, and from 1920 to 1923 in the Customs Information Exchange at the Port of New York. In 1923 he was transferred to the Bureau of Customs in Washington, and from 1924 to 1927 served as Customs assistant to the Assistant Secretary of the Treasury.

Mr. Dow was appointed Assistant Commissioner of Customs in 1927, and served as Acting Commissioner of Customs from May 1, 1947 to June 29, 1949, when he was named Commissioner of Customs.

Mr. Dow lives at 8300 - 16th Street, Silver Spring, Maryland.

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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.

~~ALPHA~~

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 9, 1953 (9) ~~xxx~~, in cash or other immediately available funds or in a like face amount of Treasury bills maturing April 9, 1953 (9) ~~xxx~~. 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

H-70

TREASURY DEPARTMENT
Washington

FOR RELEASE, MORNING NEWSPAPERS,
Thursday, April 2, 1953.

The Secretary of the Treasury, by this public notice, invites tenders for $1,400,000,000, or thereabouts, of 91-day Treasury bills, for cash and in exchange for Treasury bills maturing April 9, 1953, in the amount of $1,399,431,000, 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 9, 1953, and will mature July 9, 1953, 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, April 6, 1953. 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

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H-70

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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 April 9, 1953, in cash or other immediately available funds or in a like face amount of Treasury bills maturing April 9, 1953. 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.

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12-subject notes are put into circulation. In the meantime, notes from both the 12-subject sheets and the 18-subject sheets will be circulated.

The adoption of the new procedure for printing currency in 18-subject sheets makes it possible to increase the output of currency notes and to decrease the cost of printing.

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~~D R A F T~~

IMMEDIATE RELEASE
~~Thursday, April 2,~~ 1953 H-71

~~Secretary of~~ The Treasury ~~George M. Humphrey~~ announced today that ~~the Treasury~~ it is placing in circulation $1 silver certificates, Series 1935, which differ in a slight detail from silver certificates now in circulation.

The change made in the new notes is in the "check letters". These are small letters in the upper left-hand and lower right-hand areas on the face of the notes. The check letters heretofore used ranged from "A" through "L". The new notes have additional check letters which include "M" through "R". No change has been made in the design or size of the individual notes.

The addition of the six new check letters became necessary when the Bureau of Engraving and Printing began printing $1 bills with 18 notes to the sheet instead of 12 notes as heretofore. Each "check letter" indicates the particular position of the note on the sheet when it is printed.

The presses used in the Bureau of Engraving and Printing for printing currency are being converted as rapidly as possible to accommodate the larger size sheet. It is contemplated that before the end of this year all of the currency will be produced in 18-subject sheets. This will include not only silver certificates but also United States notes and Federal Reserve notes. There are substantial amounts of currency on hand printed in 12-subject sheets and considerable time will elapse before all of the

TREASURY DEPARTMENT

Information Service WASHINGTON, D.C.

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two bureaus. Internal Revenue figures show that it costs but forty-two cents for each $100 collected in federal taxes. Under its new administration every effort is being made to operate the Bureau of Internal Revenue under the most efficient standards but the Treasury feels that any further reduction in the amount requested could result in loss of income to the government because of reduced examining staffs. It should also be noted that the request for the Bureau of Narcotics has not been reduced due to the Treasury's concern for the maximum vigilance in the troublesome field of illegal use of narcotics."

The letter from Secretary Humphrey to Chairman Taber, with the table of reductions, is attached.

H-72

FOR IMMEDIATE RELEASE THURSDAY - APRIL 2, 1953

246

Secretary of the Treasury George M. Humphrey today submitted to the House Appropriations Committee a revised 1954 budget estimate, reducing proposed Treasury operating expenditures by $50,883,000 under the $665,328,000 requested by the former administration.

"I am pleased to be able to report that reductions on the original estimates have been approved in the amount of $50,883,000, which is a reduction of approximately 12.2%, excluding the Revenue producing programs (the Bureau of Internal Revenue and the Bureau of Customs)," Secretary Humphrey wrote Chairman John Taber of the House Appropriations Committee.

Secretary Humphrey also wrote that the revised Treasury Department estimate is a reduction of $40,568,000 below corresponding 1953 appropriations. (Secretary Humphrey's letter pointed out that the figures referred to only Treasury's operating budget and are exclusive of such fixed items as interest on Public Debt, transfers to Government Trust Funds and refunds of taxes and Custom duties, which total more than fifteen billion dollars.)

In a separate statement a Treasury spokesman said:

"It should be noted that the revised Treasury estimates reflect a general reduction of about 7.6% from the earlier budget estimate, inasmuch as less than average cuts are requested for the two revenue collecting agencies, the Bureau of Internal Revenue and the Bureau of Customs. The Treasury's position is that any substantial decrease in the funds for these two bureaus would have a negative effect in that the collection of revenues due the government might actually be decreased by virtue of impaired operation in these

TREASURY DEPARTMENT

Reductions in Appropriations for 1954

Appropriation Title	Amount in 1954 Budget	Revised Amount	Reduction
Salaries and expenses, Office of the Secretary	$ 2,620,000	$ 2,400,000	$ 220,000
Salaries and expenses, Bureau of Accounts	2,000,000	1,900,000	100,000
Salaries and expenses, Division of Disbursement ...	12,065,000	11,000,000	1,065,000
Administering the public debt, Bureau of the Public Debt ..	55,000,000	51,000,000	4,000,000
Salaries and expenses, Office of the Treasurer	20,450,000	18,450,000	2,000,000
Contingent expenses, public moneys, Office of the Treasurer	550,000	350,000	200,000
Salaries and expenses, Bureau of Customs	42,000,000	40,500,000	1,500,000
Salaries and expenses, Bureau of Internal Revenue	272,500,000	266,000,000	6,500,000
Salaries and expenses, U. S. Secret Service	2,725,000	2,500,000	225,000
Salaries and expenses, White House Police	698,000	630,000	68,000
Salaries and expenses, Guard Force	430,000	375,000	55,000
Salaries and expenses, Bureau of the Mint	5,300,000	4,700,000	600,000
Operating expenses, U. S. Coast Guard	200,000,000	188,250,000	11,750,000
Acquisition, construction, and improvements, U. S. Coast Guard	25,000,000	2,500,000	22,500,000
Reserve training, U. S. Coast Guard	2,600,000	2,500,000	100,000

It is requested that the revised estimates be substituted for the estimates now before the Congress and that they be used as the basis for determining the amounts to be approved by your Committee for the fiscal year 1954.

Very truly yours,

GMH

Secretary of the Treasury

Attachment

Honorable John Taber,
Chairman, Committee on Appropriations,
House of Representatives,
U. S. Capitol.

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My dear Mr. Chairman:

The estimates of appropriation requirements for the Treasury Department for the fiscal year 1954 which are before your Committee and on which hearings are now being concluded were, as you know, prepared and submitted by the former Administration. You are also probably aware that the Director of the Bureau of the Budget, on February 3, 1953, addressed a letter to all Departments and agencies directing a review of the 1954 budget with a view to reducing budgetary obligational authority, reducing the level of expenditures, critically examining existing programs, restraining commitments on new programs, and generally driving for greater efficiency and reduced costs. For these purposes, new budget policies and criteria were laid down. The Treasury Department, like other departments, has completed a careful reexamination of its 1954 budget estimates in line with these new policies.

In connection with the above review, it should be noted that approximately 96% of the total appropriation requirements of the Treasury are 249 fixed by statute and are outside the administrative control of the Secretary. These fixed requirements include such substantial items as interest on the public debt, \$6,350,000,000; transfers to Government trust funds, \$6,382,300,000; and refunds of taxes and customs duties amounting to \$2,613,000,000.

The appropriations over which I am able to exercise some degree of administrative discretion totaled \$655,013,000 for the fiscal year 1953. Against these appropriations, estimates for the fiscal year 1954 were submitted by the outgoing Administration in the amount of \$665,328,000, or a requested increase of \$10,315,000 over the current year's appropriation. Based upon the reexamination referred to above, I am pleased to be able to report that reductions on the original estimates have been approved in the amount of \$50,883,000, which is a reduction of approximately 12.2%, excluding the Revenue producing programs. In contrast to an increase over the 1953 appropriations, these revised estimates will mean an actual reduction below the corresponding 1953 appropriations of \$40,568,000.

The reductions in the estimates proposed herein are set out by individual appropriation item in the schedule attached. To some extent, these reductions are predicated on our ability to develop during the next 15 months methods of accomplishing savings which are not now clearly in sight. It may be that further methods of saving can be found, and this objective will of course be vigorously pursued. However, in the light of what I now know, I think that any further reduction at this time could do serious damage to the operating efficiency of the Department and to its ability to properly discharge the various responsibilities that are imposed on it by law.

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The letter from Secretary Humphrey to Chairman Taber, with the table of reductions, is attached.

H-72

~~FOR~~ IMMEDIATE RELEASE
Thursday, April 2, 1953

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"It should be noted that the revised Treasury estimates reflect a general reduction of about 7.6% from the earlier budget estimate, inasmuch as less than average cuts are requested for the two revenue collecting agencies, the Bureau of Internal Revenue and the Bureau of Customs. The Treasury's position is that any substantial decrease in the funds for these two bureaus might actually result in a loss of revenue & ~~would have a negative effect in that the collection of revenues due the~~ government might actually ~~be decreased by virtue of impaired operation in these~~

TREASURY DEPARTMENT

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The reductions in the estimates proposed herein are set out by individual appropriation item in the schedule attached. To some extent, these reductions are predicated on our ability to develop during the next 15 months methods of accomplishing savings which are not now clearly in sight. It may be that further methods of saving can be found, and this objective will of course be vigorously pursued. However, in the light of what I now know, I think that any further reduction at this time could do serious damage to the operating efficiency of the Department and to its ability to properly discharge the various responsibilities that are imposed on it by law.

It is requested that the revised estimates be substituted for the estimates now before the Congress and that they be used as the basis for determining the amounts to be approved by your Committee for the fiscal year 1954.

Very truly yours,

G. M. HUMPHREY
Secretary of the Treasury

Attachment

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TREASURY DEPARTMENT

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Acquisition, construction, and improvements, U. S. Coast Guard	25,000,000	2,500,000	22,500,000
Reserve training, U. S. Coast Guard	2,600,000	2,500,000	100,000

H-73

RELEASE MORNING NEWSPAPERS,
Tuesday, April 7, 1953.

The Secretary of the Treasury announced last evening that the tenders for $1,400,000,000, or thereabouts, of 91-day Treasury bills to be dated April 9 and to mature July 9, 1953, which were offered on April 2, were opened at the Federal Reserve Banks on April 6.

The details of this issue are as follows:

Total applied for - $2,275,152,000
Total accepted - 1,400,560,000 (includes $220,606,000 entered on a non-competitive basis and accepted in full at the average price shown below)

Average price - 99.476 Equivalent rate of discount approx. 2.073% per annum

Range of accepted competitive bids:

High - 99.507 Equivalent rate of discount approx. 1.950% per annum
Low - 99.472 " " " " " 2.089% " "

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

Federal Reserve District	Total Applied for	Total Accepted
Boston	$ 28,339,000	$ 22,314,000
New York	1,607,903,000	851,603,000
Philadelphia	34,945,000	18,945,000
Cleveland	43,268,000	43,028,000
Richmond	13,361,000	12,836,000
Atlanta	27,228,000	26,716,000
Chicago	250,891,000	190,116,000
St. Louis	49,169,000	33,869,000
Minneapolis	10,968,000	10,853,000
Kansas City	57,315,000	52,065,000
Dallas	72,264,000	67,014,000
San Francisco	79,501,000	71,201,000
TOTAL	$2,275,152,000	$1,400,560,000

TREASURY DEPARTMENT

Information Service WASHINGTON, D.C.

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Richmond	13,361,000	12,836,000
Atlanta	27,228,000	26,716,000
Chicago	250,891,000	190,116,000
St. Louis	49,169,000	33,869,000
Minneapolis	10,968,000	10,853,000
Kansas City	57,315,000	52,065,000
Dallas	72,264,000	67,014,000
San Francisco	79,501,000	71,201,000
TOTAL	$2,275,152,000	$1,400,560,000

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TREASURY DEPARTMENT
Fiscal Service
Washington, April 3, 1953
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STATUTORY DEBT LIMITATION

AS OF March 31, 1953

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	$19,210,987,000		
Certificates of indebtedness	15,958,626,000		
Treasury notes	35,206,051,700	$ 70,375,664,700	
Bonds -			
Treasury	80,367,557,750		
Savings (current redemp. value)	58,370,659,762		
Depositary	400,233,500		
Armed Forces Leave	-		
Investment series	13,387,343,000	152,525,794,012	
Special Funds -			
Certificates of indebtedness	24,274,438,000		
Treasury notes	15,079,881,400	39,354,319,400	
Total interest-bearing		262,255,778,112	
Matured, interest-ceased		312,096,625	
Bearing no interest:			
War savings stamps	49,876,475		
Excess profits tax refund bonds	1,515,285		
Special notes of the United States:			
Internat'l Monetary Fund series	1,258,000,000	1,309,391,760	
Total		263,877,266,497	
Guaranteed obligations (not held by Treasury):			
Interest-bearing:			
Debentures: F.H.A.	49,947,436		
Demand obligations: C.C.C.	33,611	49,981,047	
Matured, interest-ceased		1,294,725	
		51,275,772	
Grand total outstanding			263,928,542,269
Balance face amount of obligations issuable under above authority			11,071,457,731

Reconcilement with Statement of the Public Debt March 31, 1953
(Date)
(Daily Statement of the United States Treasury, April 1, 1953
(Date)

Outstanding -	
Total gross public debt	264,484,781,955
Guaranteed obligations not owned by the Treasury	51,275,772
Total gross public debt and guaranteed obligations	264,536,057,727
Deduct - other outstanding public debt obligations not subject to debt limitation	607,515,458
	263,928,542,269

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STATUTORY DEBT LIMITATION
AS OF MARCH 31, 1953

April 7, 1953

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.................	$ 19,210,987,000		
Certificates of indebtedness...	15,958,626,000		
Treasury notes.................	35,206,051,700	$ 70,375,664,700	
Bonds -			
Treasury.....................	80,367,557,750		
Savings(current redemp. value)	58,370,659,762		
Depositary..................	400,233,500		
Armed Forces Leave...........	-		
Investment series...........	13,387,343,000	152,525,794,012	
Special Funds -			
Certificates of indebtedness.	24,274,438,000		
Treasury notes.............	15,079,881,400	39,354,319,400	
Total interest-bearing....................		262,255,778,112	
Matured, interest-ceased..........................		312,096,625	
Bearing no interest:			
War savings stamps..............	49,876,475		
Excess profits tax refund bonds..	1,515,285		
Special notes of the United States:			
Internat'l Monetary Fund series	1,258,000,000	1,309,391,760	
Total..		263,877,266,497	
Guaranteed obligations (not held by Treasury):			
Interest-bearing:			
Debentures: F.H.A.	49,947,436		
Demand obligations: C.C.C.	33,611	49,981,047	
Matured, interest-ceased.........................		1,294,725	
		51,275,772	
Grand total outstanding..........................			263,928,542,269
Balance face amount of obligations issuable under above authority...			11,071,457,731

Reconcilement with Statement of the Public Debt - March 31, 1953
(Daily Statement of the United States Treasury, April 1, 1953)

Outstanding -	
Total gross public debt..	264,484,781,955
Guaranteed obligations not owned by the Treasury................	51,275,772
Total gross public debt and guaranteed obligations..............	264,536,057,727
Deduct - other outstanding public debt obligations not subject to debt limitation..	607,515,458
	263,928,542,269

H-74

Treasury Department
Washington

H-70

IMMEDIATE RELEASE
Wed, April 7, 1953
8

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, 1953, to March 28, 1953, inclusive, as follows:

Products of the Philippines	Established Quota Quantity	Unit of Quantity	Imports as of Mar. 28, 1953
Buttons	850,000	Gross	213,747
Cigars	200,000,000	Number	550,695
Coconut Oil	448,000,000	Pound	20,983,286
Cordage	6,000,000	Pound	1,491,082
Rice	1,040,000	Pound	2,500
Sugars (Refined	1,904,000,000	Pound	-
Sugars (Unrefined			393,682,472
Tobacco	6,500,000	Pound	502,469

TREASURY DEPARTMENT
Washington

IMMEDIATE RELEASE
Wednesday, April 8, 1953

H-75

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, 1953, to March 28, 1953, inclusive, as follows:

Products of the Philippines	Established Quota Quantity	Unit of Quantity	Imports as of Mar. 28, 1953
Buttons	850,000	Gross	213,747
Cigars	200,000,000	Number	550,695
Coconut Oil	448,000,000	Pound	20,983,286
Cordage	6,000,000	Pound	1,491,082
Rice	1,040,000	Pound	2,500
Sugars (Refined	1,904,000,000	Pound	-
Sugars (Unrefined . . .			393,682,472
Tobacco	6,500,000	Pound	502,469

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, 1952, to April 7, 1953	Established 33-1/3% of Total Quota	Imports 1/ Sept. 20, 1952, to April 7, 1953
United Kingdom	4,323,457	78,053	1,441,152	77,446
Canada	239,690	239,495	-	-
France	227,420	13,032	75,807	13,032
British India	69,627	48,162	-	-
Netherlands	68,240	15,715	22,747	15,715
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	24,618	25,443	24,618
Italy	21,263	6,430	7,088	6,430
	5,482,509	425,505	1,599,886	137,241

1/ Included in total imports, column 2.

Prepared by the Bureau of Customs

Treasury Department
Washington

IMMEDIATE RELEASE
Wed, April ~~7~~ 8, 1953

H-76

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, 1952, to April 7, 1953, 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	587	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	-	Netherlands E. Indies	71,388	-
Union of Soviet Socialist Republics	475,124	-	Barbados	-	-
Argentina	5,203	1,382	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, 1952, to March 28, 1953

Established Quota (Global)	Imports
70,000,000	9,304,234

Cotton 1-1/8" or more, but less than 1-11/16"
Imports Feb. 1, 1953, to April 7, 1953

Established Quota (Global)	Imports
45,656,420	14,937,622

TREASURY DEPARTMENT
Washington

IMMEDIATE RELEASE
Wednesday, April 8, 1953

H-76

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, 1952, to April 7, 1953, inclusive

Country of Origin	Established Quota	Imports
Egypt and the Anglo-Egyptian Sudan	783,816	-
Peru	247,952	587
British India	2,003,483	-
China................	1,370,791	-
Mexico...............	8,883,259	8,883,259
Brazil...............	618,723	-
Union of Soviet Socialist Republics	475,124	-
Argentina............	5,203	1,382
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, 1952, to March 28, 1953

Established Quota (Global)	Imports
70,000,000	9,304,234

Cotton 1-1/8" or more, but less than 1-11/16"
Imports Feb. 1, 1953, to April 7, 1953

Established Quota (Global)	Imports
45,656,420	14,937,622

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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, 1952, to April 7, 1953	Established 33-1/3% of Total Quota	Imports 1/ Sept. 20, 1952, to April 7, 1953
United Kingdom..........	4,323,457	78,053	1,441,152	77,446
Canada..................	239,690	239,495	-	-
France..................	227,420	13,032	75,807	13,032
British India...........	69,627	48,162	-	-
Netherlands.............	68,240	15,715	22,747	15,715
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	24,618	25,443	24,618
Italy	21,263	6,430	7,088	6,430
	5,482,509	425,505	1,599,886	137,241

1/ Included in total imports, column 2.

Prepared by the Bureau of Customs

Treasury department
washington

H-77

~~FOR~~ IMMEDIATE RELEASE,

wed, April 7, 1953
8

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, 1952, as follows:

Country of Origin	Wheat: Established Quota	Wheat: Imports May 29, 1952 to April 7, 1953	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, 1952 to April 7, 1953
	(Bushels)	(Bushels)	(Pounds)	(Pounds)
Canada	795,000	794,576	3,815,000	1,718,725
China	-	-	24,000	-
Hungary	-	-	13,000	-
Hong Kong	-	-	13,000	-
Japan	-	-	8,000	-
United Kingdom	100	-	75,000	44
Australia	-	-	1,000	-
Germany	100	-	5,000	-
Syria	100	-	5,000	-
New Zealand	-	-	1,000	-
Chile	-	-	1,000	-
Netherlands	100	-	1,000	-
Argentina	2,000	-	14,000	-
Italy	100	-	2,000	-
Cuba	-	-	12,000	-
France	1,000	-	1,000	-
Greece	-	-	1,000	-
Mexico	100	-	1,000	-
Panama	-	-	1,000	-
Uruguay	-	-	1,000	-
Poland and Danzig	-	-	1,000	-
Sweden	-	-	1,000	-
Yugoslavia	-	-	1,000	-
Norway	-	-	1,000	-
Canary Islands	-	-	1,000	-
Rumania	1,000	-	-	-
Guatemala	100	-	-	-
Brazil	100	-	-	-
Union of Soviet Socialist Republics	100	-	-	-
Belgium	100	-	-	-
	800,000	794,576	4,000,000	1,718,769

TREASURY DEPARTMENT
Washington

IMMEDIATE RELEASE,
Wednesday, April 8, 1953

H-77

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, 1952, as follows:

Country of Origin	Wheat		Wheat flour, semolina, crushed or cracked wheat, and similar wheat products	
	Established Quota	Imports May 29, 1952, to April 7, 1953	Established Quota	Imports May 29, 1952, to April 7, 1953
	(Bushels)	(Bushels	(Pounds)	(Pounds)
Canada	795,000	794,576	3,815,000	1,718,725
China	-	-	24,000	-
Hungary	-	-	13,000	-
Hong Kong	-	-	13,000	-
Japan	-	-	8,000	-
United Kingdom	100	-	75,000	44
Australia	-	-	1,000	-
Germany	100	-	5,000	-
Syria	100	-	5,000	-
New Zealand	-	-	1,000	-
Chile	-	-	1,000	-
Netherlands	100	-	1,000	-
Argentina	2,000	-	14,000	-
Italy	100	-	2,000	-
Cuba	-	-	12,000	-
France	1,000	-	1,000	-
Greece	-	-	1,000	-
Mexico	100	-	1,000	-
Panama	-	-	1,000	-
Uruguay	-	-	1,000	-
Poland and Danzig	-	-	1,000	-
Sweden	-	-	1,000	-
Yugoslavia	-	-	1,000	-
Norway	-	-	1,000	-
Canary Islands	-	-	1,000	-
Rumania	1,000	-	-	-
Guatemala	100	-	-	-
Brazil	100	-	-	-
Union of Soviet Socialist Republics	100	-	-	-
Belgium	100	-	-	-
	800,000	794,576	4,000,000	1,718,769

Treasury Department
Washington

H-78

IMMEDIATE RELEASE
Wed, April 8, 1953

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 28, 1953, inclusive, as follows:

Commodity	Period and Quantity		Unit of Quantity	Imports as of Mar. 28, 1953
Whole milk, fresh or sour	Calendar year	3,000,000	Gallon	407
Cream	Calendar year	1,500,000	Gallon	353
Butter	Nov. 1, 1952-Mar. 31, 1953	50,000,000	Pound	7,302
Fish, fresh or frozen, filleted, etc., cod, haddock, hake, pollock, cusk, and rosefish	Calendar year	33,866,287	Pound	(1) Quota Filled
White or Irish potatoes: certified seed	12 months from Sept. 15, 1952	150,000,000	Pound	97,314,143
other		798,900,000	Pound	64,842,687
Walnuts	Calendar year	5,000,000	Pound	2,681,332
Almonds: shelled, blanched, roasted, or otherwise prepared or preserved . .	12 months from Oct. 1, 1952	7,000,000	Pound	5,106,731

(1) Imports for consumption at the quota rate are limited to 8,466,572 pounds during the first three months of the calendar year.

