U.S. Treasury Dept.
Press Releases

H — 6

RELEASE MORNING NEWSPAPERS,
Tuesday, January 4, 1955.

The Treasury Department announced last evening that the tenders for $1,500,000, or thereabouts, of 91-day Treasury bills to be dated January 6 and to mature April 7 1955, which were offered on December 30, 1954, were opened at the Federal Reserve Banks on January 3.

The details of this issue are as follows:

Total applied for - $2,327,137,000
Total accepted - 1,500,432,000 (includes $190,887,000 entered on a noncompetitive basis and accepted in full at the average price shown below)
Average price - 99.735 Equivalent rate of discount approx. 1.049% per annum

Range of accepted competitive bids:

High - 99.747 Equivalent rate of discount approx. 1.001% per annum
Low - 99.727 " " " " 1.080% per annum

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

Federal Reserve District	Total Applied for	Total Accepted
Boston	$ 25,484,000	$ 24,539,000
New York	1,603,223,000	830,293,000
Philadelphia	26,079,000	11,079,000
Cleveland	42,245,000	42,110,000
Richmond	12,165,000	11,665,000
Atlanta	21,870,000	21,570,000
Chicago	429,334,000	398,625,000
St. Louis	28,646,000	28,646,000
Minneapolis	8,764,000	8,764,000
Kansas City	39,921,000	38,821,000
Dallas	28,972,000	23,886,000
San Francisco	60,434,000	60,434,000
TOTAL	$2,327,137,000	$1,500,432,000

TREASURY DEPARTMENT

WASHINGTON, D.C.

RELEASE MORNING NEWSPAPERS,
Tuesday, January 4, 1955.

H-676

The Treasury Department announced last evening that the tenders for $1,500,000,000, or thereabouts, of 91-day Treasury bills to be dated January 6 and to mature April 7, 1955, which were offered on December 30, 1954, were opened at the Federal Reserve Banks on January 3.

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TOTAL	$2,327,137,000	$1,500,432,000

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ing of my time in recent years, due to the affiliation of more branches..." ~~The~~ His bank now has 44 branches in Oregon.

"Because of the compelling circumstances you cite, I have no alternative but to accept your resignation, which I do with reluctance," Secretary Humphrey replied. "Please know that the Treasury appreciates deeply the many years of diligent service you have rendered our program."

Mr. Sammons proposed Mr. Gamble as his successor, ~~recommending him "one thousand per cent"~~ and pledg~~ing~~ed him "the continuing support of our state-wide banking organization."

In his letter appointing Mr. Gamble, Secretary Humphrey said "We welcome your re-entry into the Savings Bonds field.... The program reached its greatest dimensions during World War II when, ~~I recall,~~ it never failed to achieve its huge wartime goals under your leadership." ~~Your appointment will be effective on January 1, 1955, for the usual duration of two years. And I want you to know that the entire Department shares with me the pleasure of having you again on our team."~~

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In his letter appointing Mr. Gamble, Secretary Humphrey said: "We welcome your re-entry into the Savings Bonds field.... The program reached its greatest dimensions during World War II when it never failed to achieve its huge wartime goals under your leadership."

An independent motion picture theatre chain operator in Oregon when the Defense Savings Staff of the Treasury was organized in May, 1941, Ted R. Gamble became its state administrator for Oregon. In November, 1941, he was called to Washington as a consultant and in May, 1942, was appointed an assistant to the Secretary of the Treasury at a dollar a year, assigned to expanding the savings bonds program. Upon the organization of the War Finance Division of the Treasury, on June 30, 1943, he was appointed national director, serving until the end of 1945, after the Victory Loan. He is now owner of radio and TV station KOIN, Portland.

Immediate
Jan 4

H-677

Treasury Secretary Humphrey today announced the appointment of Theodore Roosevelt (Ted) Gamble of Portland as State Chairman of the U. S. Savings Bonds Advisory Committee for Oregon.

Mr. Gamble was national director of the Treasury's Savings Bond program during World War II.

Mr. Gamble succeeds Edward C. Sammons, president of the United States National Bank of Portland, Oregon, who had served as state chairman since 1942. Mr. Sammons wrote Secretary Humphrey asking to be relieved of the chairmanship since "my banking responsibilities have become more and more demanding of my time in recent years, due to the affiliation of more branches..." His bank now has 44 branches in Oregon.