TREASURY DEPARTMENT
Washington

IMMEDIATE RELEASE
Wednesday, April 8, 1953

H-78

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Cream......................	Calendar year	1,500,000	Gallon	353
Butter.....................	Nov. 1, 1952 - Mar. 31, 1953	50,000,000	Pound	7,302
Fish, fresh or frozen, filleted, etc., cod, haddock, hake, pollock, cusk, and rosefish..........	Calendar year	33,866,287	Pound	(1) Quota filled
White or Irish potatoes:				
certified seed.............	12 months from	150,000,000	Pound	97,314,143
other......................	Sept. 15, 1952	798,900,000	Pound	64,842,687
Walnuts....................	Calendar year	5,000,000	Pound	2,681,332
Almonds: shelled, blanched, roasted, or otherwise prepared or preserved	12 months from Oct. 1, 1952	7,000,000	Pound	5,106,731

(1) Imports for consumption at the quota rate are limited to 8,466,572 pounds during the first three months of the calendar year.

STATEMENT BEFORE THE SENATE COMMITTEE ON THE JUDICIARY

by

ELBERT P. TUTTLE, GENERAL COUNSEL OF THE TREASURY

on

S. J. RES. 1 and S. J. RES. 43

April 8, 1953

The Secretary of State and the Attorney General have reviewed comprehensively the implications of S. J. Res. 1 and S. J. Res. 43 as they would affect the conduct of the foreign relations of the United States, and the constitutional position of the Federal Government. I propose only to mention briefly each of the substantive provisions of those resolutions, and to indicate by examples, within the scope of the responsibilities of the Treasury Department, the practical effect which the enactment of either of these constitutional amendments might have.

Section 1 of S. J. Res. 1 would invalidate any treaty provision "which denies or abridges any right enumerated in this Constitution." S. J. Res. 43 would similarly invalidate a treaty "which conflicts with any provision of this Constitution." Either of these provisions might be construed to invalidate a treaty which dealt with a subject matter ordinarily considered, under our constitutional system, to be under state rather than federal jurisdiction, on the ground that it infringed the rights reserved to the states by the Tenth Amendment. S. J. Res. 43 removes any doubt on this question by providing expressly that: "A treaty shall become effective as internal law in the United States only through legislation which would be valid in the absence of treaty." If the government were rendered constitutionally unable to enter into treaties dealing with subjects ordinarily under the jurisdiction of the states, our structure of controls over the traffic in narcotic drugs would be seriously impaired. As you know, the Bureau of Narcotics is a part of the Treasury Department and narcotics enforcement is one of our duties.

The system of federal narcotic controls is based upon a series of international agreements which the United States has made during the past 40 years, since we took the initiative, under the administration of President Taft, in convening the first international conference to deal with the drug traffic. The United States is obligated, by these agreements, to control the production of opium, and to limit the manufacture of opium derivatives to the quantities needed for medical and scientific requirements. Indeed, the United States has always taken the lead in pressing other countries to undertake this obligation. There had never been a serious problem of domestic production of the opium poppy until the outbreak of World War II, when our supplies of poppy seed for baking uses were cut off, and some enterprising farmers undertook to raise poppy seeds. Unfortunately, the same plant which yields poppy seeds will produce crude opium and morphine. The Bureau of Narcotics feared that some farmers (or drug peddlers and addicts) might prove even more enterprising, and harvest the much more profitable seed pods. It recommended, and the Congress enacted, the Opium Poppy Control Act of 1942, which forbids the growing of the opium poppy except under federal license, and limits such licenses to the quantities needed for medical and scientific requirements. Thus the Congress determined that we had better do without poppy seeds on our bakery products until imports could be resumed, rather than risk the temptations which growing the plant would provide. One of our states thought otherwise, and relying on the reservation of power provision in the Tenth Amendment, enacted legislation authorizing the growing of poppy plants for seed, under regulation. The courts held the Federal law to prevail, based on the treaty power. Under S. J. Res. 43, and possibly under S. J. Res. 1, the state law would have prevailed, with danger both to our domestic narcotics controls and to our world position as the leading advocate of effective suppression of the drug traffic.

Section 2 of S. J. Res. 1 forbids any treaty authorizing a foreign power or an international organization "to supervise, control, or adjudicate rights of citizens of the United States within the United States enumerated in this Constitution or any other matters essentially within the domestic jurisdiction of the United States". The S. J. Res. 43 text has no similar provision. In the past decade, a number of synthetic drugs have been discovered which have effects similar to the effects of opium derivatives, both for medicinal uses, and insofar as they involve the dangers of addiction. Under a protocol of 1948, the Manufacturing Limitation Convention of 1931 dealing with opium derivatives such as morphine was made applicable to synthetic drugs liable to cause addiction. The determination of whether a particular synthetic drug involves such dangers of addiction is vested in the World Health Organization. Apparently, Section 2 of S. J. Res. 1 would invalidate our acceptance of the 1948 protocol, because the World Health Organization is an international organization which would "control rights of citizens (to manufacture synthetics) and other matters essentially within the domestic jurisdiction of the United States (invading the right of a State to control manufacture of synthetics)." This would leave a serious hiatus in international narcotic regulation. Unless some international organization can be given the responsibility for classifying new drugs as habit-forming, there will be great danger that the world market could be flooded with some new narcotic long before all the countries could be brought around to regulating it.

Another example of an international agreement which might be invalidated by Section 2 of S. J. Res. 1 is the agreement which established the International Monetary Fund. United States membership in the Fund was explicitly authorized by Act of Congress in 1945. Under the Articles of Agreement of the Fund, each of the 50-odd participating countries has agreed not to change the par value of its currency (except for certain minimal changes) without the concurrence of the Fund. Thus, the United States is bound not to change the par value of the dollar (i.e., its gold content) without prior approval by an international organization. The power "to coin money, [and] regulate the value thereof" is explicitly given to the Congress in the Constitution, and would doubtless be regarded as a "matter essentially within the domestic jurisdiction of the United States," as that language is used in Section 2 of the proposed amendment. While the Fund may not change the U. S. dollar parity on its own initiative, but only veto changes proposed by member countries, this veto power might, nevertheless, be construed to conflict with Section 2 of the proposed amendment, and thus render impossible continued United States participation in the International Monetary Fund. The Articles of Agreement of the Fund constitute today one of the few restraining influences on the proliferation of discriminatory and restrictive currency practices throughout the world, which so seriously impede the liberation of international trade from a morass of governmental regulations.

Section 3 of S. J. Res. 1, and Section 1 of S. J. Res. 43 provide that a treaty shall become effective as internal law in the United States only through the enactment of appropriate legislation by the Congress. Such a provision, in my judgment, would seriously impair the expeditious conduct of our foreign relations. In the Treasury Department, we are concerned with a number of treaties which must be administered as internal law in the United States. Thus, a number of treaties have been made with foreign countries, and many others are under negotiation, to limit double taxation and to prevent fiscal evasion with respect to income, estate and inheritance taxes. In order to protect Americans from double foreign taxation of particular transactions, we must be prepared to offer similar exemptions to foreigners from tax liabilities under our laws. In a number of instances, the Internal Revenue Code itself makes specific provision for exemption in accordance with treaties. Typically, treaties, rather than executive agreements, have been used in this field, although some arrangements of lesser scope have been made in the form of executive agreements. Negotiations are frequently protracted, and treaties entered into are typically reviewed very carefully in the Senate before ratification. The necessity for a further review by the Congress, with resultant delays, and possible deviation from the text agreed upon with the foreign countries, thus requiring further negotiation with those countries, would be a serious handicap to the achievement of the obviously desirable objectives of our activities in this field.

Section 4 of S. J. Res. 1 would constitute a fundamental change in the division of powers under the Constitution by making executive agreements subject to regulation by the Congress. Moreover, such agreements would be subject to the same limitations as are proposed for treaties in the resolution. Similar provision is contained in S. J. Res. 43, Section 1. Executive agreements which affect the operations of the Treasury Department have ranged all the way from formal documents specifically authorized by the Congress, such as the Articles of Agreement of the International Monetary Fund and of the International Bank for Reconstruction and Development, to the most informal arrangements entered into in the day-to-day work of the Department, such as exchange of letters between enforcement officials of the Treasury and similar officials of foreign governments to provide for the exchange of information which would be of mutual assistance in law enforcement. Among the subjects which have been covered by agreements, with varying degrees of formality, have been aids to navigation, procedures and signals for safety and rescue at sea and in the air, arrangements entered into in the administration of the Trading with the Enemy Act, arrangements governing the establishment of U. S. Government foreign currency accounts in banks overseas, and a wide variety of others. Under the text of S. J. Res. 1, all activities of this sort would have to stop until Congress had made provision permitting their resumption, and prescribing the manner and extent thereof. S. J. Res. 43 would permit the traditional practice to continue, pending regulatory action by the Congress.

What provisions the Congress would make in legislation regulating executive agreements is, of course, impossible to foretell. Presumably, there would be substantial restriction upon the powers of the executive in this respect; otherwise there would be no point to the adoption of a constitutional amendment. Since major executive agreements have, in practice, been made under congressional authorization, the only result of an extension of congressional controls in this field would be the prescription of limitations on the great mass of detailed housekeeping and administrative arrangements with foreign countries. The efficient administration of the Government would, it seems to me, be impaired without any significant gain in congressional control over policy decisions. It should be borne in mind that the Congress has always had the unquestioned right to undo an executive agreement by legislation since such action by Congress would supersede the agreement under our constitutional system. The difference is that under the present system the agreements are valid and binding unless superseded.

There has been referred to another committee of the Senate a resolution, introduced by Senator McCarran (S. J. Res. 2), which would impose congressional regulations on the making of executive agreements. This is the type of regulation which the two proposed amendments before this Committee would authorize the Congress to make. Section 3 of S. J. Res. 2 provides that executive agreements would terminate not later than six months after the term of the President during whose tenure they were negotiated, unless extended by proclamation of the succeeding President. We cannot, of course, assume that if either of the proposed amendments became part of the Constitution, the Congress would necessarily enact the form of regulation proposed in S. J. Res. 2. However, since S. J. Res. 2 has attracted wide interest as a method of regulating executive agreements, it would be interesting to see how it would affect the conduct of our affairs involving foreign countries.

The International Bank for Reconstruction and Development was organized by an executive agreement which was expressly approved by the Congress, and more than fifty countries are now members. Most of the funds for the Bank's loans must be raised in the private financial markets. The International Bank has already floated security issues aggregating some $500 million in the United States. If the basic charter of the Bank were open to frequent renegotiation and revision, investors might hesitate to hold its securities. If our participation in the Bank need be renewed after each change of administration, foreign countries would doubtless also insist on the same privilege. There are now over fifty countries which are members of the International Bank, and I dare say that the majority of these fifty countries tend to change their administrations more frequently than we do. It is true that we and the other members of the International Bank have each reserved the right to withdraw from the Bank on short notice, and under appropriate arrangements to protect the creditors and the assets of the Bank. But it is one thing for a country to be free to withdraw, and quite another thing for each new administration in each of the fifty-odd countries to be required to take positive steps to reaffirm its adherence to the Bank. The privilege of withdrawal has apparently not interfered with the ability of the Bank to market its securities. I suggest that the need for reaffirmance of membership by each of the fifty-odd members each time there is a change of administration would present quite a different picture to a prospective investor in the Bank's securities.

The various bureaus of the Treasury Department concerned with treaties and executive agreements have prepared memoranda describing their activities in this field and indicating the difficulties which they might encounter if either of the amendments before this Committee became part of our Constitution. The particular examples I have given you are described more fully, and other examples are given. I offer these memoranda for the record.

Effect on Federal Control of Narcotic Drug Traffic of Adoption of Constitutional Amendment Proposed by S. J. Res. 1 or S. J. Res. 43.

Under the amendment proposed by S. J. Res. 1, a provision of a treaty which denies or abridges any right enumerated in the Constitution shall not be of any force or effect, and a treaty shall become effective as internal law in the United States only through the enactment of appropriate legislation by Congress. Under the amendment proposed by S. J. Res. 43, a provision of a treaty which conflicts with any provision of the Constitution shall not be of any force or effect, and a treaty shall become effective as internal law in the United States only through legislation which would be valid in the absence of treaty. Under the latter proposed amendment it is clear that the United States could not become a party to a treaty designed to control the traffic in narcotic drugs where, as is usually the case, the treaty required implementation by Federal legislation in the field ordinarily considered within the reserved power of the several states under the tenth amendment. Under either proposed amendment, however, it is urged that in conducting negotiations for a narcotic treaty, representatives of the United States would be seriously handicapped in their efforts to cooperate with representatives of other world powers in securing effective international agreement upon the adoption of measures deemed necessary to control this traffic.

The control of this traffic has long been recognized as a problem necessitating international action and existing international agreements have imposed obligations upon the United States and other high contracting powers to place certain restrictions not only upon the exportation and importation of these potentially dangerous substances but upon the domestic production, manufacture and distribution as well. In implementing these obligations, it is necessary for the national Government to place appropriate restrictions upon domestic production and manufacture of these dangerous drugs, and to this extent it is clear that the effect of the international agreements is to deny or abridge the right that the citizen would otherwise have to produce or manufacture unlimited quantities of narcotic drugs, and that there must be implementing Federal legislation in the field ordinarily regarded as within the reserved powers of the several states. There are now pending consideration, in draft form, prospective international agreements which at least contemplate the adoption of further obligations, notably by way of limitation of production of crude opium, which would require the imposition of national restrictions on opium production and therefore interference with the right of an individual to produce unlimited quantities of crude opium. The question whether the rights so denied or abridged are rights "enumerated in this Constitution" could be authoritatively and definitively determined only by the courts. If the amendment proposed by S. J. Res. 1 were adopted, the executive department of Government would be unable, in practice, to negotiate for effective international agreement to control the narcotic traffic because it could not be reasonably sure that, in assuming what it considered to be necessary obligations involving national control measures, it was not impairing a right enumerated in the Constitution. Particularly would this be doubtful in the light of the Ninth Amendment which states: "The enumeration in the Constitution, of certain rights, shall not be construed to deny or disparage others retained by the people". Under the amendment proposed by S. J. Res. 43, there would be no doubt as to the impotence of the executive department of Government to become a party to an effective narcotic treaty requiring implementation by Federal legislation ordinarily considered within the reserved powers of the states.

The United States has traditionally taken a leading part in securing the adoption of appropriate international agreements to control the narcotic traffic. As early as 1909, when a Conference was called, on the initiative of the United States, of the International Opium Commission which convened at Shanghai, it was recognized that the solution of the narcotic problem necessitated concerted international action. A few years later the United States, with some 65 other world powers ratified or acceded to the International Opium Convention of 1912, which obligated the contracting powers to take such steps as the enactment of laws for control of production and distribution of raw opium, and to limit exclusively to legitimate and medical purposes the manufacture, sale, and use of morphine, cocaine, and their respective salts. Some years later the United States ratified the Convention, concluded at Geneva July 13, 1931, for Limiting the Manufacture and Regulating the Distribution of Narcotic Drugs, and some 67 other world powers are parties to this Convention. The principal obligations assumed by the parties under the 1931 Convention were (a) limitation of the total manufacture of the dangerous narcotic drugs to that quantity necessary to supply the world's medical and scientific needs, and (b) the application of certain provisions of the Geneva Narcotic Convention of 1925 (not theretofore ratified by the United States) relating to control of persons and establishments involved in manufacture, sale and distribution of the drugs, and control of international trade in the drugs. Still later, with the discovery and development of synthetic analgesic drugs, not derived from opium, as substitutes for morphine, it became necessary to supplement the 1931 Convention by the Protocol of 1948, which provides an international procedure for prompt application by all the parties of manufacturing limitation to such of the new synthetic drugs as are determined to be dangerous from the standpoint of addiction liability, thus avoiding over-production, beyond medical and scientific needs, which would spread drug addiction. The 1948 Protocol was ratified or acceded to by the United States and 30 other world powers.

If Section 1 of the amendment proposed by S. J. Res. 1, in protecting "any right enumerated in this Constitution" is intended to protect only those rights which arise from specific prohibitions in the Constitution of certain types of Government action, it would be unnecessary as the Supreme Court has held that the treaty making power of the United States does not extend so far as to authorize what the Constitution forbids (Geofroy vs. Riggs, 133 U.S. 258; In re: Ross, 140 U.S. 453; Missouri vs. Holland, 252 U.S. 416; Asakura vs. Seattle, 265 U.S. 332). If the proposed amendment were adopted therefore it is very unlikely that Section 1 would be considered or construed as merely declaratory of existing law; there would be a broader construction of the term "any right enumerated in this Constitution", which would narrow the application of the principle enunciated in the Missouri vs. Holland case that an act passed pursuant to the obligation of a treaty is not invalid where "the only question is whether it is forbidden by some invisible radiation from the general terms of the Tenth Amendment". The Opium Poppy Control Act of 1942 which was enacted pursuant to an obligation in Article 1 of the 1912 Convention, was held Constitutional by a three judge Federal Court in California on much the same principle (56 F. Supp. 810), and it is regarded as doubtful that the Opium Poppy Control Act would remain Constitutionally valid under Section 1 of this proposed amendment. There can be no doubt of the invalidity of the Act under the amendment proposed by S. J. Res. 43.

Section 2 of the amendment proposed by S. J. Res. 1 provides that no treaty shall authorize or permit any international organization to supervise, control or adjudicate rights of citizens enumerated in the Constitution "or any other matter essentially within the domestic jurisdiction of the United States". Under Article 14 of the 1931 Convention the Permanent Central Board (an international organization) upon finding that any country has exceeded the total of its estimates for narcotic drugs, shall immediately notify the High Contracting Parties, who will not, during the currency of the year in question, authorize any new export of narcotic drugs to that country with certain exceptions. Under the 1948 Protocol, the World Health Organization is authorized to make a definitive finding as to the addiction liability of a given drug, and this finding when communicated to the High Contracting Parties binds them to apply or not to apply, as the case may be, the provisions of the 1931 Convention to the new drug. In each of these cases an international organization performs a function, under a treaty, that is very important in the control of the narcotic drug traffic but which would not be permissible under Section 2 of this proposed amendment.

Section 3 of the amendment proposed by S. J. Res. 1 provides that a treaty shall become effective as internal law in the United States only through the enactment of appropriate legislation by The Congress. By the terms of the 1912 and 1931 Conventions, it is specifically recognized that the provisions of these two Conventions be implemented by appropriate domestic legislation. The 1946 Protocol does not by its terms require the enactment of domestic legislation because this Protocol was designed merely to transfer supervisory functions under narcotic treaties from organs of the old League of Nations to corresponding organs of the United Nations. The 1948 Protocol likewise did not in terms require the enactment of domestic legislation since it was designed to provide a reasonably expeditious procedure for subjecting to international control new drugs found to be dangerous, similar to morphine and cocaine, from the standpoint of addiction liability. It will be seen that the basic narcotic treaties, at least, already observe the principle sought to be established by Section 3 of this proposed amendment, but this Section would seriously handicap the obtaining of any international agreement on narcotics, no matter how necessary and desirable it might be regarded by the executive department of Government, as the other High Contracting Parties would have no reasonable assurance that the treaty would be given effect by domestic legislation, even though it had been made with the advice and consent of the Senate. Under Section 1 of the amendment proposed by S. J. Res. 43, it would be extremely difficult, if not impossible to obtain international agreements on narcotic control as the implementation of many important provisions of such agreements require implementing Federal legislation which would not be valid in the absence of the treaty, notwithstanding that such implementing Federal legislation would not and could not contravene any prohibitory words to be found in the Constitution.

Section 4 of the amendment proposed by S. J. Res. 1 relates to all executive or other agreements between the President and any international organization, foreign power, or official thereof, such agreements to be made only in the manner and to the extent to be prescribed by law. Such agreements are to be subject to the limitations imposed on treaties, or the making of treaties, by the proposed amendment. Section 1 of the amendment proposed by S. J. Res. 43 provides that executive agreements shall be subject to regulation by The Congress and to the limitations imposed on treaties by "this article". The Bureau of Narcotics wishes to make the observation that it is interested in just one informal international arrangement in the nature of an executive agreement. This is an arrangement for the direct exchange of information, concerning narcotic traffic, between those officials of the various countries who are in direct charge of controlling the narcotic drug traffic in their respective countries. The arrangement covers the exchange of seizure reports and information regarding persons suspected of being engaged in the illicit traffic, including such information as photographs, criminal records, finger prints, descriptions of the methods which the persons in question have been found to use, the places from which they operate, and the names of their associates. The arrangement was initiated in 1928 by an exchange of notes between the State Department and the authorities of the United Kingdom, and since that time a similar arrangement, by exchange of notes, has been entered into with many other countries. In the United States the official designated for this purpose is the Commissioner of Narcotics. Article 15 of the 1931 Convention affirms generally the establishment of such an arrangement because it obligates the High Contracting Parties to create a special administration (in the United States, the Bureau of Narcotics) for the purpose, among others, of "regulating, and controlling the trade in the drugs", and "organizing the campaign against drug addiction, by taking all useful steps to prevent its development and to suppress illicit traffic".

It may be argued that the informal arrangement thus described does not amount to an "executive or other agreement" under S. J. Res. 1 or S. J. Res. 43 because technically it was not entered into by the President. However, it was entered into by an executive department and would, no doubt, be considered to come within the purview of each proposed amendment. The informal arrangement for the exchange of information relative to illicit narcotic traffic has now been in operation for some 24 years, and has been of considerable benefit to narcotic law enforcement. There has been no complaint, and it is believed that there has been no ground for complaint of the operation of this informal arrangement interfering with the legal rights of any citizen. The observation is made that it would be very cumbersome to apply either proposed amendment to such an administrative agreement.

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EXECUTIVE AGREEMENTS IN THE FIELD OF INTERNATIONAL FINANCE

A number of executive agreements in the field of international finance would be affected by the adoption of either of the constitutional amendments proposed in S. J. Res. 1 and S. J. Res. 43. Constitutional limitations on the powers of the executive in this field would seriously impair the flexibility necessary to achieve the international cooperation requisite for carrying out policies and operations in the field of international finance.

United States participation as a member of the International Monetary Fund was specifically authorized by the Congress in the Bretton Woods Agreements Act, approved on July 31, 1945. The provisions which raise the greatest difficulty in this respect are Section 2 of S. J. Res. 1, prohibiting any treaty which authorizes or permits any international organization "to supervise, control, or adjudicate rights of citizens of the United States within the United States enumerated in this Constitution or any other matter essentially within the domestic jurisdiction of the United States", and Section 4 of the same resolution, which provides: "All executive ... agreements ... shall be subject to the limitations imposed on treaties ... by this article". While, in general, the Articles of Agreement of the Fund do not vest power in the international organization to take affirmative action requiring member countries to do particular things, the organization does have significant veto powers. Thus, each of the member countries is obligated not to change the par value of its currency (except for certain minimal changes) without the concurrence of the Fund. Similarly, member countries may not suspend gold convertibility, or impose exchange restrictions, or engage in discriminatory currency arrangements or multiple currency practices, or establish too wide a spread between buying and selling rates for currencies, unless authorized by specific exceptions in the Articles of Agreement, or unless permitted by the international organization. In all these cases, the control over the practices of the United States is theoretic rather than real, since we do not engage in any of the forbidden practices, and do not plan to do so. These obligations are considered important by the United States because they tend to limit the spread of disorderly currency practices throughout the world. However, we could hardly expect other countries to incur such obligations if we were not prepared to do so ourselves. Moreover, the complexities of international finance are such to preclude the possibility of spelling out in precise detail in the agreement itself every possible permissible exception from the general obligations which form the basic structure of the Fund Agreement. Unless there is a measure of flexibility to permit swift action in the case of financial emergencies, no country would be willing to obligate itself by international agreement, and the only way to prevent such flexibility from providing a wide-open and uncontrolled escape clause is to give a power of decision to an international body which can act swiftly.

The International Bank for Reconstruction and Development, which the United States also joined after congressional approval in the Bretton Woods Agreements Act, does not typically involve regulatory functions or obligations on the part of this Government. The provisions of S. J. Res. 1 and S. J. Res. 43 would not affect, by themselves, our present situation with respect to the Bank. However, both of these proposed constitutional amendments provide that executive agreements shall be subject to legislative regulation. The kind and extent of congressional regulation cannot, of course, be forecasted in advance. But there is a proposal before the Senate now (S. J. Res. 2) which has attracted a good deal of interest, which would constitute regulation of international agreements. One of the provisions of this resolution would terminate the obligations of the United States under an executive agreement six months after the end of the term of the President during whose tenure it was negotiated, unless extended by proclamation of the succeeding President. If such a requirement were to become mandatory in the making of executive agreements, it would seriously interfere with the possibility of setting up an effective international banking institution. Other countries, if they were prepared to negotiate with us at all on such a basis, would undoubtedly insist that they, too, have the same freedom based upon the tenure of their incumbent governments. The International Bank now has over fifty member countries. Since governmental administrations are always changing somewhere in the world, the Bank would find itself in a constant state of instability as each member country took advantage of its six-month period to reconsider adherence to the institution. It is difficult to see how a bank so constituted could expect to maintain the confidence of the investing community to which it must look for the major part of its loanable funds.

Apart from the major executive agreements described above, which were both entered into under explicit congressional authorization, there are a number of agreements of lesser significance affecting day-to-day administrative responsibilities of the Treasury Department in the foreign financial field which might be affected by congressional regulation. Indeed, under the language of S. J. Res. 1, Section 4, executive agreements, if the proposed amendment becomes effective, could not be made at all until the Congress had acted to prescribe the manner and extent of making such agreements. Some examples of the wide variety of detailed agreements of this character are: agreements under the Trading with the Enemy Act for handling conflicting custodian problems and certifications necessary to establish beneficial ownership of financial assets, agreements with foreign central banks covering the establishment of treasurer's checking accounts in foreign banking institutions, and agreements with respect to uses of balances of foreign currencies which may have been acquired as a result of agreements such as those delaing with the disposal of surplus property.

TREATIES AND EXECUTIVE AGREEMENTS AFFECTING COASTGUARD OPERATIONS

The operations of the Coast Guard involve a considerable number of treaties and executive agreements dealing with subjects such as maritime safety, communications, aviation, and conservation of fisheries. These agreements are typically very technical in character, and, for the most part, would not be directly affected by the provisions of S. J. Res. 1 or S. J. Res. 43, since they do not involve regulatory measures affecting persons within the United States. But there are two treaties which do have important significance in the regulatory field, and these would be affected differently by the proposed amendments.

Section 2 of S. J. Res. 1 forbids a treaty which authorizes or permits a foreign power or an international organization "to supervise, control, or adjudicate rights of citizens of the United States" or other matters "essentially within the domestic jurisdiction of the United States". Under the Telecommunications Convention of 1947, the registration of frequencies with the International Frequency Registration Board endows the first nation which is permitted to register on a particular frequency with all rights thereto. When an open frequency is thus pre-empted by a foreign nation, the frequency is withdrawn from possible use by a United States national. It may be said that in this way the foreign nation filing for the frequency and the international organization accepting the registration is exercising control over United States property rights in the domestic field. However, any action which would preclude international agreements of this kind would ultimately leave each separate nation to act entirely independently, and the conflicts of frequency use, particularly in areas in close proximity to other nations, could result only in chaos in the field of radio communications.

The International Civil Aviation Convention makes different arrangements in a somewhat related field, which would apparently not run afoul of the cited provision of S.J. Res. 1. The ICAO organization establishes "recommended practices" as to the operation of aircraft in international flight, including qualifications of personnel. The International Organization urges all member nations to conform to these "recommended practices", but any nation is privileged to file a notice of non-compliance with any particular recommendation, in which case, the nation filing such notice is not obligated in any way to comply with the "recommended practice". Another similar example is the proposed Rome Convention dealing with damage caused by foreign aircraft to third parties on the surface of the earth and negotiated within the framework of ICAO. At a convention held in Rome last October, delegates from other countries agreed to a proposed Convention that is entirely inacceptable to the United States. Our delegation did not sign and apparently there is no inclination to sign at a later date and subsequently ratify this Convention. The reason is that certain rights of the United States would be adversely affected. Even though this Convention is ratified by all other nations engaged in international aviation, it will not affect the United States in any way, whether third parties on the surface are in the United States or in a foreign country; nor would the nationality of the aircraft make any difference. In this field, while there is obvious importance to international uniformity, the need for common acceptance is not as sharply presented as in the case of two broadcasting stations trying to use the same frequency at the same time.

There is appended hereto a list of treaties and executive agreements affecting operations of the Coast Guard to indicate the wide variety of its activities involving relationships with foreign countries.

Treaties and Conventions ratified by the President with the advice and consent of the Senate

Maritime Safety

International Conventions for the Safety of Life at Sea. (1914) (1929) (1948)

These Conventions are the basic documents controlling regulations for the safety of life at sea on the international level. They include provisions relating to the construction of vessels, life-saving appliances, communications requirements, the carriage of grain and other special type cargoes, basic provisions for rules to prevent collisions, and provisions for the establishment and maintenance of the international ice patrol.

International Load Line Convention. London 1930. Ratified by the United States June 10, 1931.

Treaty between the United States and Canada defining certain waters of the west coast of North America as "sheltered waters." Ratification exchanged 26 July 1934.

Officers' Competency Certificates Convention. 1936. Ratified by the United States October 29, 1939.

Minimum Age Convention (Revised 1936) Ratification by the United States deposited on October 29, 1938.

Communications

Safety of Life at Sea Conventions. (1914) (1929) (1948)

International Civil Aviation Convention, Chicago. Signed December 7, 1944, effective April 4, 1947. In implementation of the Civil Aviation Convention many international gatherings, regional meetings, sometimes bilateral, sometimes unilateral, have been held to work out the myriad of technical details necessary to make a civil international aviation organization function.

International Telecommunications Convention, Atlantic City. Signed October 2, 1947. Ratification advised by the Senate 1948.

To implement the Telecommunications Convention, Atlantic City, 1947, (above) an Extraordinary Administrative Radio Conference was held in Geneva in 1949 to bring into force a table of frequency allocations and to make other technical regulations. This is an example of the type of detail that must be worked out by succeeding conferences under basic treaties.

Conventions between the United States and other American countries relating to communications matters, Havana, 1947. Ratified by the United States June 30, 1938. To implement this Convention other gatherings have been held for the purpose of working out technical details. The last of these was the Fourth Inter-American Conference the report of which was signed at Washington July 9, 1949.

Aviation

International Civil Aviation Convention, Chicago, 1944. Signed December 7, 1944, effective April 14, 1947. In implementation of the Civil Aviation Convention innumerable international gatherings, regional meetings, sometimes bilateral, sometimes unilateral, have been held to work out the myriad of technical details necessary to make a civil international aviation organization function.

Conservation

Convention between the United States and other powers for the regulation of whaling. Ratified by the United States June 17, 1932.

Convention between the United States and Canada revising the Convention for the Preservation of Halibut Fisheries of the North Pacific Ocean and Bering Sea. Ratification advised by the Senate March 23, 1937.

Convention between the United States and other powers for the preservation and protection of the fur seals and sea otter which frequent the waters of the North Pacific Ocean. Ratified November 24, 1911.

General

Convention concerning the boundary waters between the United States and Canada. Treaty Series No. 548, 36 Stat. 2454. Ratified by the United States May 5, 1910.

Executive Agreements

Maritime Safety

The exchange of notes between United States and Canada in regard to reciprocal exemption of vessels from inspection and the abolition of inspection fees. April and May, 1905.

Communications

Agreement between United States and Canada relative to promotion of safety on the Great Lakes by means of radio. March, 1952.

Aids to Navigation

Letters and notes over the period of the last ten years concerning the use of land at Bona Vista, Newfoundland, as a Loran station. This exchange of notes resulted in an agreement for the use of the land for this purpose.

Agreement dated March 14, 1947 between United States and Republic of Philippines concerning certain military bases; covered in this agreement, is the authorization for the use of certain sites in the Philippine Islands for Loran stations.

Exchange of notes between Panama and the United States (Navy and Coast Guard) relating to the use of certain property at Cape Mala, Canal Zone, as a light station and radio beacon.

Conference between Representatives of the United States (Light House Service) and Canada (Department of Marine) relative to the co-ordination of maritime radio beacons between United States and Canada. Recommended May 18, 1935; became effective December 1, 1935.

Notes exchanged between the United States (Department of State) and Great Britain (British Ambassador) relative to the maintenance of navigational marks in the vicinity of Mantinella Shoal off the northwest point of the Little Bahama Bank. These aids are maintained by the United States but paid for by Great Britain. (1920)

Agreement entered into between United States (Department of State) and Canada (Minister of Marine and Fisheries) relative to aids to navigation in the lower Detroit River. May 10, 1911.

General

Agreement entered into between United States (Department of State) and Canada, as the result of an exchange of notes, relating to the size and number of naval vessels on the Great Lakes. (1817) (Treaties and Conventions Vol. 1, p. 628)

MEMORANDUM ON THE EFFECT OF S.J. RES. 1 AND S.J. RES. 43 ON TAX TREATIES

Section 3 of S.J. Res. 1 and Section 1 of S.J. Res. 43 provide that treaties shall be effective as internal law only through the enactment of appropriate legislation by Congress. This provision would unduly delay the consummation of desirable tax treaties and treaties having tax effects.

At the present time, the Department is principally concerned with treaties to reduce international double taxation in the fields of income, estate and gift taxes. It also participates in consular conventions, the purpose of which is to provide, among other things, for tax treatment on a reciprocal basis of consular officials under Federal and State laws; and in treaties of friendship, commerce and navigation, to provide, among other things, for the fair and equitable tax treatment, on a reciprocal basis of our citizens and those of foreign governments.

Treaties to reduce international double taxation generally contain reciprocal provisions, which operate to the benefit of our citizens. Thus, such conventions may reduce double taxation by delimiting the basis of taxation, such as by requiring a permanent establishment before one state may tax the business income of an enterprise of another state, or by permitting a resident of another state to pay tax on a net income basis in cases like rentals and royalties instead of on a gross income basis, or by setting forth situs rules governing the application of tax in the case of tax on estates or gifts. They may reduce double taxation by exempting or reducing the tax on certain earnings, such as by exempting from tax the earnings from ships and aircraft derived by resident of the other state, or by reducing the tax rate on royalties. Such conventions also permit the reciprocal exchange of helpful tax information and provide for cooperation in resolving double tax problems under the principles of a convention. It would seem undesirable to impair expeditious completion of these treaties.

At the present time, treaties for the avoidance of double taxation of income are in effect with Canada, Denmark, Finland, France, Ireland, Netherlands, New Zealand, Norway, Sweden, Switzerland, Union of South Africa, and United Kingdom. Treaties for the avoidance of double tax in the case of death duties are in effect with Canada, Finland, France, Ireland, Norway, Switzerland, Union of South Africa, and United Kingdom. Treaties with Belgium and Greece have been signed and are awaiting ratification. In addition the Department is now engaged in further treaty negotiations with many additional countries.

Treaties to eliminate double taxation are carefully scrutinized by the Senate. In many cases public hearings are held thereon and comments of interested parties solicited and received. To require approval of a treaty by the Congress after the Senate has already consented thereto would necessarily slow down and perhaps seriously hamper the treaty process in this area.

The Congress has sanctioned the use of treaties to modify internal revenue law. Thus, section 22 (b) (7) of the Internal Revenue Code excludes from gross income and hence exempts from income tax "income of any kind, to the extent required by any treaty obligation of the United States." Moreover, Congress has consistently recognized and approved the modification of internal revenue laws by specific provisions in the Revenue Acts amending the Internal Revenue Code. These provisions make inapplicable such amendments to any case where they would be contrary to any treaty obligation of the United States. See e.g. section 615, Revenue Act of 1951.

Section 1 of S.J. Res. 43 also provides that "a treaty shall become effective as internal law in the United States only through legislation which would be valid in the absence of treaty." The tax provisions of treaties of friendship, commerce, and navigation, and consular conventions affect the tax status of nationals, and consular officers of other countries under state laws. Under the provisions of Section 1 of S.J. Res. 43, the tax provisions of such conventions may not be valid in the absence of further State ratification. The requirement of State concurrence to treaties may subordinate our national interests in this field to the local interests of a particular state. In any case, it would unduly delay consummation of such treaties, and may discourage their negotiation.

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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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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 16, 1953 ~~x(8)x~~, in cash or other immediately available funds or in a like face amount of Treasury bills maturing April 16, 1953 ~~x(9)x~~. 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

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TREASURY DEPARTMENT
Washington

H-80

FOR RELEASE, MORNING NEWSPAPERS,
Thursday, April 9, 1953.

xxx

The Secretary of the Treasury, by this public notice, invites tenders for $1,400,000,000, or thereabouts, of 91-day Treasury bills, for cash and in exchange for Treasury bills maturing April 16, 1953, in the amount of $1,400,166,000, 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 16, 1953, and will mature July 16, 1953, 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, April 13, 1953. 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

TREASURY DEPARTMENT

Information Service WASHINGTON, D.C.

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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 April 16, 1953, in cash or other immediately available funds or in a like face amount of Treasury bills maturing April 16, 1953. Cash and exchange tenders will receive equal treatment. Cash adjustments will be made for differences between the par value of maturing billls 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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CONFIDENTIAL

IMMEDIATE RELEASE
Wednesday, April 8, 1953

H-81

Secretary of the Treasury Humphrey announced today that on April 13, the Treasury will offer for cash subscription approximately $1 billion of 3-1/4 percent fully marketable long-term Treasury bonds, dated May 1, 1953, maturing June 15, 1983, and callable on or after June 15, 1978.

This offering, together with increases in weekly offerings of Treasury bills, is planned to meet the cash needs of about $2 billion for the balance of the fiscal year ending June 30.

This bond is designed to attract ~~[illegible]~~ people's savings as they accumulate, especially in such institutions as life insurance companies, savings banks, pension funds, etc. To facilitate subscriptions by these institutions and individuals, payments for the bonds may be made over a period of 3 months from the date of issue. Subscriptions from commercial banks will be limited to a percentage of their time deposits.

The increases in bills are expected to be absorbed in substantial part ~~[illegible]~~ Treasury ~~[illegible]~~ by corporations and other non-bank investors.

~~[illegible]~~ By directing its borrowings to the ~~[illegible]~~ general sources of funds mentioned, the Treasury hopes to finance its needs for the balance of the fiscal year with a minimum expansion of bank credit.

The bond offering will also be made available for exchange of Series F and G savings bonds maturing from May 1, through December, 1953. Holders of these bonds will be given the privilege, during the period prior to May 1, to exchange them for the new marketable bond at par, with interest adjustments to May 1.

Eligible F and G bondholders who do not wish to accept the new marketable bond in exchange for their maturing bonds will have the opportunity of reinvesting the proceeds of matured F and G savings bonds in other series of savings bonds currently on sale, or to receive cash

TREASURY DEPARTMENT

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Eligible F and G bondholders who do not wish to accept the new marketable bond in exchange for their maturing bonds will have the opportunity of reinvesting the proceeds of matured F and G savings bonds in other series of savings bonds currently on sale, or to receive cash payment.

Full details of the offering will be available on Monday, April 13, when the subscription books will open.

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As was suggested by the Advisory Committee, the audit was conducted under the general supervision of a Continuing Committee representing both incoming and outgoing Treasury officials. Members of the Continuing Committee were Maurice M. Washburn, Office of Comptroller of Currency, representing Secretary Humphrey; Eugene G. Shreve, Bureau of Engraving and Printing representing former Secretary Snyder; George Reeves, Office of General Counsel, representing Mrs. Ivy Baker Priest, Treasurer of the United States.

Approximately 370 employees of the Treasury Department, drafted from the Bureau of the Mint, Office of the Treasurer of the United States, and Bureau of the Public Debt, participated in the audit. Thirty employees of the General Accounting Office were assigned by the Comptroller General of the United States to observe and review the work done at each of the various audit sites.

All Treasury employees participating in the audit were assigned to activities other than those on which they are regularly employed.

"We, the undersigned, found the assets verified, to be in full agreement with the assets as indicated by the Joint Seals affixed to the respective compartments on January 26, 1953.

"It is the opinion of this Committee that the same agreement would be found should all of the compartments be verified."

Special Settlement Committee operations at the other mint institutions closely paralleled those employed at the Fort Knox depository and confirmed the accuracy of the Treasury records relating to the monetary asset values held by these institutions.

The General Accounting Office has confirmed the adequacy of the procedures employed and the manner in which asset verification was accomplished by the Special Settlement Committees at each of the mint institutions and at the Treasurer's Office in Washington.

The audit was performed in accordance with procedures approved by an Advisory Committee of consultants appointed by Secretary Humphrey and former Secretary Snyder. Members of the Advisory Committee were W. L. Hemingway, Chairman of the Executive Committee of the Mercantile Trust Company, St. Louis, chairman; Wm. Fulton Kurtz, Chairman of the Board, The Pennsylvania Company, Philadelphia; Sidney B. Congdon, President, National City Bank of Cleveland, Cleveland; James L. Robertson, Member, Board of Governors, Federal Reserve System, Washington.

At the Fort Knox gold depository, where the records showed $12,483,415,360.28 in gold bullion to be stored in sealed compartments, several compartments were opened in accordance with agreed-on spot-check procedures and the gold bars counted. The count of approximately 86,000 bars, amounting to 34,399,629 -685/1000 fine ounces, valued at $1,203,987,038.28, was in exact agreement with the recorded contents of the compartments.

Approximately 9,000 bars, amounting to about 130 tons, were weighed on special balance scales of high sensitivity indicating exact weights to the hundredth part of a troy ounce, and again the results were in exact agreement with the records.

As a final step in the verification procedures the Fort Knox Special Settlement Committee had test assays made of 26 gold bars selected at random from the gold which had been counted. The results of the assays indicated that all gold tested was of a fineness equal to that appearing in the mint records and stamped on the particular bars tested. Gold samples used for the test assays were obtained by drilling from both the top and bottom of representative gold bars.

In confirmation of the verification of gold bullion asset values held in the Fort Knox depository the Special Settlement Committee reported, in part, as follows:

> "On the basis of assays, your Committee can positively report that the gold represented, according to assay, is at the Depository. We have no reason, whatsoever, to believe other than, should all melts be assayed, the results would be the same.

shortage of $117.41 on account of checks cashed and later found to bear forged endorsements. The others, amounting to only $36.71, were made good by Treasury employees at the time of the audit.

Info Service heading

TREASURY DEPARTMENT
Washington

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H-82

RELEASE SUNDAY NEWSPAPERS,
April 12, 1953.

Secretary of the Treasury Humphrey announced today that an audit and test count of the gold and silver bullion holdings of the Government has shown these holdings to be intact and the Treasury records of them correct.

An audit report submitted by a Special Committee appointed jointly by Secretary Humphrey and former Secretary Snyder revealed total asset values in the official accounts of the Treasurer of the United States at the close of business January 27, 1953 amounted to $30,442,415,581.70, consisting of gold bullion $23,035,947,570.94; silver bullion $2,154,542,328.37; bank deposits $4,748,638,098.56; and coin and currency, etc. $503,287,583.83.

In addition, the audit report disclosed $73,134,708,074.92-2/3 in the form of securities, reserve stocks of unissued currency, etc. which are held in custody of safekeeping accounts by the Treasury Department. Included in this item are the bonds of foreign governments received during World War I; securities held by the Secretary of the Treasury for Social Security and other trust funds, collateral to secure Government deposits, etc.

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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.

G. M. HUMPHREY,
Secretary of the Treasury.

The final interest payable on bonds maturing November 1, 1953, will be paid in regular course on May 1, 1953, by check mailed by the Treasury Department. The remainder of the final interest payments provided for above will be paid following acceptance of the bonds by the agency through which the exchange is made.

(c) Requests for payment.--Series F and G bonds tendered in exchange must bear appropriate requests for payment in accordance with the provisions of Treasury Department Circular No. 530, Seventh Revision, as amended, or the special endorsements provided for in Treasury Department Circular No. 888, Revised. In any case in which new bonds in bearer form, or new registered bonds in another name, are desired, requests for payment must be supplemented by specific instructions signed by the owner who signed the request for payment.

V. REGISTRATION OF NEW BONDS

1. New Treasury bonds in registered form may be registered only as authorized in Treasury Department Circular No. 300, as supplemented and amended. Registration in the name of one person payable on death to another is not authorized. Treasury bonds are not redeemable before maturity at the option of the owners. Registered Treasury bonds may be transferred to a purchaser only upon proper assignment. Treasury bonds registered in the form "A or B" may be transferred only upon assignment by or on behalf of both, except that if one of them is deceased, an assignment by or on behalf of the survivor will be accepted. A bond registered in the name of a minor may be assigned only by a guardian or similar representative appointed by a court of competent jurisdiction or otherwise duly qualified.

VI. GENERAL PROVISIONS

1. As fiscal agents of the United States, Federal Reserve Banks are authorised 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

May 1 to December 1, 1953, inclusive, which will be accepted at par, and should accompany the subscription, together with any cash difference necessary to make up an even $500 multiple, and where Series F bonds are exchanged, by any interest to be collected from the subscriber. Holders of Series F and G bonds will receive interest on the new bonds at the rate of 3-1/4 percent from May 1, 1953, and interest adjustments with respect to bonds accepted in exchange will be made as follows:

(a) Series F Bonds.--Holders of Series F bonds maturing after May 1, 1953, tendered in exchange and accepted will be charged an amount equivalent to interest on the maturity value from May 1 to the respective dates of maturity of the Series F bonds at the rate of 2.53 percent per annum as follows:

Bonds maturing on the first day of	Amount of interest per $100 maturity value to be collected from subscriber
May 1953	- - -
June 1953	$0.2155
July 1953	0.4263
August 1953	0.6430
September 1953	0.8456
October 1953	1.0576
November 1953	1.2650
December 1953	1.4805

(b) Series G Bonds.--Holders of Series G bonds tendered in exchange and accepted will be credited with accrued interest from the last preceding interest payment date to May 1, 1953, at the rate of 2-1/2 percent per annum, as follows:

Bonds maturing on the first day of	Amount of final interest per $100 maturity value to be paid to subscriber
May 1953	$1.2500
June 1953	1.0371
July 1953	0.8287
August 1953	0.6146
September 1953	0.4144
October 1953	0.2049
November 1953	1.2500
December 1953	1.0371

2. Exchange subscriptions.--Subscriptions will be received at the Federal Reserve Banks and Branches and at the Treasury Department, Washington. Banking institutions generally, and paying agents eligible to process bonds under Treasury Department Circular No. 888, Revised, may submit exchange subscriptions for account of customers.

3. 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, cash subscriptions from commercial banks for their own account may be allotted on a different percentage basis than cash subscriptions from other classes of subscribers, and subscriptions in payment of which United States Savings Bonds of Series F and G maturing in the months of May through December, 1953, are tendered and accepted will be allotted in full. The bases of the allotment on cash subscriptions will be publicly announced, and allotment notices will be sent out promptly upon allotment.

IV. PAYMENT

1. Cash Subscriptions.--Payment at par for bonds allotted hereunder may be made or completed on or before May 1, 1953, or payment at par and accrued interest from May 1, 1953, may be made at any time or times thereafter, with payment to be fully completed not later than July 31, 1953. One day's accrued interest is $0.089 per $1,000. Any qualified depositary will be permitted to make payment by credit for bonds allotted to it for itself and its customers up to any amount for which it shall be qualified in excess of existing deposits, when so notified by the Federal Reserve Bank of its District.

2. Exchange Subscriptions.--Payment for bonds allotted hereunder on exchange subscriptions must be made on or before May 1, 1953, or on later allotment, and may be made only in United States Savings Bonds of Series F and Series G maturing from

forwarded to the representatives, which will be followed in due course by formal receipt from the Director of Internal Revenue.