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Distribute at 4 P.M.

Immediate
Jan 5

H-678

Mr [illegible] hold until [illegible]

~~FOR RELEASE JANUARY 5, 1955.~~

Treasury Secretary Humphrey today appointed Robert B. Blyth, 49, of Cleveland, Ohio, an Assistant to the Secretary.

Mr. Blyth will assist [redacted] W. Randolph Burgess, Under Secretary for Monetary Affairs, in Treasury financing and debt management, to succeed David M. Kennedy, who recently served in this capacity.

At the time of his appointment, Mr. Blyth was Vice President and Senior Investment Officer of the National City Bank of Cleveland. [redacted] He has also been a member of the Governmental Securities Committee of the Investment Bankers Association, [redacted] which has been advising the Treasury on its program of financing.

Mr. Blyth began his banking career in September, 1929, as a security analyst for the Union Trust Company of Cleveland. He went to the National City Bank of Cleveland in July, 1933.

A native of Burlington, Wisconsin, he attended Oberlin College and Harvard Graduate School of Business Administration. His home is in Cleveland Heights, Ohio.

IMMEDIATE RELEASE,
Wednesday, January 5, 1955. H-678

Treasury Secretary Humphrey today appointed Robert B. Blyth, 49, of Cleveland, Ohio, an Assistant to the Secretary.

Mr. Blyth will assist W. Randolph Burgess, Under Secretary for Monetary Affairs, in Treasury financing and debt management, to succeed David M. Kennedy, who recently served in this capacity.

At the time of his appointment, Mr. Blyth was Vice President and Senior Investment Officer of the National City Bank of Cleveland. He has also been a member of the Governmental Securities Committee of the Investment Bankers Association, which has been advising the Treasury on its program of financing.

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A native of Burlington, Wisconsin, he attended Oberlin College and Harvard Graduate School of Business Administration. His home is in Cleveland Heights, Ohio.

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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 is considered to be interest. Under Sections 454 (b) and 1221 (5) of the Internal Revenue Code of 1954 the amount of discount at which bills issued hereunder are sold is not considered to accrue until such bills are 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, Revised, 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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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 Treasury Department 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, noncompetitive 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 13, 1955, in cash or other immediately available funds or in a like face amount of Treasury bills maturing January 13, 1955. 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, does not have any exemption, as such, and loss from the sale or other disposition of Treasury bills does not have any special treatment, as such, under the Internal Revenue Code of 1954. The bills are subject to estate, inheritance, gift or other excise taxes, whether Federal or State, but are 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,

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TREASURY DEPARTMENT
Washington

H-619

FOR RELEASE, MORNING NEWSPAPERS,
Thursday, January 6, 1955.

The Treasury Department, 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 13, 1955, in the amount of $1,500,014,000, 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 13, 1955, and will mature April 14, 1955, 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 10, 1955. 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

RELEASE MORNING NEWSPAPERS,
Thursday, January 6, 1955.

H-679

The Treasury Department, 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 13, 1955**, in the amount of $1,500,014,000, 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 13, 1955**, and will mature **April 14, 1955**, 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 10, 1955**. 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 Treasury Department 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 13, 1955, in cash or other immediately available funds or in a like face amount of Treasury bills maturing January 13, 19 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, does not hav any exemption, as such, and loss from the sale or other dispositio of Treasury bills does not have any special treatment, as such, under the Internal Revenue Code of 1954. The bills are subject to estate, inheritance, gift or other excise taxes, whether Federa or State, but are exempt from all taxation now or hereafter impose 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 is considered to be interest. Under Sections 454 (b) and 1221 (5) of the Internal Revenue Code of 1954 the amount of discount at which bills issued hereunder are sold is not considered to accrue until such bills are 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, Revised, 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.

IMMEDIATE RELEASE,
Friday, January 7, 1955

H-680

The Treasury Department announced today that on Tuesday, January 11, the Secretary of the Treasury on behalf of the Federal National Mortgage Association will offer for cash subscription $500 million of $2\frac{1}{2}$ percent notes of the Association to be dated January 20, 1955, and to mature Jan 20, 1958

As announced by the Association on December 30, 1954, the Treasury Department has agreed to handle this offering for the Association and it will utilize the facilities of the Federal Reserve Banks, as Fiscal Agents of the United States, in receiving subscriptions, making allotments, and delivering securities allotted in much the same manner as public debt offerings are handled.