6. Except as provided in the preceding paragraph, 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. Cash subscriptions.--Subscriptions will be received at the Federal Reserve Banks and Branches and at the Treasury Department, Washington. Commercial banks, which for this purpose are defined as banks accepting demand deposits, may submit subscriptions for account of customers, but only the Federal Reserve Banks and the Treasury Department are authorized to act as official agencies. Others than commercial banks will not be permitted to enter subscriptions except for their own account. Subscriptions from commercial banks for their own account will be received without deposit, but will be restricted in each case to an amount not exceeding 5 percent of the combined amount of time certificates of deposit (but only those issued in the names of individuals, and of corporations, associations, and other organizations not operated for profit), and of savings deposits, as shown on the bank's books as of December 31, 1952. Subscriptions from all others must be accompanied by payment of 10 percent of the amount of bonds applied for. Where payment for bonds allotted is to be deferred beyond May 1, 1953, as provided in Section IV hereof, delivery of 10 percent of the total par amount of bonds allotted, adjusted to the next higher $500, will be withheld from all subscribers except incorporated banks and trust companies until payment for the total amount allotted has been completed. In every case where payment is not so completed the 10 percent so withheld shall, upon declaration made by the Secretary of the Treasury in his discretion, be forfeited to the United States.

(b) that the Secretary of the Treasury be authorized to apply the entire proceeds of redemption to the payment of Federal estate taxes.

Registered bonds submitted for redemption hereunder must be duly assigned to "The Secretary of the Treasury for redemption, the proceeds to be paid to the Director of Internal Revenue at ________________ for credit on Federal estate taxes due from estate of ________________." Owing to the periodic closing of the transfer books and the impossibility of stopping payment of interest to the registered owner during the closed period, registered bonds received after the closing of the books for payment during such closed period will be paid only at par with a deduction of interest from the date of payment to the next interest payment date;[2] bonds received during the closed period for payment at a date after the books reopen will be paid at par plus accrued interest from the reopening of the books to the date of payment. In either case checks for the full six months' interest due on the last day of the closed period will be forwarded to the owner in due course. All bonds submitted must be accompanied by Form PD 1782,[3] properly completed, signed and sworn to, and by proof of the representatives' authority in the form of a court certificate or a certified copy of the representatives' letters of appointment issued by the court. The certificate, or the certification to the letters, must be under the seal of the court, and except in the case of a corporate representative, must contain a statement that the appointment is in full force and be dated within six months prior to the submission of the bonds, unless the certificate or letters show that the appointment was made within one year immediately prior to such submission. Upon payment of the bonds appropriate memorandum receipt will be

2/The transfer books are closed from May 16 to June 15, and from November 16 to December 15 (both dates inclusive) in each year.

3/Copies of Form PD 1782 may be obtained from any Federal Reserve Bank or from the Treasury Department, Washington, D. C.

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. Any bonds issued hereunder which upon the death of the owner constitute part of his estate, will be redeemed at the option of the duly constituted representatives of the deceased owner's estate, at par and accrued interest to date of payment,1/ provided:

(a) that the bonds were actually owned by the decedent at the time of his death; and

1/An exact half-year's interest is computed for each full half-year period irrespective of the actual number of days in the half year. For a fractional part of any half year, computation is on the basis of the actual number of days in such half year.

UNITED STATES OF AMERICA

3-1/4 PERCENT TREASURY BONDS OF 1978-83

Dated and bearing interest from May 1, 1953 Due June 15, 1983

REDEEMABLE AT THE OPTION OF THE UNITED STATES AT PAR AND ACCRUED INTEREST ON AND AFTER JUNE 15, 1978

Interest payable June 15 and December 15

1953
Department Circular No. 921

TREASURY DEPARTMENT,
Office of the Secretary,
Washington, April 13, 1953.

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, from the people of the United States, for bonds of the United States, designated 3-1/4 percent Treasury Bonds of 1978-83.

2. Cash offering.--Subscriptions are invited at par and accrued interest. The amount of the public offering is $1,000,000,000, or thereabouts. In addition to the amount offered for public subscription, the Secretary of the Treasury reserves the right to allot limited amounts of these bonds to Government Investment accounts.

3. Exchange offering.--Exchange subscriptions are invited at par, with interest adjustments as set forth in Section IV hereof, from holders of United States Savings Bonds of Series F and G maturing in the months of May through December, 1953. Holders of Series F and G bonds aggregating less than an even multiple of $500 maturity value may exchange such bonds with payment of the difference in cash to make up the next higher $500 multiple.

II. DESCRIPTION OF BONDS

1. The bonds will be dated May 1, 1953, and will bear interest from that date at the rate of 3-1/4 percent per annum, payable on a semiannual basis on December 15, 1953, and thereafter on June 15 and December 15 in each year until the principal amount becomes payable. They will mature June 15, 1983, but may be redeemed at the option of the United States on and after June 15, 1978, in whole or in

The bonds will be redeemable at par prior to maturity in payment of Federal estate taxes if owned by the decedent at time of death.

Subscriptions either for cash or exchange will be received at Federal Reserve Banks and Branches, and at the Treasury. Commercial banks should enter their subscriptions directly with the Federal Reserve Bank of the District in which they are located, even though payment for or delivery of the bonds allotted is desired in another District.

Cash subscription books may be closed at any time without notice. Exchange subscription books will be open through April 30, 1953, to permit holders of the maturing Series F and G Savings Bonds to take advantage of the offering.

The text of the official circular follows:

H-83

RELEASE MORNING NEWSPAPERS,
Monday, April 13, 1953.

Secretary of the Treasury Humphrey announced today the details of an offering of 3-1/4 percent fully marketable Treasury bonds, to be dated May 1, 1953. They will mature June 15, 1983, but may be redeemed, at the option of the United States, on and after June 15, 1978. Interest will be payable on a semiannual basis on December 15, 1953, and thereafter on June 15 and December 15.

The amount of this issue allotted on cash subscriptions will be limited to $1,000,000,000, or thereabouts, and may be paid for by credit in Treasury Tax and Loan Accounts. Payments at par and accrued interest from May 1, 1953, may be deferred over a period of three months, but must be completed not later than July 31, 1953. Exchange subscriptions will be received from holders of Series F and G savings bonds maturing in the months of May through December, 1953, of which there are about $1,100,000,000 outstanding. The Treasury also reserves the right to allot limited amounts of these bonds to Government Investment Accounts.

Cash subscriptions from commercial banks for their own account will be received without deposit, but will be restricted in each case to an amount not exceeding 5 percent of their time deposits as of December 31, 1952. Other cash subscriptions must be accompanied by payment of 10 percent of the amount of bonds applied for. Cash subscriptions will be received subject to allotment, and such subscriptions from commercial banks for their own account may be allotted on a different percentage basis than cash subscriptions from other classes of subscribers.

Exchanges of Series F and G savings bonds will be made par for par and will be allotted in full. Since holders of Series F and G bonds will receive interest on the new bonds at the rate of 3-1/4 percent from May 1, 1953, interest adjustments will be made as follows: In the case of Series F bonds the subscriber will be charged an amount equivalent to interest from May 1 to date of maturity of the F bond at the rate of 2.53 percent per annum. In the case of Series G bonds, the owner will receive an interest payment at the rate of 2-1/2 percent per annum borne by the G bond, from the last interest payment date to May 1, 1953.

The lowest denomination of the new bonds will be $500. Holders of smaller denomination Series F and G bonds may exchange them for the next higher multiple of $500 upon payment of any cash difference.

RELEASE MORNING NEWSPAPERS,
Monday, April 13, 1953. H-83

Secretary of the Treasury Humphrey announced today the details of an offering of 3-1/4 percent fully marketable Treasury bonds, to be dated May 1, 1953. They will mature June 15, 1983, but may be redeemed, at the option of the United States, on and after June 15, 1978. Interest will be payable on a semiannual basis on December 15, 1953, and thereafter on June 15 and December 15.

The amount of this issue allotted on cash subscriptions will be limited to $1,000,000,000, or thereabouts, and may be paid for by credit in Treasury Tax and Loan Accounts. Payments at par and accrued interest from May 1, 1953, may be deferred over a period of three months, but must be completed not later than July 31, 1953. Exchange subscriptions will be received from holders of Series F and G savings bonds maturing in the months of May through December, 1953, of which there are about $1,100,000,000 outstanding. The Treasury also reserves the right to allot limited amounts of these bonds to Government Investment Accounts.

Cash subscriptions from commercial banks for their own account will be received without deposit, but will be restricted in each case to an amount not exceeding 5 percent of their time deposits as of December 31, 1952. Other cash subscriptions must be accompanied by payment of 10 percent of the amount of bonds applied for. Cash subscriptions will be received subject to allotment, and such subscriptions from commercial banks for their own account may be allotted on a different percentage basis than cash subscriptions from other classes of subscribers.

Exchanges of Series F and G savings bonds will be made par fo par and will be allotted in full. Since holders of Series F and G bonds will receive interest on the new bonds at the rate of 3-1/4 percent from May 1, 1953, interest adjustments will be made as follows: In the case of Series F bonds the subscriber will be charged an amount equivalent to interest from May 1 to date of maturity of the F bond at the rate of 2.53 percent per annum. In the case of Series G bonds, the owner will receive an interest payment at the rate of 2-1/2 percent per annum borne by the G bond, from the last interest payment date to May 1, 1953.

The lowest denomination of the new bonds will be $500. Holders of smaller denomination Series F and G bonds may exchange them for the next higher multiple of $500 upon payment of any cash difference.

The bonds will be redeemable at par prior to maturity in payment of Federal estate taxes if owned by the decedent at time of death.

Subscriptions either for cash or exchange will be received at Federal Reserve Banks and Branches, and at the Treasury. Commercial banks should enter their subscriptions directly with the Federal Reserve Bank of the District in which they are located, even though payment for or delivery of the bonds allotted is desired in another District.

Cash subscription books may be closed at any time without notice. Exchange subscription books will be open through April 30, 1953, to permit holders of the maturing Series F and G Savings Bonds to take advantage of the offering.

The text of the official circular follows:

UNITED STATES OF AMERICA

3-1/4 PERCENT TREASURY BONDS OF 1978-83

Dated and bearing interest from May 1, 1953 Due June 15, 1983

REDEEMABLE AT THE OPTION OF THE UNITED STATES AT PAR AND ACCRUED INTEREST ON AND AFTER JUNE 15, 1978

Interest payable June 15 and December 15

1953
Department Circular No. 921

TREASURY DEPARTMENT,
Office of the Secretary,
Washington, April 13, 1953.

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, from the people of the United States, for bonds of the United States, designated 3-1/4 percent Treasury Bonds of 1978-83.

2. Cash offering.--Subscriptions are invited at par and accrued interest. The amount of the public offering is $1,000,000,000, or thereabouts. In addition to the amount offered for public subscription, the Secretary of the Treasury reserves the right to allot limited amounts of these bonds to Government Investment accounts.

3. Exchange offering.--Exchange subscriptions are invited at par, with interest adjustments as set forth in Section IV hereof, from holders of United States Savings Bonds of Series F and G maturing in the months of May through December, 1953. Holders of Series F and G bonds aggregating less than an even multiple of $500 maturity value may exchange such bonds with payment of the difference in cash to make up the next higher $500 multiple.

II. DESCRIPTION OF BONDS

1. The bonds will be dated May 1, 1953, and will bear interest from that date at the rate of 3-1/4 percent per annum, payable on a semiannual basis on December 15, 1953, and thereafter on June 15 and December 15 in each year until the principal amount becomes payable. They will mature June 15, 1983, but may be redeemed at the option of the United States on and after June 15, 1978, 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. Any bonds issued hereunder which upon the death of the owner constitute part of his estate, will be redeemed at the option of the duly constituted representatives of the deceased owner's estate, at par and accrued interest to date of payment,[1] provided:

(a) that the bonds were actually owned by the decedent at the time of his death; and

(b) that the Secretary of the Treasury be authorized to apply the entire proceeds of redemption to the payment of Federal estate taxes.

Registered bonds submitted for redemption hereunder must be duly assigned to "The Secretary of the Treasury for redemption, the proceeds to be paid to the Director of Internal Revenue at ______________ for credit on Federal estate taxes due from estate of ______________." Owing to the periodic closing of the transfer books and the impossibility of stopping payment of interest to the registered owner during the closed period, registered bonds received after the closing of the books for payment during such closed period will be paid only at par with a deduction of interest from the date of payment to the next interest payment date;[2] bonds received during the closed period for payment at a date after the books reopen will be paid at par plus accrued interest from the reopening of the books to the date of payment. In either case checks for the full six months' interest due on the last day of the closed period will be forwarded to the owner in due course. All bonds submitted must be accompanied by Form PD 1782,[3] properly completed, signed and sworn to, and by proof of the representatives' authority in the form of a court certificate or a certified copy of the representatives' letters of appointment issued by the court. The certificate, or the certification to the letters,

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1/An exact half-year's interest is computed for each full half-year period irrespective of the actual number of days in the half year. For a fractional part of any half year, computation is on the basis of the actual number of days in such half year.

2/The transfer books are closed from May 16 to June 15, and from November 16 to December 15 (both dates inclusive) in each year.

3/Copies of Form PD 1782 may be obtained from any Federal Reserve Bank or from the Treasury Department, Washington, D. C.

must be under the seal of the court, and except in the case of a corporate representative, must contain a statement that the appointment is in full force and be dated within six months prior to the submission of the bonds, unless the certificate or letters show that the appointment was made within one year immediately prior to such submission. Upon payment of the bonds appropriate memorandum receipt will be forwarded to the representatives, which will be followed in due course by formal receipt from the Director of Internal Revenue.

6. Except as provided in the preceding paragraph, 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. Cash subscriptions.--Subscriptions will be received at the Federal Reserve Banks and Branches and at the Treasury Department, Washington. Commercial banks, which for this purpose are defined as banks accepting demand deposits, may submit subscriptions for account of customers, but only the Federal Reserve Banks and the Treasury Department are authorized to act as official agencies. Others than commercial banks will not be permitted to enter subscriptions except for their own account. Subscriptions from commercial banks for their own account will be received without deposit, but will be restricted in each case to an amount not exceeding 5 percent of the combined amount of time certificates of deposit (but only those issued in the names of individuals, and of corporations, associations, and other organizations not operated for profit), and of savings deposits, as shown on the bank's books as of December 31, 1952. Subscriptions from all others must be accompanied by payment of 10 percent of the amount of bonds applied for. Where payment for bonds allotted is to be deferred beyond May 1, 1953, as provided in Section IV hereof, delivery of 10 percent of the total par amount of bonds allotted, adjusted to the next higher $500, will be withheld from all subscribers except incorporated banks and trust companies until payment for the total amount allotted has been completed. In every case where payment is not so completed the 10 percent so withheld shall, upon declaration made by the Secretary of the Treasury in his discretion, be forfeited to the United States.

2. Exchange subscriptions.--Subscriptions will be received at the Federal Reserve Banks and Branches and at the Treasury Department, Washington. Banking institutions generally, and paying agents eligible to process bonds under Treasury Department Circular No. 888, Revised, may submit exchange subscriptions for account of customers.

3. 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, cash subscriptions from commercial banks for their own account may be allotted on a different percentage basis than cash subscriptions from other classes of subscribers, and subscriptions in payment of which United States Savings Bonds of Series F and G maturing in the months of May through December, 1953, are tendered and accepted will be allotted in full. The bases of the allotment on cash subscriptions will be publicly announced, and allotment notices will be sent out promptly upon allotment.

IV. PAYMENT

1. Cash subscriptions.--Payment at par for bonds allotted hereunder may be made or completed on or before May 1, 1953, or payment at par and accrued interest from May 1, 1953, may be made at any time or times thereafter, with payment to be fully completed not later than July 31, 1953. One day's accrued interest is $0.089 per $1,000. Any qualified depositary will be permitted to make payment by credit for bonds allotted to it for itself and its customers up to any amount for which it shall be qualified in excess of existing deposits, when so notified by the Federal Reserve Bank of its District.

2. Exchange subscriptions.--Payment for bonds allotted hereunder on exchange subscriptions must be made on or before May 1, 1953, or on later allotment, and may be made only in United States Savings Bonds of Series F and Series G maturing from May 1 to December 1, 1953, inclusive, which will be accepted at par, and should accompany the subscription, together with any cash difference necessary to make up an even $500 multiple, and where Series F bonds are exchanged, by any interest to be collected from the subscriber. Holders of Series F and G bonds will receive interest on the new bonds at the rate of 3-1/4 percent from May 1, 1953, and interest adjustments with respect to bonds accepted in exchange will be made as follows:

(a) Series F bonds.--Holders of Series F bonds maturing after May 1, 1953, tendered in exchange and accepted will be charged an amount equivalent to interest on the maturity value from May 1 to the respective dates of maturity of the Series F bonds at the rate of 2.53 percent per annum as follows:

Bonds maturing on the first day of	Amount of interest per $100 maturity value to be collected from subscriber
May 1953	- - -
June 1953	$0.2155
July 1953	0.4263
August 1953	0.6430
September 1953	0.8456
October 1953	1.0576
November 1953	1.2650
December 1953	1.4805

(b) Series G bonds.--Holders of Series G bonds tendered in exchange and accepted will be credited with accrued interest from the last preceding interest payment date to May 1, 1953, at the rate of 2-1/2 percent per annum, as follows:

Bonds maturing on the first day of	Amount of final interest per $100 maturity value to be paid to subscriber
May 1953	$1.2500
June 1953	1.0371
July 1953	0.8287
August 1953	0.6146
September 1953	0.4144
October 1953	0.2049
November 1953	1.2500
December 1953	1.0371

The final interest payable on bonds maturing November 1, 1953, will be paid in regular course on May 1, 1953, by check mailed by the Treasury Department. The remainder of the final interest payments provided for above will be paid following acceptance of the bonds by the agency through which the exchange is made.

(c) Requests for payment.--Series F and G bonds tendered in exchange must bear appropriate requests for payment in accordance with the provisions of Treasury Department Circular No. 530, Seventh Revision, as amended, or the special endorsements provided for in Treasury Department Circular No. 888, Revised. In any case in which new bonds in bearer form, or new registered bonds in another name, are desired, requests for payment must be supplemented by specific instructions signed by the owner who signed the request for payment.

V. REGISTRATION OF NEW BONDS

1. New Treasury bonds in registered form may be registered only as authorized in Treasury Department Circular No. 300, as supplemented and amended. Registration in the name of one person payable on death to another is not authorized. Treasury bonds are not redeemable before maturity at the option of the owners. Registered Treasury bonds may be transferred to a purchaser only upon proper assignment. Treasury bonds registered in the form "A or B" may be transferred only upon assignment by or on behalf of both, except that if one of them is deceased, an assignment by or on behalf of the survivor will be accepted. A bond registered in the name of a minor may be assigned only by a guardian or similar representative appointed by a court of competent jurisdiction or otherwise duly qualified.

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.

G. M. HUMPHREY,
Secretary of the Treasury.

lenders

~~In response to inquiries,~~ The Secretary of the Treasury has requested that in order to minimize speculative subscriptions to the new 3-1/4% bond, commercial banks and others refrain from making ~~any~~ unsecured loans, or loans collateralized in whole or in part by the securities subscribed for, to cover the initial deposits which are required to be paid when subscriptions are entered.

~~It is also requested that banks and others refrain from making any unsecured loans, or loans collateralized in whole or in part by the securities subscribed for, to cover the initial deposits which which are required to be paid when subscriptions are entered.~~

* * * *

WRB

FOR IMMEDIATE RELEASE
MONDAY - APRIL 13, 1953

H-54

The Secretary of the Treasury has requested that in order to minimize speculative subscriptions to the new 3-1/4% bond, commercial banks and other lenders refrain from making unsecured loans, or loans collateralized in whole or in part by the securities subscribed for, to cover the initial deposits which are required to be paid when subscriptions are entered.

TREASURY DEPARTMENT

Information Service WASHINGTON, D.C.

IMMEDIATE RELEASE,
Monday, April 13, 1953. H-84

The Secretary of the Treasury has requested that in order to minimize speculative subscriptions to the new 3-1/4% bond, commercial banks and other lenders refrain from making unsecured loans, or loans collateralized in whole or in part by the securities subscribed for, to cover the initial deposits which are required to be paid when subscriptions are entered.

oOo

H-85

RELEASE MORNING NEWSPAPERS,
Tuesday, April 14, 1953.

The Secretary of the Treasury announced last evening that the tenders for $1,400,000,000, or thereabouts, of 91-day Treasury bills to be dated April 16 and to mature July 16, 1953, which were offered on April 9, were opened at the Federal Reserve Banks on April 13.

The details of this issue are as follows:

Total applied for - $2,098,183,000
Total accepted - 1,400,326,000 (includes $254,239,000 entered on a non-competitive basis and accepted in full at the average price shown below)
Average price - 99.439 Equivalent rate of discount approx. 2.219% per annum

Range of accepted competitive bids:

High - 99.494 Equivalent rate of discount approx. 2.002% per annum
Low - 99.431 " " " " " 2.251% " "

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

Federal Reserve District		Total Applied for	Total Accepted
Boston		$ 16,683,000	$ 16,538,000
New York		1,430,792,000	786,840,000
Philadelphia		57,690,000	47,690,000
Cleveland		41,015,000	41,015,000
Richmond		13,787,000	13,287,000
Atlanta		35,481,000	35,281,000
Chicago		237,180,000	197,150,000
St. Louis		36,061,000	34,771,000
Minneapolis		12,811,000	12,811,000
Kansas City		71,825,000	71,535,000
Dallas		53,520,000	53,520,000
San Francisco		91,338,000	89,888,000
	TOTAL	$2,098,183,000	$1,400,326,000

TREASURY DEPARTMENT

Information Service WASHINGTON, D.C.

RELEASE MORNING NEWSPAPERS,
Tuesday, April 14, 1953.

H-85

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Richmond	13,787,000	13,287,000
Atlanta	35,481,000	35,281,000
Chicago	237,180,000	197,150,000
St. Louis	36,061,000	34,771,000
Minneapolis	12,811,000	12,811,000
Kansas City	71,825,000	71,535,000
Dallas	53,520,000	53,520,000
San Francisco	91,338,000	89,888,000
TOTAL	$2,098,183,000	$1,400,326,000

oOo

April 6, 1953

MEMORANDUM 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 March, 1953:

Purchases	$16,279,000
Sales	3,365,100
Net Purchases	$12,913,900

(Sgd) Charles T. Brannan

Chief, Investments Branch
Division of Deposits & Investments

MMickett 4/6/53

TREASURY DEPARTMENT

Information Service WASHINGTON, D.C.

RELEASE MORNING NEWSPAPERS,
~~Friday, March 13, 1953.~~
Wednesday, April 15, 1953

H-~~52~~ 86

During the month of ~~February~~ March, 1953 market transactions in direct and guaranteed securities of the Government for Treasury investment and other accounts resulted in net purchases of ~~$8,797,700~~ $12,913,900, Secretary Humphrey announced today.

oOo

TREASURY DEPARTMENT

Information Service WASHINGTON, D.C.

RELEASE MORNING NEWSPAPERS,
Wednesday, April 15, 1953. H-86

During the month of March, 1953 market transactions in direct and guaranteed securities of the Government for Treasury investment and other accounts resulted in net purchases of $12,913,900, Secretary Humphrey announced today.

oOo

H-87

FOR IMMEDIATE RELEASE
Tuesday, April 14, 1953

Secretary of the Treasury Humphrey announced today that the cash subscription books for the current offering of 3-1/4 percent Treasury Bonds of 1978-83 will be closed at the close of business today.

Cash subscriptions placed in the mail before 12 o'clock midnight tonight, April 14, will be considered as having been entered before the close of the subscription books.

Announcement of the amount of subscriptions and the bases of allotment will probably be made on Friday, April 17.

As previously announced, the subscription books for exchange of Series F and G savings bonds for the new 3-1/4 marketable bond will remain open until May 1.

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TREASURY DEPARTMENT

Information Service

WASHINGTON, D.C.

IMMEDIATE RELEASE,
Tuesday, April 14, 1953.