Subscriptions from commercial banks, which for this purpose are defined as banks accepting demand deposits, for their own account, will be received without deposit, but will be restricted in each case to an amount not exceeding one-half of the combined capital, surplus and undivided profits of the subscribing bank as of December 31, 1954. On all other subscriptions a payment of 10 per cent of the amount of notes subscribed for must be made, not subject to withdrawal until after allotment.

Although payment by Treasury Tax and Loan Account credit will not be permitted, arrangements have been made between the Association and the Treasury whereby the Treasury will deposit with qualified banks, upon request, amounts equal to notes allotted to such banks for themselves and their customers. This is the same procedure followed last November in connection with the sale of Commodity Credit Corporation certificates of interest.

Commercial banks and other lenders are requested to refrain from making unsecured loans or loans collateralized in whole or in part by the notes subscribed for, to cover the 10 per cent deposits required to be paid when subscriptions are entered. A certification by the subscribing bank that no such loan has been made will be required on each subscription entered by it for account of its customers. A certification that the bank has no beneficial interest in its customers' subscriptions, and that no customers have any beneficial interest in the bank's own subscription, will also be required.

TREASURY DEPARTMENT

WASHINGTON, D.C.

IMMEDIATE RELEASE,
Friday, January 7, 1955. H-680

The Treasury Department announced today that on Tuesday, January 11, the Secretary of the Treasury on behalf of the Federal National Mortgage Association will offer for cash subscription $500 million of 2-1/2 percent notes of the Association to be dated January 20, 1955, and to mature January 20, 1958.

As announced by the Association on December 30, 1954, the Treasury Department has agreed to handle this offering for the Association and it will utilize the facilities of the Federal Reserve Banks, as Fiscal Agents of the United States, in receiving subscriptions, making allotments, and delivering securities allotted in much the same manner as public debt offerings are handled.

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RELEASE MORNING NEWSPAPERS,
Tuesday, January 11, 1955.

H-681

The Treasury Department announced last evening that the tenders for $1,500,000,000, or thereabouts, of 91-day Treasury bills to be dated January 13 and to mature April 14, 1955, which were offered on January 6, were opened at the Federal Reserve Banks on January 10.

The details of this issue are as follows:

Total applied for - $2,355,730,000
Total accepted - 1,500,300,000 (includes $227,682,000 entered on a noncompetitive basis and accepted in full at the average price shown below)
Average price - 99.691/ Equivalent rate of discount approx. 1.222% per annum

Range of accepted competitive bids:

High - 99.765 Equivalent rate of discount approx. 0.930% per annum
Low - 99.684 " " " " " 1.250% " "

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

Federal Reserve District		Total Applied for	Total Accepted
Boston		$ 31,363,000	$ 31,363,000
New York		1,716,811,000	920,011,000
Philadelphia		32,275,000	25,275,000
Cleveland		45,808,000	45,808,000
Richmond		17,238,000	17,238,000
Atlanta		32,014,000	32,014,000
Chicago		220,794,000	184,264,000
St. Louis		39,319,000	39,319,000
Minneapolis		16,787,000	16,787,000
Kansas City		67,481,000	66,461,000
Dallas		57,073,000	47,073,000
San Francisco		78,767,000	74,687,000
	TOTAL	$2,355,730,000	$1,500,300,000

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St. Louis	39,319,000	39,319,000
Minneapolis	16,787,000	16,787,000
Kansas City	67,481,000	66,461,000
Dallas	57,073,000	47,073,000
San Francisco	78,767,000	74,687,000
TOTAL	$2,355,730,000	$1,500,300,000

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IMMEDIATE RELEASE,
Tuesday, January 11, 1955.

H-682

The Treasury Department announced today the closing of the subscription books for the current offering of 2-1/2 percent three-year Federal National Mortgage Association notes, at the close of business today.

Subscriptions addressed to a Federal Reserve Bank or Branch, or to the Treasurer of the United States, Washington, D. C., and placed in the mail before midnight tonight, January 11, will be considered as having been entered before the close of the subscription books.