H-87

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As previously announced, the subscription books for exchange of Series F and G savings bonds for the new 3-1/4 marketable bond will remain open until May 1.

oOo

328

April 13, 1953

Dear Dan:

I know you share my concern about the situation which has developed in connection with the exemption from United States taxation of income earned abroad by citizens who spend at least 17 out of 18 months in foreign countries. Authorization for this treatment was added to the law by the 82nd Congress.

This provision appears to have been intended primarily to encourage persons with special skills and technical know-how essential to fundamental economic development to accept employment in foreign countries. However, under the law as written, many conspicuous abuses have developed during the past several months. Advantage has been taken of the law by highly paid individuals whose work in a foreign country is clearly of a transitory nature.

I do not believe that the situation which has developed was contemplated by the previous Congress, and regardless of what may have been intended, I respectfully recommend that your Committee consider the adoption of corrective legislation. This Department stands ready to give your Committee all possible assistance.

Sincerely,

G M HUMPHREY

Honorable Daniel A. Reed
Chairman
Committee on Ways and Means
House of Representatives
Washington, D. C.

DTSmith/KWGemm 11/nr

U.S. DEPARTMENT OF TREASURY
News Release Clearance Record

H-88

SUBJECT Market purchases and sales of securities for Government accounts

WRITTEN BY Usual data released to press.

ORIGINATING OFFICE Bureau of Accounts

CLEARED BY:

(Name)	(Office)	(Date)
W. T. Heffelfinger WTH		
Office of Fiscal Assistant Secretary		

Nils A. Lennartson
Assistant to the Secretary ____ (Date)

____ Leon M. Siler ____ (Date)

RAD. Robert A. Dillon 4/9/53 (Date)

TD-OAS-DC

oday recommended
under a provision
tizens. The
exemption from
izens who are out
.
n a letter dated
House Ways and
letter follows:

Immediate

H-88

Secretary of the Treasury George M. Humphrey today recommended legislation to correct abuses which have developed under a provision of law relating to income earned abroad by U. S. citizens. The provision, adopted by the 82nd Congress, authorizes exemption from U. S. taxation of income earned abroad by U. S. citizens who are out of this country for 17 out of 18 consecutive months.

The Secretary's recommendation was contained in a letter dated April 13 from the Secretary to the Chairman of the House Ways and Means Committee, the Honorable Daniel A. Reed. The letter follows:

TREASURY DEPARTMENT

Information Service WASHINGTON, D.C.

IMMEDIATE RELEASE,
Monday, April 13, 1953. H-88

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Dear Dan:

I know you share my concern about the situation which has developed in connection with the exemption from United States taxation of income earned abroad by citizens who spend at least 17 out of 18 months in foreign countries. Authorization for this treatment was added to the law by the 82nd Congress.

This provision appears to have been intended primarily to encourage persons with special skills and technical know-how essential to fundamental economic development to accept employment in foreign countries. However, under the law as written, many conspicuous abuses have developed during the past several months. Advantage has been taken of the law by highly paid individuals whose work in a foreign country is clearly of a transitory nature.

I do not believe that the situation which has developed was contemplated by the previous Congress, and regardless of what may have been intended, I respectfully recommend that your Committee consider the adoption of corrective legislation. This Department stands ready to give your Committee all possible assistance.

Sincerely,

George

Immediate

~~April 10, 1953~~

on the statement of the nine Senators, H-89

~~STATEMENT BY SECRETARY HUMPHREY:~~ of the Treasury George M.

In answer to inquiries, Secretary/Humphrey today made the following statement: "The new issue of 30-year 3-1/4% bonds is one step in a program of extending part of the debt over longer periods and gradually placing greater amounts in the hands of longer term investors announced by President Eisenhower in his State of the Union Message.

"The concentration of short-term debt in the banks by the previous Administration was one of the causes of inflation in the cost of living which has cost the American people billions of dollars. A gradual placing of more securities in the hands of non-bank investors is a necessary step for economic stability.

"The sale of long-term bonds to these investors carries a somewhat higher interest rate, but this cost will be offset many times over if it lessens the cost and disorganization of inflation. The increased interest cost is partly recovered in taxation. To the extent that the interest on these bonds goes to insurance companies, savings banks, pension funds, and other forms of the people's savings, it will benefit the millions of families who have been most damaged by inflation and by inadequate return on savings because of artificially low interest rates.

"As far as deflation is concerned, while a few prices have declined recently, the cost of living is near its post-war high, employment is higher than ever before and unemployment is very small. With continued heavy military expenditures, the Government is still operating at a deficit."

TREASURY DEPARTMENT

Information Service WASHINGTON, D.C.

IMMEDIATE RELEASE,
Monday, April 13, 1953. H-89

In answer to inquiries on the statement of the nine Senators, Secretary of the Treasury George M. Humphrey today made the following statement:

"The new issue of 30-year 3-1/4% bonds is one step in a program 'of extending part of the debt over longer periods and gradually placing greater amounts in the hands of longer term investors' announced by President Eisenhower in his State of the Union Message.

"The concentration of short-term debt in the banks by the previous Administration was one of the causes of inflation in the cost of living which has cost the American people billions of dollars. A gradual placing of more securities in the hands of non-bank investors is a necessary step for economic stability.

"The sale of long-term bonds to these investors carries a somewhat higher interest rate, but this cost will be offset many times over if it lessens the cost and disorganization of inflation. The increased interest cost is partly recovered in taxation. To the extent that the interest on these bonds goes to insurance companies, savings banks, pension funds, and other forms of the people's savings, it will benefit the millions of families who have been most damaged by inflation and by inadequate return on savings because of artificially low interest rates.

"As far as deflation is concerned, while a few prices have declined recently, the cost of living is near its post-war high, employment is higher than ever before and unemployment is very small. With continued heavy military expenditures, the Government is still operating at a deficit."

oOo

At the end of March, about three quarters of the $6,000,000,000 in series E bonds which had matured were still outstanding under the series E optional extension program.

IMMEDIATE RELEASE
Tuesday, April ~~14,~~ 1953
15

H—90

March was the third successive month in which sales of United States Savings Bonds, all series, have exceeded redemptions of matured and unmatured bonds, the Treasury Department announced today.

Sales of all series in March were $439,917,000 and redemptions were $430,495,000. The sales exceeded those of March, 1952, by 33 per cent. The redemptions exceeded those of March, 1952, by one-half of one per cent.

March sales of series E and series H bonds totaled $396,815,000, compared with March, 1952, sales of $284,404,000 for series E bonds alone, the series H bond not having then been placed on sale. Series E and H redemptions in March, 1953, were $353,550,000. Series E redemptions in March, 1952, were $344,697,000.

Sales of all series of Savings Bonds in the first quarter of 1953 totaled $1,358,569,000, for a gain of 22% over the $1,111,543,000 sales in the first three months of 1952. Redemptions of all series in the first quarter of 1953 were $1,234,455,000, compared with $ 1,332,873,000 in the first quarter of 1952, a decrease of 7 per cent.

TREASURY DEPARTMENT

Information Service WASHINGTON, D.C.

IMMEDIATE RELEASE,
Wednesday, April 15, 1953. H-90

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At the end of March, about three quarters of the $6,000,000,000 in series E bonds which had matured were still outstanding under the series E optional extension program.

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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.

~~ALPHA~~

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 23, 1953 ~~(8)~~, in cash or other immediately available funds or in a like face amount of Treasury bills maturing April 23, 1953 ~~(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

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TREASURY DEPARTMENT
Washington

H-91

FOR RELEASE, MORNING NEWSPAPERS,
Thursday, April 16, 1953.

The Secretary of the Treasury, by this public notice, invites tenders for $1,500,000,000, or thereabouts, of 91-day Treasury bills, for cash and in exchange for Treasury bills maturing April 23, 1953, in the amount of $1,400,403,000, 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 23, 1953, and will mature July 23, 1953, 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, April 20, 1953. 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

TREASURY DEPARTMENT

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

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H-92

FOR IMMEDIATE RELEASE
WEDNESDAY - APRIL 15, 1953

Four labor ~~leaders~~ executives reaffirmed today, after a meeting with Secretary of the Treasury George M. Humphrey, the support by labor organizations of the Treasury's Savings Bonds Program.

Meeting with Secretary Humphrey at lunch were: George Meany, President, American Federation of Labor; James B. Carey, Secretary-Treasurer, Congress of Industrial Organizations; John L. Lewis, President, United Mine Workers of America; George M. Leighty, Chairman, Railway Labor Executives' Association.

The labor ~~leaders~~ executives discussed the Savings Bonds Program with Secretary Humphrey and other Treasury officials, including W. Randolph Burgess, Deputy to the Secretary, who has the responsibility for the Treasury's Savings Bonds Program. In addition to reaffirming support of the Savings Bonds Program, the leaders pledged to work for continued participation of their organizations in the Savings Bonds Payroll Savings Plan.

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TREASURY DEPARTMENT

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In accepting the chairmanship of the campaign at the request of Secretary of the Treasury, George M. Humphrey, Mr. Gross commented: "I believe that we employees of the aircraft industry appreciate our special responsibility to take the leadership in the bond program when a large share of government expenditures is going for the purchase and maintenance of the airplanes we build."

An aircraft manufacturing industry drive in 1951 added more than 125,000 workers to those purchasing Savings Bonds regularly on the Payroll plan and increased purchases by $30,000,000 annually. The objective of the 1953 campaign is to sign up another 100,000 payroll savers and increase purchases by $25,000,000 a year among the 600,000 employees of the 40 companies in the industry.

The 1951 campaign was supported by the Aircraft Industries Association, whose president, Admiral D. C. Ramsey, will pledge its support for the 1953 drive at today's meeting. Martin W. Clement, retired Chairman of the Board of the Pennsylvania Railroad, and National Chairman of the U. S. Treasury's Industrial Advisory Committee on Payroll Savings, also was to be heard.

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TREASURY DEPARTMENT

Information Service WASHINGTON, D.C.

Thursday A.M.

~~IMMEDIATE RELEASE,~~
~~Thursday, April 16, 1953~~.

H-93

H-87

will meet in New York

~~New York, April 16~~ - Presidents of 20 aircraft manufacturing companies of the eastern States ~~met here~~ today to organize a campaign to expand the Payroll Savings Plan for the purchase of U. S. Savings Bonds in their industry. A similar meeting for the western States will be held at Los Angeles, April 24.

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W. Randolph Burgess, Deputy to the Secretary of the Treasury in charge of fiscal matters, who exercises supervision over the Savings Bonds program, ~~was~~ the principal speaker at a luncheon meeting of the aircraft executives at the Plaza Hotel.

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Robert E. Gross, President of the Lockheed Aircraft Corporation of Burbank, California, and National Chairman of the Aircraft Industry Payroll Savings drive, ~~was~~ host at the luncheon meeting. Executives who accepted his invitation to attend included:

Victor Emanuel, Chairman, Avco Manufacturing Corp., New York
G. M. Bellanca, President, Bellanca Aircraft Corp., New Castle, Delaware
Edgar F. Kaiser, Chairman, Chase Aircraft Co., West Trenton, New Jersey
Richard S. Boutelle, President, Fairchild Engine and Airplane Corp., Hagerstown, Maryland
George M. Bunker, President, The Glenn L. Martin Co., Middle River, Maryland
W. R. Piper, President, Piper Aircraft Corp., Lock Haven, Pennsylvania
P. R. Bassett, President, Sperry Corp., New York
B. J. Mauro, Chairman, Taylorcraft, Inc., Conway, Pennsylvania
Clarence Reese, President, Continental Motors Corp., Muskegon, Michigan
Lawrence D. Bell, President, Bell Aircraft Corp., Buffalo, New York
Malcolm P. Ferguson, President, Bendix Aviation Corp., Detroit, Michigan
Roy Hurley, President, Curtiss-Wright Aeronautical Corp., Wood Ridge, New Jersey
L. S. Swirbul, President, Grumman Aircraft Engineering Corp., Bethpage, Long Island, New York
F. N. Piasecki, Chairman, Piasecki Helicopter Corp., Morton, Pennsylvania

TREASURY DEPARTMENT

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Controller of Loans, Assistant Deputy Governor, Assistant Federal Reserve Agent and Vice President. On September 16, 1944, he was named President of the Federal Reserve Bank of Cleveland and assumed his duties on November 1 that year.

Mr. Gidney served as a member of the Board of Education of Ridgewood, New Jersey, from 1930 to 1944, was President of Robert Morris Associates, 1936-38, and President of the Cleveland Community Fund in 1952.

Nominated by President Eisenhower to be Comptroller of the Currency on March 27, 1953, he was confirmed by the Sente on April 2 and assumed office on April 16, 1953.

Mr. Gidney and Jean Ellison Brock were married on September 6, 1913. They have three sons, James Brock, Dean Robert, and John Archibald. Their home is at 19101 Van Aken Boulevard, Shaker Heights, Ohio.

M.

RAY ~~MILLARD~~ GIDNEY
Comptroller of the Currency

Ray Millard Gidney was born January 17, 1887 in Santa Barbara, California, the son of Charles Montville and Clara Maude (Jones) Gidney. He graduated from the University of California in 1912 and was elected to Phi Beta Kappa during his junior year at the university.

Mr. Gidney entered the banking business in 1903 as a clerk in the Commercial National Bank at Santa Barbara. He left this position to attend the university in 1908 and upon his graduation joined the First National Bank of Bakersfield, California.

In 1914 he came to the Federal Reserve Board in Washington as secretary to a board member and subsequently became Deputy Settling Agent and Federal Reserve examiner. He was appointed Assistant Federal Reserve Agent in the Federal Reserve Bank of New York in 1917 and two years later was sent to Buffalo to open the Reserve Branch in that city and serve as manager. He returned to the New York Federal Reserve Bank in 1921 and for nearly two years was Controller-at-Large.

Mr. Gidney became Vice President and Director of the Citizens Trust Company in Buffalo in 1923 and later was Vice President of the Marine Trust Company in that city. In 1924 he returned to the New York Federal Reserve Bank and during the next 20 years was successively Controller-at-Large, PROPOSED PRESS RELEASE for 10 AM Thursday

H-94

Secretary Humphrey today administered the oath of office to Ray M. Gidney as Comptroller of the Currency.

The ceremonies at the Treasury Department were witnessed by officials of the Department and of the Federal Reserve System, other government officials and prominent bankers.

Mr. Gidney was president of the Federal Reserve Bank of Cleveland at the time of his nomination to be Comptroller by President Eisenhower on March 27. He was confirmed by the Senate on April 2, 1953.

As Comptroller of the Currency, Mr. Gidney has general supervision over all national banks, including examination, consolidations or mergers of national banks, authorization of new banks and branches, and the conversion of state banks into national banks. The Comptroller also supervises all banks and trust companies doing business in the District of Columbia and is an ~~[illegible]~~ member of the Board of Directors of the Federal Deposit Insurance Corporation.

Mr. Gidney's biography is attached ~~Attached is bio,~~

TREASURY DEPARTMENT

Information Service WASHINGTON, D.C.

RELEASE FOR 10 A.M. THURSDAY
April 16, 1953.

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oOo

April, 1953.

features of our tax laws are our objectives. We shall proceed as promptly as we can with recognition that our recommendations must be consistent with our primary objective of maintaining a sound budget position.

As a final point, I should like to comment briefly on the subject of the administration of the tax laws. The policy of this Administration is to interpret the laws fairly and without any bias or attempt to secure indirectly something that has not been authorized by the Congress. This attitude has already been made clear under the able and vigorous leadership of Commissioner Andrews. With tax laws and business transactions as complex as they are, there are many opportunities to twist the administration of the law to reflect the bias or social philosophy of an administrative group. We shall earnestly endeavor to avoid all such misuses of administrative discretion and to remove such examples as now exist. We shall administer the law as it is, not as some of us might think it should be. Changes in the law should be made by the Congress, not by administrative fiat. And in the process of collecting the revenue fairly and honestly, it is as much to the credit of a revenue agent to discover that a taxpayer has made an overpayment as it is to discover a deficiency and collect an additional tax.

I wish that we could foresee enough reduction in expenditures in the immediate future to permit us to recommend all the adjustments which we find desirable. Simplification and removal of inequities and the repressive also adding some industrial accountants and men with experience in the Bureau of Internal Revenue to the Analysis Staff. We will thus be able to have all problems and proposals reviewed by lawyers, economists, accountants, and administrators with practical experience in the field.

In our own investigations in the Treasury, we are very happy to be able to work closely with the staff of the Congressional Joint Committee on Internal Revenue Taxation and the staffs of the House Ways and Means Committee and the Senate Finance Committee. The Treasury policy officials and staff are also working closely with officials of the Bureau of Internal Revenue. Collaboration between Congressional, Bureau of Internal Revenue, and Treasury groups should speed up the process of securing changes in the law which are sound from a policy standpoint and administratively feasible.

Whatever suggestions we make to Congress for tax legislation will be the result of the most careful possible study in an effort to determine what is for the good of the entire Nation. When we do make those recommendations, it is within the power of Congress to do with them as it may see fit. Congress has that full responsibility.

Action on some of the foregoing technical points will bring in additional revenue. On others, it will involve revenue losses of various sizes. In view of the very tight budget position, some of the reforms which are clearly desirable may have to be postponed or introduced on a limited scale. We hope to have a few things done this year; a good many may be done next year, and others will have to go over until there has been substantial reduction in expenditures.

From my comments you will appreciate the fact that the investigations and planning on tax matters at the Treasury are being carried out on a considerable scale. Fortunately, there have been over the past several years a good many excellent studies and proposals on tax policies. The trouble in the past has been a lack of action, not of study. We are now consulting with various groups which have been examining the operation of our tax system.

The financial and economic aspects of the work in the Treasury is under the direction of Professor Dan Smith, who is on leave from the Harvard Business School to supervise our new Analysis Staff. On the legal side, Mr. Kenneth Gemmill of Philadelphia has just joined the Treasury to supervise the Legal Advisory Staff. We are

The provisions for crediting foreign income taxes against the United States income tax represents one attempt to remove such double taxation. The present treatment, however, may not be adequate. Modifications of the existing law must be made with care, however, to prevent the creation of loopholes through which domestic income is in some way converted into tax-exempt foreign income.

The abuses arising under the rule adopted in 1951 by which earned income attributable to activities abroad by anyone who is outside the country for 17 out of 18 months is a conspicuous example of the need for care in creating a new provision in the law. Secretary Humphrey has already recommended changes in that part of the law to remove the abuses.

Expense accounts may also be abused by those in position to take advantage of them. Their use and misuse require close scrutiny.

I shall not take time to list further specific problems in the formulation of tax policy. I hope that our approach to such problems and our point of view will be apparent from the foregoing examples. Our objectives are (1) to simplify the system as much as we can, (2) to remove inequities, and (3) to develop a system which will impose the least obstacles to the economic growth of the country.

this area includes consideration of definitions, rates, holding periods, and the treatment of capital losses.

There are many problems in the field of tax-exempt activities. Charitable and educational organizations have properly been made tax-exempt, but abuses may develop when the tax-exempt status is used as a cloak to cover competitive business activities. The complex subject of the tax treatment of cooperative associations requires special study, especially in view of the present high level of tax rates.

The issuance and use of tax-exempt securities also raises problems concerning both the fairness and the economic effects of the tax system. The lower rates of return on such securities in the market by no means reflect their tax advantage to very high bracket investors. The fact that the tax-free securities exist diverts investment funds from the field of private enterprise where they are most needed. A new problem has arisen in connection with the use of tax-exempt securities to finance municipally owned industrial plants.

The commission on intergovernmental relations proposed by President Eisenhower will presumably review the whole subject of Federal-state-local tax and fiscal relations. The Treasury would participate in the examination of this subject.

The proper taxation of income derived abroad raises difficult and important problems of tax policy. International double taxation should clearly be avoided.

We hope to be able to permit greater discretion by management in the timing of depreciation deductions. In the long run, some liberalization of present rules, we are satisfied, will increase total investment, the national income and, incidentally, total tax revenues at any given level of tax rates. We are clear on the objective. The problem is one of the method of change and the timing of its adoption. Some liberalization may be made in the regulations, while others may require legislation.

The subject of the proper treatment of capital gains and losses is a perennial one. Bona fide long-term capital gains are clearly quite different than ordinary income; they represent a tax-paying capacity but they do not constitute income in any ordinary sense. To encourage risky investment and to permit fluidity in investment markets, the rates of tax on such gains must be kept at reasonable levels. However, a substantially lower rate of tax on capital gains than on ordinary income provides a temptation to create various sorts of artifical devices to convert ordinary income into capital gains. Our analysis in

When one turns from the general subject of balance among the major forms of taxation to consider more detailed and technical aspects of particular forms of taxation, several problems are conspicuous. I shall mention a few of them briefly.

One of the first subjects we are examining is the whole area of the tax treatment of pension and retirement plans and of the so-called fringe benefits. Various discriminations have developed over the past several years, with results that are quite illogical. In this area we need, above all other things, clarification and simplification.

Another principal topic is that of the proper treatment of depreciation in computing the taxable income of business. The problem here is one of timing; how rapidly should an investment in plant and equipment be written off? In the long run, the same total amount will be charged as an expense under any of various systems, but the speed of permissible writing off may have a profound effect on the willingness to incur the inevitable risks that arise in investments in fixed assets.

In developing a proper balance among the three principal sources of revenue, individual income, corporate income, and excise taxation, we must be careful not to adopt doctrinaire attitudes concerning the supposed advantages of any one form. No tax is without inequities or repressive effects. When rates are low, the inequities and adverse economic consequences may not be too serious; but as rates become higher, the bad features of any one form of taxation become intolerable. A diversification of sources of revenue is likely to give a better approximation to an acceptable system than can exist when any one source is pushed to excessive levels.

In general, I believe that the individual income tax should be relied on as the principal source of revenue, and it should be used to give the desired degree of progression to the whole tax system. This progression should, needless to say, be based on reasoned judgments and not be punitive or confiscatory. But so long as total revenue requirements are large, a broad and diversified tax system will minimize both inequities and repressive economic pressures.

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In view of total revenue needs, it appears that continuing reliance will have to be placed on excise taxation. Excise taxes in the United States bring in a relatively small proportion of total tax revenues in comparison with other countries. In the fiscal year 1952, we received 13.7 percent from all excises combined and only 7.4 percent from excises other than those on tobacco and beer, wine and liquor. By contrast, Canada, in fiscal year 1952, secured 24.2 percent of total federal tax revenues from excises and 15.2 percent from those on other than tobacco and intoxicating beverages. The greater reliance on excises in Canada has not been unrelated to the ability to reduce income tax rates substantially as was done recently in that country.

whose investments have provided the equity capital upon which our whole industrial system has been built. Without adequate dividends to justify continuing investment, we should have to look to a drying up of our traditional pattern of formation and expansion of industry. To the extent that corporate profits are not distributed as dividends, they constitute additional capital for expansion by existing successful companies. Thus, whether distributed or retained, reasonable legitimate profits are a part of the foundation of our whole economic system.

The critical point in corporate taxation cannot be predicted in advance or determined with any high degree of accuracy. I suggest, however, that at rates around 50 percent it becomes a major and not a minor factor in business considerations.

Excise taxation constitutes the third principal source of revenue in this country, and in this area we have both immediate and long-run problems.

Excise taxes are now imposed in a not very systematic manner on a variety of things, some of which are true luxuries and some of which are very common necessities. Furthermore, some of the items taxed are produced by prosperous industries while others are supplied by industries that are in some distress even at the present general high levels of business.

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Beyond these two immediate problems, we have the more fundamental one of attempting to work out a structure of taxation which will have the least possible inequities and at the same time impose minimum restrictions on the country's economic system. You will note that I have in effect referred to the least bad, rather than the best, tax system. It is, I think, important to keep in mind the fact that no tax system can be positively good. It is inevitably burdensome and restrictive. We can hope only to minimize the impact of the sacrifices and the consequences of the restrictions.