Announcement of the amount of subscriptions and the basis of allotment will probably be made on Friday, January 14.

TREASURY DEPARTMENT

WASHINGTON, D.C.

18

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Treasury Department Circular No. 418, Revised, 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 income derived from Treasury bills, whether interest or gain from the sale or other disposition of the bills, does not have any exemption, as such, and loss from the sale or other disposition of Treasury bills does not have any special treatment, as such, under the Internal Revenue Code of 1954. The bills are subject to estate, inheritance, gift or other excise taxes, whether Federal or State, but are 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,

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TREASURY DEPARTMENT
Washington

FOR RELEASE, MORNING NEWSPAPERS,
Thursday, January 13, 1955 .
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17-683

The Treasury Department, by this public notice, invites tenders for $ 1,500,000,000 (2), or thereabouts, of 91 (3) -day Treasury bills, for cash and in exchange for Treasury bills maturing January 20, 1955 (4), in the amount of $ 1,500,256,000 (5), 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 20, 1955 (6), and will mature April 21, 1955 (7), 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 17, 1955 (8). 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

RELEASE MORNING NEWSPAPERS,
Thursday, January 13, 1955.

H-683

The Treasury Department, 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 20, 1955, in the amount of $1,500,256,000, 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 20, 1955, and will mature April 21, 1955, 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 17, 1955. 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 Treasury Department 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 20, 1955, in cash or other immediately available funds or in a like face amount of Treasury bills maturing January 20, 1955. 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, does not have any exemption, as such, and loss from the sale or other disposition of Treasury bills does not have any special treatment, as such, under the Internal Revenue Code of 1954. The bills are subject to estate, inheritance, gift or other excise taxes, whether Federal or State, but are 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 is considered to be interest. Under Sections 454 (b) and 1221 (5) of the Internal Revenue Code of 1954 the amount of discount at which bills issued hereunder are sold is not considered to accrue until such bills are 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, Revised, 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.

Consideration will be given to any relevant data, views, or arguments pertaining to the correct tariff classification of this merchandise which are submitted in writing to the Bureau of Customs, Washington 25, D. C., not later than 30 days from the date of publication of this notice. In view of the necessity for a prompt disposition of this question, no consideration can be given to any communications received in the Bureau after the expiration of the 30-day period. No hearings will be held.

(Signed) RALPH KELLY

RALPH KELLY
Commissioner of Customs

DEPARTMENT OF THE TREASURY
BUREAU OF CUSTOMS

JAN 12 1955

[426.843]

TARIFF CLASSIFICATION

Notice of prospective classification of watch movements specially constructed to be upjeweled after importation.

It appears probable that imported watch movements specially constructed to be upjeweled after importation, such as, but not limited to, those incorporating the so-called "Duo-Fix" feature, or employing metal end caps designed to be replaced by jewels, or utilizing other similar devices, are properly classifiable as movements containing substitutes for jewels within the meaning of paragraph 367(i), Tariff Act of 1930, and are subject to duty and marking accordingly. Under this view a movement containing, for example, 15 jewels and, in addition thereto, 2 Duo-Fix units having 1 jewel and 1 cap each would be dutiable as a movement having more than 17 jewels, and would be required to be marked 19 jewels or, optionally, 17 jewels and 2 substitutes for jewels.

Pursuant to section 16.10a(d) of the Customs Regulations (19 CFR 16.10a(d)), notice is hereby given that the classification of watch movements specially constructed for upjeweling as containing substitutes for jewels within the meaning of paragraph 367(i) of the tariff act is under consideration in the Bureau of Customs. Under the existing uniform practice, such watch movements have not been so classified. There is not in contemplation an administrative review of the question decided in the case of the Bulova Watch Co. v. United States, T. D. 46494, 21 C.C.P.A. 156, whether "bouchons" or "bushings" in so-called conventional watch movements of the kind involved in that case are substitutes for jewels.

Single — to Press by hand + mail
Release AM newspapers Thursday Jan 13 1955

H-684

The Bureau of Customs ~~today~~ on Wednesday filed with the Federal Register, for official publication, notice that it is considering a change in the classification of certain watch movements (trade name for all parts of a watch except the case) for the fixing of import duties.

The proposed change would affect imported movements specially constructed for so-called "upjeweling." Some of these use a so-called "duo-fix" feature, or metal end caps, designed to facilitate the insertion of additional jewels after importation. Under the rule being considered such movements would be treated as containing substitutes for jewels, which under the Tariff Act would count as jewels for marking and duty purposes.

The Customs Bureau will give consideration to any relevant data, views or arguments on the matter submitted to it in writing within 30 days.

The text of the official notice follows:

TREASURY DEPARTMENT

WASHINGTON, D.C.

RELEASE AM NEWSPAPERS,
Thursday, January 13, 1955.

H-684

The Bureau of Customs on Wednesday filed with the Federal Register, for official publication, notice that it is considering a change in the classification of certain watch movements (trade name for all parts of a watch except the case) for the fixing of import duties.

The proposed change would affect imported movements specially constructed for so-called "upjeweling." Some of these use a so-called "Duo-Fix" feature, or metal end caps, designed to facilitate the insertion of additional jewels after importation. Under the rule being considered such movements would be treated as containing substitutes for jewels, which under the Tariff Act would count as jewels for marking and duty purposes.

The Customs Bureau will give consideration to any relevant data, views or arguments on the matter submitted to it in writing within 30 days.

The text of the official notice follows:

DEPARTMENT OF THE TREASURY
BUREAU OF CUSTOMS
January 12, 1955

[426.843]

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Pursuant to section 16.10a(d) of the Customs Regulations (19 CFR 16.10a(d)), notice is hereby given that the classification of watch movements specially constructed for upjeweling as containing substitutes for jewels within the meaning of paragraph 367(i) of the tariff act is under consideration in the Bureau of Customs. Under the existing uniform practice, such watch movements have not been so classified. There is not in contemplation an administrative review of the question decided in the case of the Bulova Watch Co. v. United States, T.D. 46494, 21 C.C.P.A. 156, whether "bouchons" or "bushings" in so-called conventional watch movements of the kind involved in that case are substitutes for jewels.

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(Signed) RALPH KELLY

RALPH KELLY
Commissioner of Customs

oOo

Commodity	Period and Quantity		Unit of Quantity	Imports as of Dec. 31, 1954
Peanuts, whether shelled, not shelled, blanched, salted, prepared, or preserved (including roasted peanuts, but not including peanut butter),	12 months from July 1, 1954	1,709,000	Pound	Quota Filled
Peanut Oil	12 months from July 1, 1954	80,000,000	Pound	5,592,909
Barley, hulled, unhulled, rolled, and ground, and barley malt...	12 months from Oct. 1, 1954			
	Canada	27,225,000	Bushel	8,412,932
	Other Countries	275,000	Bushel	5,635 *
Oats, hulled and unhulled, and unhulled ground	12 months from Oct. 1, 1954			
	Canada	39,312,000	Bushel	6,540,167
	Other Countries	688,000	Bushel	439,299 *
Rye, rye flour, and rye meal...	12 months from July 1, 1954	186,000,000	Pound	Quota Filled

* Imports through January 11, 1955.

TREASURY DEPARTMENT
Washington

IMMEDIATE RELEASE,
Thursday, January 13,1955.

H-685

The Bureau of Customs announced today preliminary figures showing the imports for consumption of the commodities listed below within quota limitations from the beginning of the quota periods to December 31, 1954, inclusive, as follows:

Commodity	Period and Quantity		Unit of Quantity	Imports as of Dec. 31, 1954
Whole milk, fresh or sour	Calendar Year	3,000,000	Gallon	51,513
Cream	Calendar Year	1,500,000	Gallon	825
Butter	Nov. 1, 1954- Mar. 31, 1955	50,000,000	Pound	134,117
Fish, fresh or frozen, filleted, etc., cod, haddock, hake, pollock, cusk, and rosefish......	Calendar Year	33,950,386	Pound	Quota Filled
White or Irish potatoes:				
Certified seed	12 months from	150,000,000	Pound	33,723,800
Other	Sept. 15, 1954	329,100,000	Pound	4,406,526
Cattle, less than 200 lbs. each.	12 months from April 1, 1954	200,000	Head	4,268
Cattle, 700 lbs. or more each... (other than dairy cows)	Oct. 1, 1954- Dec. 31, 1954	120,000	Head	5,792
Walnuts	Calendar Year	5,000,000	Pound	Quota Filled
Almonds, shelled, blanched, roasted, or otherwise prepared or preserved	12 months from Oct. 1, 1954	5,000,000	Pound	356,709
Filberts, shelled (whether or not blanched).....................	12 months from Oct. 1, 1954	6,000,000	Pound	1,709,166
Alsike clover seed	12 months from July 1, 1954	1,500,000	Pound	Quota Filled

(Continued)

TREASURY DEPARTMENT
Washington

IMMEDIATE RELEASE,
Thursday, January 13, 1955.