The criteria for modification of the tax system were stated by President Eisenhower in his State of the Union Message when he said:

> "... We must develop a system of taxation which will impose the least possible obstacle to the dynamic growth of the country. This includes particularly real opportunity for the growth of small businesses. Many readjustments in existing taxes will be necessary to serve these objectives and also to remove existing inequities. Clarification and simplification in the tax laws as well as the regulations will be undertaken."

The most basic issue in any tax structure is the balance between the different major sources of revenue. During most of our country's history, we have relied on customs, the sale of public lands, and excises.

on this subject. In spite of its appealing name, it leads to a whole series of undesirable consequences. It penalizes thrift and economy; it limits the growth of all successful companies and especially hampers the growth of small and new companies; its existence distorts balanced management judgments because of the understandable but undesirable dominance of tax factors in all sorts of business problems. Any long continuation of this form of taxation could not be justified because it is incompatible with healthy economic growth.

The reduction in individual income taxes, now scheduled to go into effect at the end of this year, is of great importance because of the very heavy tax burdens now pressing on people at all income levels. Again, I need not elaborate on the fact that tax rates are close to the all-time high in most brackets, with levels that at many points exceed even the peak rates reached during either of the two World Wars. The expenditures arising from the defense emergency require and justify such taxes as are necessary to avoid inflationary deficits, but when tax burdens are as onerous as they now are, the strictest economy is also necessary to keep these burdens at the minimum consistent with national safety. We want to return as much spending as possible from Government to private hands.

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Regardless of which budget concept is used the deficit projected for next year would be seriously inflationary, especially with the very high level of business activities now prevailing. In line with objectives of the Administration to halt the inflation which has so seriously been cutting into the real value of the dollar for more than a decade, assurance that a balanced budget was in sight has been stated by President Eisenhower to be necessary before tax reduction could be made safely.

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Most of the differences between the two budgets are accounted for by additions to the trust account in the Old Age Insurance and other retirement funds. Under these systems funds have been collected on a contributory basis in excess of the payments. For instance, under the Old Age Insurance plan, there is now a balance of $17 billion resulting from the excess of receipts since 1936, including interest, over the expenditures. It is now generally agreed that further large additions to this fund are not necessary and it is expected that with the increase in expenditures that the system will gradually reach a pay-as-you-go basis. Under these conditions, the difference between the cash and administrative budgets will also gradually decline.

These reserve funds are invested exclusively in United States Government securities. It is rather surprising that criticism still exists to the effect that these excess receipts after being invested in Treasury securities are used to pay for governmental activities. It should be clear upon reflection that United States Government securities are the only proper form of investment for these funds. It would be foolish to hoard the cash and it would not be wise to invest these Government funds in private securities. The proceeds of the sales of these to

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The deficit figures which I have cited are the familiar ones from the so-called administrative or conventional budget. The January estimates of the deficits in the cash budget were $1.9 and $6.6 billion for the current fiscal year and 1954, respectively.

For many purposes, the position of the cash budget is important since it indicates the net impact of the Government's receipts and expenditures on the country's economic activities. On a short-run basis, a balance in the cash budget may be taken to indicate that the Government is paying its way by taxes and not pumping any new money or credit into the country's economic system. But on a longer term basis, the conventional budget is also important because the additional charges which are included in it represent obligations for future payments.

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Secretary Humphrey in his statement before the Treasury Sub-committee on Appropriations stated the general goal of the Treasury as follows:

> "It is our purpose in the Treasury to help provide the proper economic climate in America. The fiscal policy is very important in determining that climate which is intangible but has a direct effect upon the lives of each of us every day. It is our purpose to establish and maintain such fiscal policies as will permit America to continue to grow and reach even higher standards of living for all its people."

This first problem is, of course, the immediate one of getting control of the budgetary situation. We which ~~are~~ confronted with a prospective deficit of $5.9 billion in the fiscal year ending this June, and with a budgeted deficit of $9.9 billion for the next fiscal year. It now appears that receipts for the current

ADDRESS BY MARION B. FOLSOM, UNDER SECRETARY OF THE TREASURY

BEFORE SPECIAL TAX CONFERENCE OF THE

NATIONAL INDUSTRIAL CONFERENCE BOARD

H - 95

HOTEL ASTOR
NEW YORK, NEW YORK
APRIL 16, 1953
12:30 P.M.

TREASURY DEPARTMENT
Washington

FOR RELEASE ABOUT 12:30 P.M.
Thursday, April 16, 1953.

H-95

Address by Marion B. Folsom, Under Secretary of the Treasury before the Special Tax Conference of the National Industrial Conference Board, Hotel Astor, New York City, April 16, 1953, 12:30 P.M.

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We hope to be able to permit greater discretion by management in the timing of depreciation deductions. In the long run, some liberalization of present rules, we are satisfied, will increase total investment, the national income and, incidentally, total tax revenues at any given level of tax rates. We are clear on the objective. The problem is one of the method of change and the timing of its adoption. Some liberalization may be made in the regulations, while others may require legislation.

The subject of the proper treatment of capital gains and losses is a perennial one. Bona fide long-term capital gains are clearly quite different than ordinary income; they represent a tax-paying capacity but they do not constitute income in any ordinary sense. To encourage risky investment and to permit fluidity in investment markets, the rates of tax on such gains must b kept at reasonable levels. However, a substantially lower rate of tax on capital gains than on ordinary income provides a temptation to create various sorts of artifical devices to convert ordinary income into capital gains. Our analysis in this area includes consideration of definitions, rates, holding periods, and the treatment of capital losses.

There are many problems in the field of tax-exempt activities. Charitable and educational organizations have properly been made tax-exempt, but abuses may develop when the tax-exempt status is used as a cloak to cover competitive business activities. The complex subject of the tax treatment of cooperative associations requires special study, especially in view of the present high level of tax rates.

The issuance and use of tax-exempt securities also raises problems concerning both the fairness and the economic effects of the tax system. The lower rates of return on such securities in the market by no means reflect their tax advantage to very high bracket investors. The fact that the tax-free securities exist diverts investment funds from the field of private enterprise where they are most needed. A new problem has arisen in connection with the use of tax-exempt securities to finance municipally owned industrial plants.

The commission on intergovernmental relations proposed by President Eisenhower will presumably review the whole subject of Federal-state-local tax and fiscal relations. The Treasury would participate in the examination of this subject.

The proper taxation of income derived abroad raises difficult and important problems of tax policy. International double taxation should clearly be avoided. The provisions for crediting foreign income taxes against the United States income tax represents one attempt to remove such double taxation. The present treatment, however, may not be adequate. Modifications of the existing law must be made with care, however, to prevent the creation of loopholes through which domestic income is in some way converted into tax-exempt foreign income.

The abuses arising under the rule adopted in 1951 by which earned income attributable to activities abroad by anyone who is outside the country for 17 out of 18 months is a conspicuous example of the need for care in creating a new provision in the law. Secretary Humphrey has already recommended changes in that part of the law to remove the abuses.

Expense accounts may also be abused by those in position to take advantage of them. Their use and misuse require close scrutiny.

I shall not take time to list further specific problems in the formulation of tax policy. I hope that our approach to such problems and our point of view will be apparent from the foregoing examples. Our objectives are (1) to simplify the system as much as we can, (2) to remove inequities, and (3) to develop a system which will impose the least obstacles to the economic growth of the country.

Action on some of the foregoing technical points will bring in additional revenue. On others, it will involve revenue losses of various sizes. In view of the very tight budget position, some of the reforms which are clearly desirable may have to be postponed or introduced on a limited scale. We hope to have a few things done this year; a good many may be done next year, and others will have to go over until there has been substantial reduction in expenditures.

From my comments you will appreciate the fact that the investigations and planning on tax matters at the Treasury are being carried out on a considerable scale. Fortunately, there have been over the past several years a good many excellent studies and proposals on tax policies. The trouble in the past has been a lack of action, not of study. We are now consulting with various groups which have been examining the operation of our tax system.

The financial and economic aspects of the work in the Treasury is under the direction of Professor Dan Smith, who is on leave from the Harvard Business School to supervise our new Analysis Staff. On the legal side, Mr. Kenneth Gemmill of Philadelphia has just joined the Treasury to supervise the Legal Advisory Staff. We are also adding some industrial accountants and men with experience in the Bureau of Internal Revenue to the Analysis Staff. We will thus be able to have all problems and proposals reviewed by lawyers, economists, accountants, and administrators with practical experience in the field.

In our own investigations in the Treasury, we are very happy to be able to work closely with the staff of the Congressional Joint Committee on Internal Revenue Taxation and the staffs of the House Ways and Means Committee and the Senate Finance Committee. The Treasury policy officials and staff are also working closely with officials of the Bureau of Internal Revenue. Collaboration between Congressional, Bureau of Internal Revenue, and Treasury groups should speed up the process of securing changes in the law which are sound from a policy standpoint and administratively feasible.

Whatever suggestions we make to Congress for tax legislation will be the result of the most careful possible study in an effort to determine what is for the good of the entire Nation. When we do make those recommendations, it is within the power of Congress to do with them as it may see fit. Congress has that full responsibility.

As a final point, I should like to comment briefly on the subject of the administration of the tax laws. The policy of this Administration is to interpret the laws fairly and without any bias or attempt to secure indirectly something that has not been authorized by the Congress. This attitude has already been made clear under the able and vigorous leadership of Commissioner Andrews. With tax laws and business transactions as complex as they are, there are many opportunities to twist the administration of the law to reflect the bias or social philosophy of an administrative group. We shall earnestly endeavor to avoid all such misuses of administrative discretion and to remove such examples as now exist. We shall administer the law as it is, not as some of us might think it should be. Changes in the law should be made by the Congress, not by administrative fiat. And in the process of collecting the revenue fairly and honestly, it is as much to the credit of a revenue agent to discover that a taxpayer has made an overpayment as it is to discover a deficiency and collect an additional tax.

I wish that we could foresee enough reduction in expenditures in the immediate future to permit us to recommend all the adjustments which we find desirable. Simplification and removal of inequities and the repressive features of our tax laws are our objectives. We shall proceed as promptly as we can with recognition that our recommendations must be consistent with our primary objective of maintaining a sound budget position.

oOo

TO: MR. BURGESS

Mr. Predmore says this has your suggested changes - may we let it go?

NAL

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~~XXXXXXX~~

4/15/53

OK with us

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FROM: Nils A. Lennartson
Room 3420

~~Suggested Washington Release to Financial Writers:~~

H-96

~~[illegible]te)~~: Secretary of the Treasury Humphrey today reminded holders of Treasury Series F and G Savings bonds which mature between May 1 and December 31, 1953 they may convert those bonds into the new Treasury 3-1/4 percent fully marketable bonds if they desire. Holders of such F and G bonds who wish to convert to the new issue must make application for the exchange before May 1, 1953 to their bank or to a Federal Reserve Bank or Branch. No applications for exchange will be honored after that date. This offer of exchange does not apply to Series E Savings Bonds which mature during the same period. Holders of maturing E Bonds are still privileged to hold the same bonds for an additional ten years with interest.

Exchanges of Series F and G Savings Bonds will be made par for par and will be allotted in full. Since holders of Series F and G bonds will receive interest on the new bonds at the rate of 3-1/4 percent from May 1, 1953, interest adjustments will be made as follows: In the case of Series F bonds the subscriber will be charged an amount equivalent to interest from May 1 to date of maturity of the F bond at the rate of 2.53 percent per annum. In the case of Series G Bonds, the owner will receive an interest payment at the rate of 2-1/2 percent per annum borne by the G bonds, from the last interest payment date to May 1, 1953.

The lowest denomination of the new bonds will be $500. Holders of smaller denomination Series F and G bonds may exchange them for the next higher multiple of $500 upon payment of any cash difference.

Eligible F and G bond holders who do not wish to make the exchange will have the opportunity of reinvesting the proceeds of their matured bonds in the other series of Savings Bonds currently on sale, or receive ~~to receive~~ cash payment.

The Treasury calls the special attention of all F and G bond holders, including those corporations and organizations which require directors' finance committee action, to the limited time available for making application for exchange. The offer expires April 30.

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TREASURY DEPARTMENT

Information Service WASHINGTON, D.C.

IMMEDIATE RELEASE,
Thursday, April 16, 1953 H-96

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~~The~~ allotments on this issue will be deferred until next week in order to give ~~the Federal Reserve banks more time to examine excessive subscriptions.~~ time to complete this review. All subscriptions accepted will be allotted on an equal percentage basis.

4/17/53

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Peace is what we all want. It is nothing to fear, nor is there any reason for depression. Adjustments, yes. But not depression. So long as we maintain the soundness of our money; attain that nice balance between achieving security from aggression and maintaining economic strength; eliminate waste and handle our fiscal affairs with wisdom, America can look forward to good jobs at good pay and real advances in our scale of living. We can have a stronger economy based on sounder fundamental conditions than we have known in many years.

I thank you very much for this opportunity of appearing before you today. I appreciate it very much indeed.

farmers, labor and all of you here today in accepting your freedom to accept the responsibility that goes with it. If the American people really want stability they must all contribute to it, in the prices they charge, in the wages they demand and in everything that they do. They must exercise self-restraint from making quick turns to the detriment of others and promote in every way possible the long-term thinking and planning that is for the ultimate good of all the people.

25 As President Eisenhower said in his great speech in Washington last Thursday noon:

"The peace we seek, founded upon decent trust and cooperative effort among nations, can be fortified - not by weapons of war - but by wheat and by cotton; by milk and by wool; by meat and by timber and by rice.

"These are words that translate into every language on earth.

"These are needs that challenge this world in arms. * * * *

"This Government is ready to ask its people to join with all nations in devoting a substantial percentage of
26 the savings achieved by disarmament to a fund for world aid and reconstruction. The purposes of this great work would be: to help other peoples to develop the undeveloped areas of the world, to stimulate profitable and fair world trade, to assist all peoples to know the blessings of productive freedom.

"The monuments to this new kind of war would be these: roads and schools, hospitals and homes, food and health.

"We are ready, in short, to dedicate our strength to serving the <u>needs</u>, rather than the <u>fears</u>, of the world."

~~End of quote.~~

operation and expansion, then it can contribute to depression. Here again balance and timing are of first concern, and wise and careful handling of refinancing our enormous debt structure is of the greatest importance.

This administration believes in the American way of life and in a free market economy. It believes that a most powerful influence over the years has been the accumulated effect of the industry and efforts of so many of our people to advance their own interests independently and in their own ways. This way of life has withstood wars and political manipulations and experiments of all kinds. It will overcome all of our burdens of today. It is because of the accumulative desires and the ambitions of the vast number of our citizens to so live their lives, that by their own endeavors they continually advance their own positions that we are what we are today. We are in good hands as long as the great American consumer is free from artificial restraint and can freely decide what he will buy, when he will buy and what prices he is willing to pay. That means that the productive and inventive power and the ingenuity of all America is in competition for that consumer's dollar and must devote itself to the creation of more and better things at less cost in vieing for his favor.

However, freedom for an individual or for a nation must be jealously guarded and carries with it corresponding obligations. The Golden Rule still is fundamental in human relations. Freedom for the citizen involves equal responsibility of the citizen, each for himself to see that he wholly fulfills it. He must use this freedom for his own advancement only to the extent that it does not trample upon the rights of his neighbor and enhances the common good. It is the responsibility of every citizen of this country, of business men, Defense spending itself was reduced from $90.5 billion ~~dollars~~ in 1945 to $16.8 billion ~~dollars~~ plus about $5 billion ~~dollars~~ of foreign aid in the same two years.

We have no such tremendous reductions to contemplate or gaps to fill now. Our plant is already geared to increased civilian production. ¶ Full production in many lines where plant capacity has been recently so greatly increased will require real sales effort and bring highly competitive times in several lines.

19 But do we fear competition? That is what America stands for. Competition is the life of trade. It is what has made our American system. More and better goods at less cost for more people is our national slogan. Our greatest pride is our imagination, resourcefulness and ingenuity in production, sales and distribution. Let's all prepare to give them a chance under whatever the conditions may be and see if again they will not produce the brightest day we have yet seen in America.

An equally important fundamental to preserve the soundness of our money and flourishing trade is the management 20 of our huge debt. The way in which it is handled can also have an important bearing upon economic conditions and the creation of good or bad times. A stable currency is essential to an expanding level of employment and prosperity. If the debt is so managed as to increase unduly the available money supply, foster the over-extension of credit and depreciate the value of the dollar it can contribute greatly toward pushing us right back into the inflationary spiral of recent times. If, on the other hand, the debt is so managed that it drains the savings of the people too rapidly and in too ~~large~~ large 21 amounts so as to unduly restrict credit, depress prices and deprive industry of the funds required for full

The reduction of taxes, moreoever, is one of the best guarantees we have against the fear of depression, in the event that peace makes possible curtailment of Government defense spending. It is essential that, as Government expenses are brought under control, as waste is eliminated, and as Government spending is gradually reduced, that taxes must also be reduced as rapidly as Government spending declines. If we return to the citizens as rapidly as possible the savings we make in Government expenses the people will 16 have the money to spend for themselves in their own way what the Government has been spending--~~(~~or wasting~~)~~--for them. The people can spend their own money for their own account and in their own way for what they want much better than the Government can spend it for them. The scale of living for all the people will increase, the demand for production will continue, jobs will be plentiful, and everyone will be better off.

Plans for increased expenditures of funds for civilian needs are already under way in many quarters and many more will follow if it appears that the 17 opportunity for effectively doing so is approaching. Dodge: Included in government planning are the steps that may be taken in the event of an economic ~~need~~ [emergency] need. The planning divisions of several Governmental Departments are preparing for studies. The Commerce Department has already issued one fine report "Markets After the Defense Expansion" and is engaged in further study. Many associations of business, farmers and labor organizations should and will be giving active thought to alternate plans that will best serve the interests, not only of their own members, but of all the people.

After the last war we decreased the rate of total Government expenditures in just two years from $98.7 billion ~~dollars~~ in 1945 to $39.3 billion ~~dollars~~ in 1947.

18 Our deficit was decreased in the same period from a deficit of $51 billion ~~dollars~~ in 1945 to surpluses in 1947 and 1948.

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Talk of a truce in Korea, or even an actual truce, will not have an early important influence on the rate of military spending.

13 Control of our expenses is vital to our success, but that is only part of the task. Equally important in balancing the budget is the amount of income we have to spend. That involves taxes, and that is more a matter of my own immediate concern. Also, that is where the American people must do their part. Taxes should not be reduced until expenses are under control. Both should come down together, but only as a balance is obtainable. There is no easy way to correct our fiscal excesses of past years. We must stand and take it all along the line. However, that does not mean that no relief from present taxation, which is far too high, 14 can be anticipated. Just the opposite is true. Taxes must come down. It's simply a matter of timing geared to reduction of expense. Both are too high and both must be reduced. In addition there must be a radical revision of our tax system to better provide the incentives for the creation of more jobs for more people and for the making of more better and cheaper goods for all the people. Taxes are all included in the cost of living, no matter what form they take, but they are more destructive of initiative in some forms than others. Taxes today contribute greatly to high costs and the high prices of everything we buy. The present tax system 15 threatens to stifle initiative, expansion and ultimately jobs. A better balanced system is required.

We are confronted, not with a problem, but with a dilemma, which simply means two problems at the same time. We must seek and find that delicate balance which will give us the necessary military preparedness for defense against outside attack while always continuing to maintain our economic strength at home. Those are dual problems and must be simultaneously solved.

10 The first st~~o~~ep in solving them is to achieve a sound currency. History demonstrates that whenever currency deterioration has started it tends to continue at an ever increasing rate, the faster the further it goes. Unless courageous, determined, corrective action is taken in time it finally speeds entirely out of control and finishes in utter collapse. The first half of the depreciation of our dollar has already occurred. The programs and conditions which this Administration inherited would have accelerated that pace. Stopping that spiral is imperative.

11 One essential to accomplish this goal is to bring our federal expenditures under control and at the earliest possible time balance them with our income. This cannot be done in a minute with such large future Dodge: expenditures [~~obligations~~] already contracted for, [~~and more planned~~.] But it is not too late, if we are tough enough, to make real and early progress in that direction and start at once. Fear and indecision never make for efficiency. Haste makes waste. More defense for less money is perfectly practical and a possible accomplishment. Neither can this be done in a minute, but it is in the cards and on the way. Deliberate, not timid, carefully planned objectives,

12 with price tags attached and efficiently pursued both for ourselves and our allies will provide a posture of defense against outside aggression that can and will be maintained over whatever period may be required. This will protect us

Dodge: In addition to deficits of about $4 billion in 1952, $6 billion in 1953 and $10 billion in 1954, the program in effect and ~~planned~~ proposed [illegible]

excess of $78 billion ~~dollars~~, which involves a $10 billion ~~dollar~~ deficit over the anticipated revenues. We found that the proposed future programs contemplated billions of dollars of deficits in each of the next several ~~four or five~~ years. We have a tax structure that is already so high that it is adding tremendously to our cost of living and threatening to destroy the incentive to work and save and invest.

This is our legacy. This is what we face today.

It is far from a pretty picture. But it is by no means an impossible one in view of the great strength of our country and the vigor and resourcefulness of our people. Our inheritance of obligations both immediate and planned is staggering, but not yet beyond our powers of control. It will take rigid self-discipline and determined action. But over a period of time, if we resolutely hold our course to definite objectives, it need give us no fear.

What is it we have been so hurriedly preparing to preserve? Is it just our lives? No. What we are really trying to preserve is our American way of life. That is what we have fought for over the years. That is what we must always preserve and always protect. Confronted with a crisis, ~~we~~ hastened to protect it from outside aggression without regard to cost in a feverish rush to preparedness. But we must not forget that our way of life is threatened, not from one, but from two sources at the same time. It can be lost just as completely by economic deterioration from within as by aggression from without. In fact, economic deterioration will not only destroy our way of life, but it will destroy the very means by which we seek to protect it from aggression. It is the economic strength of America that has supplied the sinews for ourselves and for our allies to fight two great wars.

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Control of our expenses is vital to our success, but that is only part of the task. Equally important in balancing the budget is the amount of income we have to spend. That involves taxes, and that is more a matter of my own immediate concern. Also, that is where the American people must do their part. Taxes should not be reduced until expenses are under control.

For several years past we have been treading a dangerous path, one from which we have now turned. It is not too late to make the turn and avoid the inevitable consequences for which we were directly headed. For twenty years we have been consistently following unhealthy policies that induced inflation, depreciated our currency and threatened to exhaust our credit. Over that period our dollar has shrunk from the hundred cents we started with to approximately fifty cents today. We have artificially manipulated our interest rates and have actually printed billions of dollars of current indebtedness which is only narrowly removed from printing money. As a result of vacillating foreign policies we found ourselves at war in Korea and in the midst of a feverishly improvised program of vast military spending. We found that a so-called police action had turned into a real war.

We now find ourselves with over $267 billion in total indebtedness. Of this amount $32 billion matures every ninety days, and there are over $175 billion of total maturities in less than five years. We have inherited outstanding obligations, and [illegible] obligations to spend government funds; of $81 billion which will have to be paid ~~for~~ from revenues in 1954 and future years. We were handed a proposed budget for next year's expenditures in excess of $78 billion, which involves a $10 billion deficit over the anticipated revenues. ~~We found that the proposed future programs~~ In addition to deficits of about $4 billion in 1952, $6 billion in 1953 and $10 billion in 1954, we found that the programs in effect and proposed contemplated billions of dollars of deficits in each of the next ~~four or five~~ several years. We have a tax structure that is already so high that it is adding tremendously to our cost of living and threatening to destroy the incentive to work and save and invest.

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our way of life through another long, deep depression and we must never permit it to occur.

The resources and the resourcefulness of our country are such that the dismal days of depression need not occur unless we ourselves, we American citizens, fail to have the strength and fortitude to avoid the excesses of speculative boom and deal with readjustments when they are necessary.