H-685

The Bureau of Customs announced today preliminary figures showing the imports for consumption of the commodities listed below within quota limitations from the beginning of the quota periods to December 31, 1954, inclusive, as follows:

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Fish, fresh or frozen, filleted, etc., cod, haddock, hake, pollock, cusk, and rosefish......	Calendar Year	33,950,386	Pound	Quota Filled
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Certified seed	12 months from	150,000,000	Pound	33,723,800
Other	Sept. 15, 1954	329,100,000	Pound	4,406,526
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Alsike clover seed	12 months from July 1, 1954	1,500,000	Pound	Quota Filled

(Continued)

Commodity	Period and Quantity		Unit of Quantity	Imports as of Dec. 31, 1954
Peanuts, whether shelled, not shelled, blanched, salted, prepared, or preserved (including roasted peanuts, but not including peanut butter),	12 months from July 1, 1954	1,709,000	Pound	Quota Filled
Peanut Oil	12 months from July 1, 1954	80,000,000	Pound	5,592,909
Barley, hulled, unhulled, rolled, and ground, and barley malt...	12 months from Oct. 1, 1954			
	Canada	27,225,000	Bushel	8,412,932
	Other Countries	275,000	Bushel	5,635 *
Oats, hulled and unhulled, and unhulled ground	12 months from Oct. 1, 1954			
	Canada	39,312,000	Bushel	6,540,167
	Other Countries	688,000	Bushel	439,299 *
Rye, rye flour, and rye meal...	12 months from July 1, 1954	186,000,000	Pound	Quota Filled

* Imports through January 11, 1955.

TREASURY DEPARTMENT
WASHINGTON

IMMEDIATE RELEASE,
Thursday, January 13, 1955.

H-686

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, 1954, as follows:

Country of Origin	Wheat		Wheat flour, semolina, crushed or cracked wheat, and similar wheat products	
	Established Quota	Imports May 29, 1954, to January 11, 1955	Established Quota	Imports May 29, 1954, to Jan. 11, 195
	(Bushels)	(Bushels)	(Pounds)	(Pounds)
Canada	795,000	795,000	3,815,000	3,815,000
China	-	-	24,000	-
Hungary	-	-	13,000	-
Hong Kong	-	-	13,000	-
Japan	-	-	8,000	-
United Kingdom	100	-	75,000	70
Australia	-	-	1,000	-
Germany	100	99	5,000	-
Syria	100	-	5,000	5,000
New Zealand	-	-	1,000	-
Chile	-	-	1,000	-
Netherlands	100	-	1,000	-
Argentina	2,000	-	14,000	-
Italy	100	-	2,000	2,000
Cuba	-	-	12,000	-
France	1,000	-	1,000	-
Greece	-	-	1,000	-
Mexico	100	-	1,000	-
Panama	-	-	1,000	-
Uruguay	-	-	1,000	-
Poland and Danzig	-	-	1,000	-
Sweden	-	-	1,000	-
Yugoslavia	-	-	1,000	-
Norway	-	-	1,000	-
Canary Islands	-	-	1,000	-
Rumania	1,000	-	-	-
Guatemala	100	-	-	-
Brazil	100	-	-	-
Union of Soviet Socialist Republics	100	-	-	-
Belgium	100	-	-	-
	800,000	795,099	4,000,000	3,822,070

TREASURY DEPARTMENT
WASHINGTON

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Thursday, January 13, 1955.