For several years past we have been treading a dangerous path, one from which we have now turned. It is not too late to make the turn and avoid the inevitable consequences for which we were directly headed. For twenty years we have been consistently following unhealthy policies ~~(designed to)~~ that induced inflation, depreciated our currency and threatened to exhaust our credit. Over that period our dollar has shrunk from the hundred cents we started with to approximately fifty cents today. We have artificially manipulated our interest rates and have actually printed billions of dollars of current indebtedness which is only narrowly removed from printing money. As a result of vacillating foreign policies we found ourselves at war in Korea and in the midst of a feverishly improvised program of vast military spending. We found that a so-called police action had turned into a real war.

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For Release 1 p.m.
Monday April 20, 1953

H-98

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Address by Secretary of the Treasury, George M. Humphrey at the Annual Luncheon of the Members of the Associated Press, Ballroom, Waldorf Hotel, New York City, at 1:00 p.m. Monday, April 20, 1953

There is no reason to fear peace.

We are not headed for depression.

Some people in this country are talking as though they were afraid of peace. Peace is what we are working and striving to attain. To achieve peace we are helping our friends and strengthening our own defenses, on the theory that an ounce of prevention is worth a pound of cure. In peace America grew great. It was in peace that we grew strong and rich and accumulated the homes, plants, farms, mines and transportation, that saw us through two wars. It was wars that brought us debt and taxes and inflation.

2 Why then should any one fear peace? The reason as I understand it is that some people fear for the strength of our own economic position if Government spending for defense is reduced. They fear a free economy devoted to the pursuits of peace. Such thinking is entirely unjustified. We are not going to have a depression in America whether we have an armistice, a real peace, or continue to develop a proper and balanced posture of defense. There is no reason for a depression unless we fail ourselves to do the things we ought to do and lack the courage and foresight to do them.

3 There will be readjustments, of course. There are always readjustments taking place in any active economy, sometimes to the advantage or detriment of one group and sometimes to another. But depression, No. We cannot preserve

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Washington

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There will be readjustments, of course. There are always readjustments taking place in any active economy, sometimes to the advantage or detriment of one group and sometimes to another. But depression, No. We cannot preserve our way of life through another long, deep depression and we must never permit it to occur.

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The reduction of taxes, moreover, is one of the best guarantees we have against the fear of depression, in the event that peace makes possible curtailment of Government defense spending. It is essential that, as Government expenses are brought under control, as waste is eliminated, and as Government spending is gradually reduced, that taxes must also be reduced as rapidly as Government spending declines. If we return to the citizens as rapidly as possible the savings we make in Government expenses the people will have the money to spend for themselves in their own way what the Government has been spending -- or wasting -- for them. The people can spend their own money for their own account and in their own way for what they want much better than the Government can spend it for them. The scale of living for all the people will increase, the demand for production will continue, jobs will be plentiful, and everyone will be better off.

Plans for increased expenditures of funds for civilian needs are already under way in many quarters and many more will follow if it appears that the opportunity for effectively doing so is approaching. The planning divisions of several Governmental Departments are preparing for studies. The Commerce Department has already issued one fine report "Markets After the Defense Expansion" and is engaged in further study. Many associations of business, farmers and labor organizations should and will be giving active thought to alternate plans that will best serve the interests, not only of their own members, but of all the people.

After the last war we decreased the rate of total Government expenditures in just two years from $98.7 billion in 1945 to $39.3 billion in 1947.

Our deficit was decreased in the same period from a deficit of $51 billion in 1945 to surpluses in 1947 and 1948.

Defense spending itself was reduced from $90.5 billion in 1945 to $16.8 billion plus about $5 billion of foreign aid in the same two years. We have no such tremendous reductions to contemplate or gaps to fill now. Our plant is already geared to increased civilian production.

Full production in many lines where plant capacity has been recently so greatly increased will require real sales effort and bring highly competitive times in several lines.

But do we fear competition? That is what America stands for. Competition is the life of trade. It is what has made our American system. More and better goods at less cost for more people is our national slogan. Our greatest pride is our imagination, resourcefulness and ingenuity in production, sales and distribution. Let's all prepare to give them a chance under whatever the conditions may be and see if again they will not produce the brightest day we have yet seen in America.

An equally important fundamental to preserve the soundness of our money and flourishing trade is the management of our huge debt. The way in which it is handled can also have an important bearing upon economic conditions and the creation of good or bad times. A stable currency is essential to an expanding level of employment and prosperity. If the debt is so managed as to increase unduly the available money supply, foster the over-extension of credit and depreciate the value of the dollar it can contribute greatly toward pushing us right back into the inflationary spiral of recent times. If, on the other hand, the debt is so managed that it drains the savings of the people too rapidly and in too large amounts so as to unduly restrict credit, depress prices and deprive industry of the funds required for full operation and expansion, then it can contribute to depression. Here again balance and timing are of first concern, and wise and careful handling of refinancing our enormous debt structure is of the greatest importance.

This administration believes in the American way of life and in a free market economy. It believes that a most powerful influence over the years has been the accumulated effect of the industry and efforts of so many of our people to advance their own interests independently and in their own ways. This way of life has withstood wars and political manipulations and experiments of all kinds. It will overcome all of our burdens of today. It is because of the accumulative desires and the ambitions of the vast number of our citizens to so live their lives, that by their own endeavors they continually advance their own positions that we are what we are today. We are in good hands as long as the great American consumer is free from artificial restraint and can freely decide what he will buy, when he will buy and what prices he is willing to pay. That means that the productive and inventive power and the ingenuity of all America is in competition for that consumer's dollar and must devote itself to the creation of more and better things at less cost in vying for his favor.

However, freedom for an individual or for a nation must be jealously guarded and carries with it corresponding obligations. The Golden Rule still is fundamental in human relations. Freedom for the citizen involves equal responsibility of the citizen, each for himself to see that he wholly fulfills it. He must use this freedom for his own advancement only to the extent that it does not trample upon the rights of his neighbor and enhances the common good. It is the responsibility of every citizen of this country, of business men, farmers, labor and all of you here today in accepting your freedom to accept the responsibility that goes with it. If the American people really want stability they must all contribute to it, in the prices they charge, in the wages they demand and in everything that they do. They must exercise self-restraint from making quick turns to the detriment of others and promote in every way possible the long-term thinking and planning that is for the ultimate good of all the people.

As President Eisenhower said in his great speech in Washington last Thursday noon:

> "The peace we seek, founded upon decent trust and cooperative effort among nations, can be fortified -- not by weapons of war -- but by wheat and by cotton; by milk and by wool; by meat and by timber and by rice.
>
> "These are words that translate into every language on earth.
>
> "These are needs that challenge this world in arms.****
>
> "This Government is ready to ask its people to join with all nations in devoting a substantial percentage of the savings achieved by disarmament to a fund for world aid and reconstruction. The purposes of this great work would be: to help other peoples to develop the undeveloped

areas of the world, to stimulate profitable and fair world trade, to assist all peoples to know the blessings of productive freedom.

"The monuments to this new kind of war would be these: roads and schools, hospitals and homes, food and health.

"We are ready, in short, to dedicate our strength to serving the needs, rather than the fears, of the world."

Peace is what we all want. It is nothing to fear, nor is there any reason for depression. Adjustments, yes. But not depression. So long as we maintain the soundness of our money; attain that nice balance between achieving security from aggression and maintaining economic strength; eliminate waste and handle our fiscal affairs with wisdom, America can look forward to good jobs at good pay and real advances in our scale of living. We can have a stronger economy based on sounder fundamental conditions than we have known in many years.

I thank you very much for this opportunity of appearing before you today. I appreciate it very much indeed.

oOo

~~Monday am~~

~~Release Afternoon Newspapers~~

Monday, April 20, 1953

FOR ~~IMMEDIATE~~ RELEASE PM NEWSPAPERS
Monday ~~Friday~~, April 20 ~~17~~, 1953

H-99

The Secretary of the Treasury, George M. Humphrey, today appointed Raymond Davis of Seattle, Washington, as an Assistant to the Secretary.

Mr. Davis, Assistant to the President and Vice-President of the General Insurance Company of America 1944-52 will assist ~~have responsibility for the Treasury's Savings Bonds Program, which is under the general direction of~~ W. Randolph Burgess, Deputy to the Secretary and Assistant Secretary Andrew N. Overby, in the supervision

Mr. Davis was born in Midvale, Utah, October 7, 1890.

He was Comptroller of the University of Washington at Seattle from 1936 to 1944. He is a veteran of World War I. He attended the University of Washington before going in the Municipal Bond buying business. He was Vice-President of People's Corporation and bank manager of People's National Bank branches at North Seattle and Renton from 1930-1936.

Mr. Davis ~~is~~ was a member of the Seattle Rotary Club and Rainier Club of Seattle, as well as Trustee of Municipal League at Seattle.

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TREASURY DEPARTMENT

Information Service WASHINGTON, D.C.

RELEASE AFTERNOON NEWSPAPERS
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H-99

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RELEASE MORNING NEWSPAPERS,
Tuesday, April 21, 1953.

H-100

The Secretary of the Treasury announced last evening that the tenders for $1,500,000,000, or thereabouts, of 91-day Treasury bills to be dated April 23 and to mature July 23, 1953, which were offered on April 16, were opened at the Federal Reserve Banks on April 20.

The details of this issue are as follows:

Total applied for - $2,202,275,000
Total accepted - 1,500,526,000 (includes $262,013,000 entered on a non-competitive basis and accepted in full at the average price shown below)

Average price - 99.414 Equivalent rate of discount approx. 2.320% per annum

Range of accepted competitive bids:

High - 99.494 Equivalent rate of discount approx. 2.002% per annum
Low - 99.410 " " " " " 2.334% " "

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

Federal Reserve District		Total Applied for	Total Accepted
Boston		$ 18,779,000	$ 15,779,000
New York		1,494,888,000	916,380,000
Philadelphia		56,013,000	40,733,000
Cleveland		59,144,000	54,144,000
Richmond		21,970,000	20,970,000
Atlanta		29,107,000	28,357,000
Chicago		238,060,000	179,914,000
St. Louis		65,123,000	47,235,000
Minneapolis		12,166,000	12,029,000
Kansas City		60,971,000	53,491,000
Dallas		42,895,000	40,615,000
San Francisco		103,159,000	90,879,000
	TOTAL	$2,202,275,000	$1,500,526,000

RSB

TREASURY DEPARTMENT

Information Service WASHINGTON, D.C.

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Dallas	42,895,000	40,615,000
San Francisco	103,159,000	90,879,000
TOTAL	$2,202,275,000	$1,500,526,000

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H-10

IMMEDIATE RELEASE

WEDNESDAY - April 22, 1953

The Treasury today announced a 20% allotment on subscriptions for the cash offering of 3-1/4 percent Treasury Bonds of 1978-83. Reports received from the Federal Reserve Banks show that total subscriptions accepted aggregate about $5-1/4 billion.

Subscriptions in amounts up to and including $5,000 were allotted in full. The Treasury explained that it was possible to allot these subscriptions in full without reducing the allotments on other subscriptions. All other subscriptions were allotted 20%, subject to adjustment, where necessary, to the next higher $500, but not less than $5,000 on any one subscription. In addition $117,779,000 was allotted to Government investment accounts.

Details by Federal Reserve Districts as to subscriptions and allotments will be announced when final reports are received from the Federal Reserve Banks.

TREASURY DEPARTMENT

Information Service WASHINGTON, D.C.

IMMEDIATE RELEASE,
Wednesday, April 22, 1953. H-101

The Treasury today announced a 20% allotment on subscriptions for the cash offering of 3-1/4 percent Treasury Bonds of 1978-83. Reports received from the Federal Reserve Banks show that total subscriptions accepted aggregate about $5-1/4 billion.

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Details by Federal Reserve Districts as to subscriptions and allotments will be announced when final reports are received from the Federal Reserve Banks.

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~~ALPHA~~

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.

~~ALPHA~~

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 30, 1953 (8), in cash or other immediately available funds or in a like face amount of Treasury bills maturing April 30, 1953 (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

~~Exhibit 1~~

ALPHA

TREASURY DEPARTMENT
Washington

H-102

FOR RELEASE, MORNING NEWSPAPERS,
Thursday, April 23, 1953.

The Secretary of the Treasury, by this public notice, invites tenders for $ 1,500,000,000, or thereabouts, of 91-day Treasury bills, for cash and in exchange for Treasury bills maturing April 30, 1953, in the amount of $ 1,500,439,000, 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 30, 1953, and will mature July 30, 1953, 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~~ Daylight Saving time, Monday, April 27, 1953. 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

TREASURY DEPARTMENT

Information Service WASHINGTON, D.C.

RELEASE MORNING NEWSPAPERS,
Thursday, April 23, 1953. H-102

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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 April 30, 1953, in cash or other immediately available funds or in a like face amount of Treasury bills maturing April 30, 1953. 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 is in business to help the taxpayer. And in the process of collecting the revenue fairly and honestly, it is as much to the credit of a revenue agent to discover that a taxpayer has made an overpayment as it is to discover a deficiency and collect an additional tax. The Bureau's "let's meet 'em with a smile" philosophy is not just a slogan -- it is one that we are really trying to get into operation.

All in all, the Treasury Department is trying to do its part to help solve the difficult problems which the new Administration faces. We are determined, while protecting the country from outside aggression, to make sure that our internal conditions are such that our American way of life will not only continue but grow even better for all as the years go by.

We hope you will take back with you the knowledge that anything you can do to continue support of the savings bond program is support for the best interests of all America.

BUREAUS AND AGENCIES

In addition to the major problem areas that I have mentioned, the Treasury also includes varied but vital agencies such as the Bureau of Customs, the Bureau of Engraving and Printing, the Bureau of the Mint, the Bureau of Narcotics, the Secret Service, the Coast Guard, and the Internal Revenue Bureau.

While I named the Bureau of Internal Revenue last, it is far from the least of the Treasury's responsibilities. It is also one with which nearly all Americans have definite contact at least once a year when they pay their taxes. The reputation of the Bureau in recent years has not been the best because of improper conduct on the part of a few of its employees. However, under the leadership of the new Commissioner of Internal Revenue, Mr. T. Coleman Andrews, we feel that the Bureau is making good progress. His administration has been able and vigorous. Secretary Humphrey and Mr. Andrews have both publicly taken the position that the

SAVINGS BONDS

Before I leave the debt-management problem, I should like to mention something with which you are all familiar. That is the savings bond program, which is a vital part of this debt-management problem.

The outstanding bonds of all series on March 31 of this year totaled $58.4 billion. All but $9 billion of these are in the hands of private individuals, where they work against increasing credit which may promote inflation. Thus you can see why the savings bond program is such an important part of our attempts to maintain a stable currency.

The women of America have been very important in our savings bond program which helps promote thrift amongst American citizens while it helps combat the evil of inflation for the whole nation.

The savings bond program is going very well at the moment. In the first three months of this year, sales were well ahead of the first quarter of 1952 and exceeded redemptions for the first time in two years. We also feel that current interest rates on the bonds are adequate, and no changes are planned in the foreseeable future.

benefit these same millions of Americans who have been hurt most by inflation and also by an inadequate return on savings because of artificially low interest rates.

A New York Times editorial on April 10 commented very wisely on the thinking back of the new bond issue. It pointed out that our philosophy in debt management is a repudiation of that of the previous Administration, which had the single objective of government borrowing at the lowest possible cost. The editorial noted that this "saving" was an optical illusion since the forces set in motion were thoroughly inflationary and costly to every citizen.

Anticipating the criticism which has occurred, the Times editorial concluded: "Disciples of the 'easy-money' policy of recent years may be expected to be critical of a policy which means higher interest costs to the government. This, however, is a small price to pay for getting the government debt into the hands of savers and permanent investors and enabling the Federal Reserve to return to its full-time job of policing the inflation front."

This matter of debt management sounds complicated --
and it is -- but it is terribly important to all Americans
in the fight for a stable currency and against inflation.

In our handling of this debt, we are trying to do
two things. First, we are trying to move more of our debt
into longer-term securities; and, secondly, we are trying
to move it away from banks, where it increases the money
supply and thereby the amount of credit, and into the hands
of private investors, where it is non-inflationary.

A major step was taken on April 13, when the Treasury
accepted bids for a new issue of 30-year 3 1/4 percent bonds.

There has been some superficial criticism of the
higher interest rate which the new bonds will pay. This
criticism is unfounded. If our efforts to move the debt
into longer-term securities and into the hands of permanent
investors is successful, we are doing a great deal to control
the inflation which results from easy money and credit. If
we can help check this inflation, we will have saved the
American people many times over the amount which the government
will have to pay in the increased interest rate on the bonds.

It is also true that to the extent that the interest
on these bonds goes to insurance companies, savings banks,
pension funds, and other forms of people's savings, it will

A great many questions are being studied by this group. One of the issues we will take up, for instance, is the proper balance for the tax system as a whole. This involves a determination of the relative amounts of taxes to be derived from the principal sources -- individual income taxes, corporation income taxes, and the excise taxes. We will also strive to remove inequities in these taxes.

We are working closely with ~~C~~ongressional people in these tax studies. Whatever suggestions the Administration makes to the Congress will be the result of careful study. We will make these recommendations with the full knowledge that Congress has the final full decision as to what to do with them. We hope that the long range tax study will be fruitful of important results by 1954, particularly in the way of simplification and removal of inequities. Since almost any tax revision seems to mean loss of revenue, many steps will have to wait until we can safely bring about a sharp reduction in expenditures.

DEBT MANAGEMENT

Another major concern of the Treasury is the proper management of our huge national debt, which now amounts to some $264 billion.

taxes which are due to expire or be reduced. This is the immediate tax situation.

The second part of our study is what we call our long-range review. Our present tax system has come into being as a patchwork thing, and is a serious handicap to the economy. We have just added one tax on top of another without much rhyme or reason. We have three objectives in view: (1) to simplify the system as much as we can; (2) to remove the inequities; and (3) to develop a system which will impose the least obstacles to the economic growth of the country.

This is no small undertaking, and we have called together some excellent people to work on it. Harvard University let us have on leave of absence Dan Throop Smith, professor of finance in Harvard Business School, and he is heading up our Analysis Staff. Kenneth Gemmill, a tax lawyer, has come down to help us with legal problems. We have brought in some accountants and tax administrators. So when any problem comes up or any proposal is submitted, we have the viewpoint of the economist, the lawyer, the accountant, and the administrator to help pass upon it.

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annual loss of $2 billion. The cut on personal income tax, scheduled for December 31, 1953, will result in an annual loss of $3 billion a year. The scheduled reduction in corporation income tax, on March 31, 1954, will result in an annual loss of $2 billion; and the expiration of certain excise taxes due to expire at the same time will result in a loss of $1 billion. These four changes would make an annual drop in tax revenue of more than $8 billion -- $7 billion ~~$ billion~~ during the next fiscal year.

When you consider that $8 billion figure in connection with our present budget situation, you can see what a job it is going to be to let all those taxes expire on schedule.

As Secretary Humphrey said in New York, "Taxes must come down. It is simply a matter of timing geared to reduction of expense. Both are too high and both must be reduced."

All government departments have been carefully reviewing their budgets to determine what they will need to spend in the next fiscal year to provide adequate defense and to carry on the essential functions of the government. The Budget Bureau expects to have final figures sometime in May. We in the Treasury can then make definite recommendations on what we think should be done in regard to the specific index of consumer prices has shown little change during the past six months. But this is something which we must continue to watch. For it is an obvious fact that a stable dollar or a sound currency is very, very important to all Americans. People have been worried and hurt by inflation as they find that their dollar buys constantly less. Inflation has brought cruel hardships upon millions of Americans of fixed income.

TAXATION

Our immediate task in this fight to achieve a stable dollar is to eliminate the deficit in the budget. Here are the facts. The deficit for the current fiscal year ending June 30, 1953, will be somewhat higher than the $5.9 billion estimated by President Truman. The budget for the year ending June 30, 1954, submitted by the former Administration called for a deficit of $9.9 billion or a deficit of $6.6 billion in the so-called cash budget. (The difference being the amounts collected for trust funds.) This is only part of the story. A number of taxes are scheduled to expire or be reduced during the next twelve months.

The excess profits tax, which I think everyone agrees is a bad tax, is due to expire on June 30, for an

426 Press in New York last ~~Thursday~~ Monday, said that once we have government spending under control, we can then bring taxes down. This reduction in taxes, Secretary Humphrey pointed out, is one of the best guarantees against the fear of depression in the event peace makes possible curtailment of government defense spending. Then as government spending is reduced, taxes must be reduced and the American people can spend this money for their own account and in their own way -- much better than the government can spend it for them.

I should like to talk particularly to you ladies this afternoon about two phases of our work at the Treasury. First, taxation -- or how we get the money to pay for all these government expenditures now running at the rate of rose to $75 billion a year. Second, debt management -- or how do we handle this huge government debt of $264 billion. These are subjects which you as women are intimately acquainted with in your own homes and lives. Daily you have to match up your purchases with what you have to spend. As home owners you are also familiar with borrowing on mortgages and other forms of credit, and in paying them off.

It appears that inflationary tendencies in our economy may have been checked. The removal of controls has produced no substantial increase in prices. The and choose for himself what he will buy at prices he is willing to pay;

7. That producers are free to strive to produce more, better and cheaper goods to compete for the consumer's favor in buying their particular products in competition with everything else;

8. That we protect the savings of the old, their insurance and their pensions;

9. And above all, that we preserve for the young the great symbol of America, the opportunity to advance and improve themselves to the limit of their own abilities and their own hard work and endeavors.

These are the objectives of the daily actions, as well as long-range planning, of the Treasury team.

As President Eisenhower has said, a balanced budget in sight is an essential first step in checking further depreciation in the buying power of the dollar. The President also has pointed out that tax reduction will be justified only as we show that we can succeed in bringing the budget under control. As the budget is balanced and inflation checked, the tax burden of today that stifles initiative can then be eased.

Secretary Humphrey, in a speech to the Associated

428 Remarks by Under Secretary of the Treasury Marion B. Folsom before the Women's Conference of the Republican National Committee, Presidential Room, Hotel Statler, Washington, D. C., 3:00 p.m., Thursday, April 23, 1953.

I will try to tell something this afternoon about the actions we are taking or planning at the Treasury Department under its new leadership in the new Administration.

In general our purpose at the Treasury is to help provide the proper economic climate for our nation. In testimony before the Senate Appropriations Committee on April 7, Treasury Secretary Humphrey said that this program involved nine things:

1. That we will have a sound and stable dollar, not one of declining value;

2. That we do not spend more than we earn;

3. That we pay a little down on our debts from time to time instead of rapidly borrowing more;

4. That we keep our credit good by properly managing the debts we already have;

5. That slowly but surely and definitely we reduce the too heavy burden of taxes which, buried in the cost of everything that we buy, are stifling initiative and increasing the cost of living;

6. That we maintain free markets in which the great American consumer can buy what he needs when he wants it

H-103

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6. That we maintain free markets in which the great American consumer can buy what he needs when he wants it and choose for himself what he will buy at prices he is willing to pay;

7. That producers are free to strive to produce more, better and cheaper goods to compete for the consumer's favor in buying their particular products in competition with everything else;

8. That we protect the savings of the old, their insurance and their pensions;

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Secretary Humphrey, in a speech to the Associated Press in New York last ~~Thur~~Monsday, said that once we have government spending under control, we can then bring taxes down. This reduction in taxes, Secretary Humphrey pointed out, is one of the best guarantees against the fear of depression in the event peace makes possible curtailment of government defense spending. Then as government spending is reduced, taxes must be reduced and the American people can spend this money for their own account and in their own way -- much better than the government can spend it for them.

I should like to talk particularly to you ladies this afternoon about two phases of our work at the Treasury. First, taxation -- or how we get the money to pay for all these government expenditures now running at the rate of close to $75 billion a year. Second, debt management -- or how do we handle this huge government debt of $264 billion. These are subjects which you as women are intimately acquainted with in your own homes and lives. Daily you have to match up your purchases with what you have to spend. As home owners you are also familiar with borrowing on mortgages and other forms of credit, and in paying them off.

It appears that inflationary tendencies in our economy may have been checked. The removal of controls has produced no substantial increase in prices. The index of consumer prices has shown little change during the past six months. But this is something which we must continue to watch. For it is an obvious fact that a stable dollar or a sound currency is very, very important to all Americans. People have been worried and hurt by inflation as they find that their dollar buys constantly less. Inflation has brought cruel hardships upon millions of Americans of fixed income.

TAXATION

Our immediate task in this fight to achieve a stable dollar is to eliminate the deficit in the budget. Here are the facts. The deficit for the current fiscal year ending June 30, 1953, will be somewhat higher than the $5.9 billion estimated by President

Truman. The budget for the year ending June 30, 1954, submitted by the former Administration called for a deficit of $9.9 billion or a deficit of $6.6 billion in the so-called cash budget. (The difference being the amounts collected for trust funds.) This is only part of the story. A number of taxes are scheduled to expire or be reduced during the next twelve months.

The excess profits tax, which I think everyone agrees is a bad tax, is due to expire on June 30, for an annual loss of $2 billion. The cut on personal income tax, scheduled for December 31, 1953, will result in an annual loss of $3 billion a year. The scheduled reduction in corporation income tax, on March 31, 1954, will result in an annual loss of $2 billion; and the expiration of certain excise taxes due to expire at the same time will result in a loss of $1 billion. These four changes would make an annual drop in tax revenue of more than $8 billion -- $2 billion during the next fiscal year.

When you consider that $8 billion figure in connection with our present budget situation, you can see what a job it is going to be to let all those taxes expire on schedule.

As Secretary Humphrey said in New York, "Taxes must come down. It is simply a matter of timing geared to reduction of expense. Both are too high and both must be reduced."

All government departments have been carefully reviewing their budgets to determine what they will need to spend in the next fiscal year to provide adequate defense and to carry on the essential functions of the government. The Budget Bureau expects to have final figures sometime in May. We in the Treasury can then make definite recommendations on what we think should be done in regard to the specific taxes which are due to expire or be reduced. This is the immediate tax situation.

The second part of our study is what we call our long-range review. Our present tax system has come into being as a patchwork thing, and is a serious handicap to the economy. We have just added one tax on top of another without much rhyme or reason. We have three objectives in view: (1) to simplify the system as much as we can; (2) to remove the inequities; and (3) to develop a system which will impose the least obstacles to the economic growth of the country.

This is no small undertaking, and we have called together some excellent people to work on it. Harvard University let us have on leave of absence Dan Throop Smith, professor of finance in Harvard Business School, and he is heading up our Analysis Staff. Kenneth Gemmill, a tax lawyer, has come down to help us with legal problems. We have brought in some accountants and tax administrators. So when any problem comes up or any proposal is submitted, we have the viewpoint of the economist, the lawyer, the accountant, and the administrator to help pass upon it.

A great many questions are being studied by this group. One of the issues we will take up, for instance, is the proper balance for the tax system as a whole. This involves a determination of the relative amounts of taxes to be derived from the principal sources -- individual income taxes, corporation income taxes, and the excise taxes. We will also strive to remove inequities in these taxes.

We are working closely with congressional people in these tax studies. Whatever suggestions the Administration makes to the Congress will be the result of careful study. We will make these recommendations with the full knowledge that Congress has the final full decision as to what to do with them. We hope that the long range tax study will be fruitful of important results by 1954, particularly in the way of simplification and removal of inequities. Since almost any tax revision seems to mean loss of revenue, many steps will have to wait until we can safely bring about a sharp reduction in expenditures.

DEBT MANAGEMENT

Another major concern of the Treasury is the proper management of our huge national debt, which now amounts to some $264 billion.

This matter of debt management sounds complicated -- and it is -- but it is terribly important to all Americans in the fight for a stable currency and against inflation.

In our handling of this debt, we are trying to do two things. First, we are trying to move more of our debt into longer-term securities; and, secondly, we are trying to move it away from banks, where it increases the money supply and thereby the amount of credit, and into the hands of private investors, where it is non-inflationary.

A major step was taken on April 13, when the Treasury accepted bids for a new issue of 30-year 3 1/4 percent bonds.

There has been some superficial criticism of the higher interest rate which the new bonds will pay. This criticism is unfounded. If our efforts to move the debt into longer-term securities and into the hands of permanent investors is successful, we are doing a great deal to control the inflation which results from easy money and credit. If we can help check this inflation, we will have saved the American people many times over the amount which the government will have to pay in the increased interest rate on the bonds.

It is also true that to the extent that the interest on these bonds goes to insurance companies, savings banks, pension funds, and other forms of people's savings, it will benefit these same millions of Americans who have been hurt most by inflation and also by an inadequate return on savings because of artificially low interest rates.

A New York Times editorial on April 10 commented very wisely on the thinking of the new bond issue. It pointed out that our philosophy in debt management is a repudiation of that of the previous Administration, which had the single objective of government borrowing at the lowest possible cost. The editorial noted that this "saving" was an optical illusion since the forces set in motion were thoroughly inflationary and costly to every citizen.

Anticipating the criticism which has occurred, the Times editorial concluded: "Disciples of the 'easy-money' policy of recent years may be expected to be critical of a policy which means higher interest costs to the government. This, however, is a small price to pay for getting the government debt into the hands of savers and permanent investors and enabling the Federal Reserve to return to its full-time job of policing the inflation front."

SAVINGS BONDS

Before I leave the debt-management problem, I should like to mention something with which you are all familiar. That is the savings bond program, which is a vital part of this debt-management problem.

The outstanding bonds of all series on March 31 of this year totaled $58.4 billion. All but $9 billion of these are in the hands of private individuals, where they work against increasing credit which may promote inflation. Thus you can see why the savings bond program is such an important part of our attempts to maintain a stable currency.

The women of America have been very important in our savings bond program which helps promote thrift amongst American citizens while it helps combat the evil of inflation for the whole nation.

The savings bond program is going very well at the moment. In the first three months of this year, sales were well ahead of the first quarter of 1952 and exceeded redemptions for the first time in two years. We also feel that current interest rates on the bonds are adequate, and no changes are planned in the foreseeable future.

We hope you will take back with you the knowledge that anything you can do to continue support of the savings bond program is support for the best interests of all America.

BUREAUS AND AGENCIES

In addition to the major problem areas that I have mentioned, the Treasury also includes varied but vital agencies such as the Bureau of Customs, the Bureau of Engraving and Printing, the Bureau of the Mint, the Bureau of Narcotics, the Secret Service, the Coast Guard, and the Internal Revenue Bureau.

While I named the Bureau of Internal Revenue last, it is far from the least of the Treasury's responsibilities. It is also one with which nearly all Americans have definite contact at least once a year when they pay their taxes. The reputation of the Bureau in recent years has not been the best because of improper conduct on the part of a few of its employees. However, under the leadership of the new Commissioner of Internal Revenue, Mr. T. Coleman Andrews, we feel that the Bureau is making good progress. His administration has been able and vigorous. Secretary Humphrey and Mr. Andrews have both publicly taken the position that the Bureau of Internal Revenue is in business to help the taxpayer. And in the process of collecting the revenue fairly and honestly, it is as much to the credit of a revenue agent to discover that a taxpayer has made an over-payment as it is to discover a deficiency and collect an additional tax. The Bureau's "let's meet 'em with a smile" philosophy is not just a slogan -- it is one that we are really trying to get into operation.

All in all, the Treasury Department is trying to do its part to help solve the difficult problems which the new Administration faces. We are determined, while protecting the country from outside aggression, to make sure that our internal conditions are such that our American way of life will not only continue but grow even better for all as the years go by.

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EARNINGS, EXPENSES, AND DIVIDENDS OF NATIONAL BANKS FOR YEARS ENDED DECEMBER 31, 1952 and 1951 - Continued

(Amounts in thousands of dollars)

	1952	1951	Change since 1951
Recoveries, transfers from valuation reserves and profits:			
On securities:			
Recoveries......................$	6,884	$ 5,614	+1,270
Transfers from valuation reserves....	14,844	7,058	+7,786
Profits on securities sold or redeemed	20,165	39,723	-19,558
On loans:			
Recoveries..........................	11,654	12,125	-471
Transfers from valuation reserves.....	14,949	12,129	+2,820
All other...........................	12,604	18,994	-6,390
TOTAL RECOVERIES, TRANSFERS FROM VALUATION RESERVES AND PROFITS......	81,100	95,643	-14,543
Losses, charge-offs, and transfers to valuation reserves:			
On securities:			
Losses and charge-offs................	61,233	51,191	+10,042
Transfers to valuation reserves.......	16,739	17,162	-423
On loans:			
Losses and charge-offs................	11,349	9,606	+1,743
Transfers to valuation reserves.......	83,978	125,596	-41,618
All other...........................	29,982	27,452	+2,530
TOTAL LOSSES, CHARGE-OFFS, AND TRANSFERS TO VALUATION RESERVES..........	203,281	231,007	-27,726
PROFITS BEFORE INCOME TAXES..................	966,572	839,591	+126,981
Taxes on net income:			
Federal.............................	387,963	317,430	+70,533
State...............................	17,128	15,466	+1,662
TOTAL TAXES ON NET INCOME...........	405,091	332,896	+72,195
NET PROFITS BEFORE DIVIDENDS..................	561,481	506,695	+54,786
Cash dividends declared:			
On preferred stock.....................	400	615	-215
On common stock.......................	258,663	247,230	+11,433
TOTAL CASH DIVIDENDS DECLARED........	259,063	247,845	+11,218
Number of banks 2/...........................	4,916	4,946	-30
Rate of net profits:	Percent	Percent	Percent
To capital funds.........................	8.17	7.79	+.38
Rate of cash dividends:			
To capital funds.........................	3.77	3.81	-.04

1/ Averages of amounts reported for the June and December call dates in year indicated and the December call date in the previous year.

2/ At end of period.

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EARNINGS, EXPENSES, AND DIVIDENDS OF NATIONAL BANKS FOR YEARS ENDED DECEMBER 31, 1952 and 1951
(Amounts in thousands of dollars)

	1952	1951	Change since 1951
Capital stock, par value: 1/			
Preferred	$ 6,862	$ 12,032	-5,170
Common	2,171,026	2,046,018	+125,008
TOTAL CAPITAL STOCK	2,177,888	2,058,050	+119,838
Capital funds 1/	6,875,134	6,506,378	+368,756
Earnings from current operations:			
Interest and dividends:			
On U. S. Government obligations	633,688	568,812	+64,876
On other securities	164,228	148,205	+16,023
Interest and discount on loans	1,536,789	1,340,742	+196,047
Service charges on deposit accounts	136,272	129,180	+7,092
Other service charges, commissions, fees, and collection and exchange charges	77,772	70,459	+7,313
Trust department	80,627	75,130	+5,497
Other current earnings	121,191	121,830	-639
TOTAL EARNINGS FROM CURRENT OPERATIONS	2,750,567	2,454,358	+296,209
Current operating expenses:			
Salaries and wages:			
Officers	271,744	250,318	+21,426
Employees other than officers	535,618	482,447	+53,171
Fees paid to directors and members of executive, discount, and advisory committees	14,545	12,957	+1,588
Interest on time deposits (including savings deposits)	260,995	218,626	+42,369
Taxes other than on net income	78,646	76,958	+1,688
Recurring depreciation on banking house, furniture and fixtures	42,205	37,141	+5,064
Other current operating expenses	458,061	400,956	+57,105
TOTAL CURRENT OPERATING EXPENSES	1,661,814	1,479,403	+182,411
NET EARNINGS FROM CURRENT OPERATIONS	1,088,753	974,955	+113,798

Cash dividends declared on common and preferred stock in 1952 totaled $259,000,000 in comparison with $248,000,000 in the previous year. The rate of cash dividends was 3.77 percent of average capital funds. The cash dividends in 1952 were 46 percent of net profits available for the year. The remaining 54 percent of net profits, or $303,000,000, was retained by the banks in their capital funds.

On December 31, 1952 there were 4,916 national banks in operation, as compared to 4,946 at the end of 1951.

TREASURY DEPARTMENT
Comptroller of the Currency
Washington

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RELEASE MORNING NEWSPAPERS
Friday, April 24, 1953

~~Press Series~~
H-104

National banks in the United States and possessions had net profits before dividends for the year 1952 of $562,000,000 which amounts to 8.17 percent of average capital funds, Comptroller of the Currency Ray M. Gidney announced today. Net profits for the previous year were $507,000,000, or 7.79 percent of average capital funds.

Net earnings from operations for the calendar year 1952 of $1,089,000,000 showed an increase of $114,000,000 over the year 1951. Adding to net earnings from operations profits on securities sold of $20,000,000 and recoveries on loans and investments, etc. (including adjustments in valuation reserves) of $61,000,000 and deducting losses and charge-offs (including current additions to valuation reserves) of $203,000,000 and taxes on net income of $405,000,000, the net profits of the banks before dividends for the year 1952, as noted above, were $55,000,000 more than for the year 1951.

Gross earnings were $2,751,000,000, an increase of $296,000,000 over 1951. Principal items of operating earnings in 1952 were $1,537,000,000 from interest and discount on loans, an increase of $196,000,000 over 1951, and $634,000,000 from interest on United States Government obligations, an increase of $65,000,000. Other principal operating earnings were $164,000,000 from interest and dividends on securities other than United States Government, and $136,000,000 from service charges on deposit accounts. Operating expenses, excluding taxes on net income, were $1,662,000,000 as against $1,479,000,000 in 1951. Principal operating expenses were $822,000,000 for salaries and wages of officers and employees and fees paid to directors, an increase of $76,000,000 over 1951, and $261,000,000 expended for interest on time deposits, an increase of $42,000,000.

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442

H-105

RELEASE MORNING NEWSPAPERS,
Tuesday, April 28, 1953.

The Secretary of the Treasury announced last evening that the tenders for $1,500,000,000, or thereabouts, of 91-day Treasury bills to be dated April 30 and to mature July 30, 1953, which were offered on April 23, were opened at the Federal Reserve Banks on April 27.

The details of this issue are as follows:

Total applied for - $2,184,086,000
Total accepted - 1,500,011,000 (includes $249,489,000 entered on a non-competitive basis and accepted in full at the average price shown below)
Average price - 99.433 Equivalent rate of discount approx. 2.243% per annum

Range of accepted competitive bids:

High - 99.460 Equivalent rate of discount approx. 2.136% per annum
Low - 99.426 " " " " " 2.271% " "

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

Federal Reserve District	Total Applied for	Total Accepted
Boston	$ 29,856,000	$ 28,856,000
New York	1,487,396,000	883,886,000
Philadelphia	31,208,000	16,208,000
Cleveland	49,527,000	49,324,000
Richmond	32,041,000	30,816,000
Atlanta	27,213,000	24,651,000
Chicago	284,038,000	243,738,000
St. Louis	45,581,000	34,981,000
Minneapolis	11,812,000	11,687,000
Kansas City	71,958,000	66,708,000
Dallas	43,181,000	39,881,000
San Francisco	70,275,000	69,275,000
Total	$2,184,086,000	$1,500,011,000

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TREASURY DEPARTMENT

Information Service WASHINGTON, D.C.

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H-105

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Minneapolis	11,812,000	11,687,000
Kansas City	71,958,000	66,708,000
Dallas	43,181,000	39,881,000
San Francisco	70,275,000	69,275,000
TOTAL	$2,184,086,000	$1,500,011,000

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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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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 May 7, 1953 (8), in cash or other immediately available funds or in a like face amount of Treasury bills maturing May 7, 1953 (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

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TREASURY DEPARTMENT
Washington

H-186

FOR RELEASE, MORNING NEWSPAPERS,
Thursday, April 30, 1953 .

The Secretary of the Treasury, by this public notice, invites tenders for $1,500,000,000 , or thereabouts, of 91 -day Treasury bills, for cash and in exchange for Treasury bills maturing May 7, 1953 , in the amount of $1,300,354,000 , to be issued on a discount basis under competitive and non-competitive bidding as hereinafter provided. The bills of this series will be dated May 7, 1953 , and will mature August 6, 1953 , when the face amount will be payable without interest. They will be issued in bearer form only, and in denominations of $1,000, $5,000, $10,000, $100,000, $500,000, and $1,000,000 (maturity value).

Tenders will be received at Federal Reserve Banks and Branches up to the closing hour, two o'clock p.m., Eastern Daylight Saving/~~Standard~~ time, Monday, May 4, 1953 . 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

TREASURY DEPARTMENT

Information Service WASHINGTON, D.C.

RELEASE MORNING NEWSPAPERS,
Thursday, April 30, 1953. H-106

The Secretary of the Treasury, by this public notice, invites tenders for $1,500,000,000, or thereabouts, of 91-day Treasury bills, for cash and in exchange for Treasury bills maturing May 7, 1953, in the amount of $1,300,354,000, to be issued on a discount basis under competitive and non-competitive bidding as hereinafter provided. The bills of this series will be dated May 7, 1953, and will mature August 6, 1953, when the face amount will be payable without interest. They will be issued in bearer form only, and in denominations of $1,000, $5,000, $10,000, $100,000, $500,000, and $1,000,000 (maturity value).

Tenders will be received at Federal Reserve Banks and Branches up to the closing hour, two o'clock p.m., Eastern Daylight Saving time, Monday, May 4, 1953. 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 May 7, 1953, in cash or other immediately available funds or in a like face amount of Treasury bills maturing May 7, 1953. 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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~~ANALYSIS OF ACCEPTED SUBSCRIPTIONS AND~~
ALLOTMENTS ~~FOR 3-1/4% TREASURY BONDS~~
~~OF 1978-83,~~ BY INVESTOR CLASSES were as follows:

INVESTOR CLASS	SUBSCRIPTIONS	ALLOTMENTS
	(In millions of dollars)	
1. Individuals, partnerships, & pers. trust accts. .	$1,193	$ ~~238.6~~ 254.6
2. Savings banks	511	102.2
3. Insurance companies	487	97.4
4. Dealers ~~and~~ brokers, investment houses	791	158.2
Ins ~~5. Federal agencies and Federal trust funds. . . . .~~ federal agencies	~~10~~	~~2.0~~
5 ~~6~~. State and local governments	373	In ~~74.6~~ 76.6
6 ~~7~~. Building and Loan & savings and loan assns. . .	189	37.8
7 ~~8~~. ~~All~~ Other nonbanking corporations, ~~and investors~~ pension trust etc.	1,047	~~209.4~~ 214.4
8 ~~9~~. Commercial banks	643	128.6
~~Adjustments . . . .~~	—	~~21.0~~
Total	$5,244	$1,069.8
Government Investment Accounts	118	118.0
Grand Total	$5,362	$1,187.8

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IMMEDIATE RELEASE,
Wednesday, April 29, 1953.

H-107

Secretary of the Treasury Humphrey today announced the ~~cash subscription and~~ allotment figures with respect to the current offering of 3-1/4 percent Treasury Bonds of 1978-83.

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

Federal Reserve District	Total Subscriptions Received	Total allotments ~~Subscriptions Allotted~~
Boston	$ 326,240,500	$ 66,858,500
New York	2,818,273,500	570,603,000
Philadelphia	160,969,000	33,871,000
Cleveland	232,683,500	48,343,500
Richmond	242,109,500	49,540,500
Atlanta	148,898,500	30,649,000
Chicago	519,981,500	106,800,500
St. Louis	109,962,500	23,566,000
Minneapolis	93,522,000	19,185,000
Kansas City	83,467,500	17,605,000
Dallas	107,236,000	21,758,000
San Francisco	397,502,500	80,575,500
Treasury	3,162,000	705,500
Government Investment Accounts	117,779,000	117,779,000
TOTAL	$5,361,787,500	$1,187,840,000

Table by [illegible]

In announcing the figures on the cash offering, Secretary Humphrey also called attention to the fact that the subscription books will close at the close of business April 30 for the exchange of Series F and G Savings Bonds maturing in the months of May through December, 1953, for the 3-1/4 percent Treasury Bonds of 1978-83.

Exchange subscriptions placed in the mail before midnight Thursday, April 30, will be considered as having been entered before the close of the subscription books.

Announcement of the amount of exchange subscriptions and their division by Federal Reserve Districts will be made later.

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TREASURY DEPARTMENT

Information Service WASHINGTON, D.C.

IMMEDIATE RELEASE,
Wednesday, April 29, 1953.

H-107

Secretary of the Treasury Humphrey today announced the allotment figures with respect to the current offering of 3-1/4 percent Treasury Bonds of 1978-83.

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

Federal Reserve District	Total Allotments
Boston	$ 66,858,500
New York	570,603,000
Philadelphia	33,871,000
Cleveland	48,343,500
Richmond	49,540,500
Atlanta	30,649,000
Chicago	106,800,500
St. Louis	23,566,000
Minneapolis	19,185,000
Kansas City	17,605,000
Dallas	21,758,000
San Francisco	80,575,500
Treasury	705,500
Government Investment Accounts	117,779,000
TOTAL	$1,187,840,000

Allotments by investor classes were as follows:

Investor Class	Allotments (In millions of dollars)
1. Individuals, partnerships, & pers. trust accts.	$ 254.6
2. Savings banks	102.2
3. Insurance companies	97.4
4. Dealers, brokers, investment houses	158.2
5. Federal agencies and Federal trust funds.	2.0
6. State and local governments	74.6
7. Building and Loan & savings and loan assns	37.8
8. Other nonbanking corporations, pension trusts, etc	214.4
9. Commercial banks	128.6
Total	$1,069.8
Government Investment Accounts	118.0
Grand Total	$1,187.8

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Register of January 28, 1953, gave details of the contemplated new procedure, to permit representati~~ves~~ons from trade interests.

The regulations announced today are identified as Treasury Decision 53249, and appear in the Federal Register of Thursday, April 30, 1953. The changes are effective 90 days after further publication in the Treasury Decisions (weekly) at an early date.

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blending with higher grade wheat, a use probably accentuated by technological advances and economic factors. It therefore has been ~~was~~ concluded that the presence of 30 percent or more of damaged kernels ~~could~~ should no longer be accepted as the sole criterion in determining when wheat is classifiable under paragraph 729 as "wheat, unfit for human consumption."

New regulations announced today provide the additional requirement that the importer claiming the lower rate of duty must submit a declaration to the effect that no part of the importation is to be used, with or without blending with other wheat, in the manufacture of products for human consumption, and further setting forth the purposes for which the wheat is to be used.

Failure to provide such declarations will ~~would~~ result in classification of the wheat as dutiable at the rate of 21 cents per bushel, regardless of quality; and will bring the importation within quota limitations.

Mr. Strubinger pointed out that the same sanctions would apply for the filing of a false declaration under the new procedure as apply in the case of the filing of any other false document under the customs-revenue laws.

The Bureau ~~previously~~ gave notice by publication that a change in the procedures for ~~related to~~ classification of wheat under paragraph 729 was under consideration, in the Federal Register November 7, 1952, and subsequently, in the Federal

Immediate
(Thurs. a.m.)

14-108

David B. Strubinger, Acting Commissioner of Customs, today announced stricter procedures for qualifying low grade wheat importations as "wheat, unfit for human consumption" under the provision therefor in paragraph 729 of the Tariff Act of 1930, as amended.

Wheat so classified is dutiable at 5 percent ad valorem, compared with 21 cents per bushel for wheat not so classified.

Grain heretofore classified as "wheat, unfit for human consumption" under paragraph 729 has been almost exclusively frost-damaged Canadian wheat rather than decomposed or contaminated wheat. In fact, decomposed or contaminated wheat does not have free access to either foreign or domestic commerce under the laws of the United States. Frost-damaged wheat customarily has been used as feed for stock or poultry, or for industrial purposes.

Under long standing regulations, Customs has followed the practice of classifying wheat that contains 30 percent or more of damaged kernels as "wheat, unfit for human consumption," and entitled, under paragraph 729, to the lower duty.

Importations of such grain have increased greatly in ~~the past several~~ recent years as unfavorable crop conditions in Canada increased available quantities. Investigation by Customs established that considerable quantities of such wheat have been going into products for human consumption by means of

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TREASURY DEPARTMENT

Information Service WASHINGTON, D.C.

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