H-686

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Country of Origin	Wheat: Established Quota	Wheat: Imports May 29, 1954, to January 11, 1955	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, 1954, to Jan. 11, 1955
	(Bushels)	(Bushels)	(Pounds)	(Pounds)
Canada	795,000	795,000	3,815,000	3,815,000
China	-	-	24,000	-
Hungary	-	-	13,000	-
Hong Kong	-	-	13,000	-
Japan	-	-	8,000	-
United Kingdom	100	-	75,000	70
Australia	-	-	1,000	-
Germany	100	99	5,000	-
Syria	100	-	5,000	5,000
New Zealand	-	-	1,000	-
Chile	-	-	1,000	-
Netherlands	100	-	1,000	-
Argentina	2,000	-	14,000	-
Italy	100	-	2,000	2,000
Cuba	-	-	12,000	-
France	1,000	-	1,000	-
Greece	-	-	1,000	-
Mexico	100	-	1,000	-
Panama	-	-	1,000	-
Uruguay	-	-	1,000	-
Poland and Danzig	-	-	1,000	-
Sweden	-	-	1,000	-
Yugoslavia	-	-	1,000	-
Norway	-	-	1,000	-
Canary Islands	-	-	1,000	-
Rumania	1,000	-	-	-
Guatemala	100	-	-	-
Brazil	100	-	-	-
Union of Soviet Socialist Republics	100	-	-	-
Belgium	100	-	-	-
	800,000	795,099	4,000,000	3,822,070

TREASURY DEPARTMENT
Washington

IMMEDIATE RELEASE,
Thursday, January 13, 1955.

H-687

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, 1954, to December 31, 1954, inclusive, as follows:

Products of the Philippines		Established Quota Quantity	Unit of Quantity	Imports as of December 31, 1954
Buttons		850,000	Gross	776,036
Cigars		200,000,000	Number	3,561,101
Coconut Oil		448,000,000	Pound	135,567,426
Cordage		6,000,000	Pound	2,598,051
Rice		1,040,000	Pound	-
Sugars	(Refined	1,904,000,000	Pound	9,386,760
	(Unrefined			1,891,822,137
Tobacco		6,500,000	Pound	1,361,738

TREASURY DEPARTMENT
Washington

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IMMEDIATE RELEASE,
Thursday, January 13, 1955.

H-687

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	(Unrefined			1,891,822,137
Tobacco		6,500,000	Pound	1,361,738

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, 1954, to January 11, 1955	Established 33-1/3% of Total Quota	Imports 1/ Sept. 20, 1954 to Jan. 11, 1955
United Kingdom	4,323,457	695,760	1,441,152	695,760
Canada	239,690	30,202	-	-
France	227,420	-	75,807	-
British India	69,627	43,979	-	-
Netherlands	68,240	-	22,747	-
Switzerland	44,388	-	14,796	-
Belgium	38,559	-	12,853	-
Japan	341,535	-	-	-
China	17,322	-	-	-
Egypt	8,135	-	-	-
Cuba	6,544	-	-	-
Germany	76,329	-	25,443	-
Italy	21,263	6,627	7,088	6,627
	5,482,509	776,568	1,599,886	702,387

1/ Included in total imports, column 2.

Prepared in the Bureau of Customs.

IMMEDIATE RELEASE,
Thursday, January 13, 1955.

TREASURY DEPARTMENT
Washington

H-688

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, 1954, to January 11, 1955, 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	5,931	Paraguay	871	-
British India	2,003,483	20,355	Colombia	124	124
China	1,370,791	-	Iraq	195	-
Mexico	8,883,259	1,131,307	British East Africa . .	2,240	-
Brazil	618,723	618,723	Netherlands E. Indies.	71,388	-
Union of Soviet Socialist Republics .	475,124	1,300	Barbados	-	-
Argentina	5,203	-	1/Other British W. Indies	21,321	-
Haiti	237	-	Nigeria	5,377	-
Ecuador	9,333	-	2/Other British W. Africa	16,004	-
			3/Other French Africa . .	689	-
			Algeria and Tunisia .	-	-

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

Cotton, harsh or rough, of less than 3/4"
Imports Sept. 20, 1954, To December 31, 1954

Established Quota (Global)	Imports
70,000,000	2,194,769

Cotton 1-1/8" or more, but less than 1-11/16"
Imports Feb. 1, 1954, to January 11, 1955

Established Quota (Global)	Imports
45,656,420	39,177,566

IMMEDIATE RELEASE,
Thursday, January 13, 1955.

TREASURY DEPARTMENT
Washington

H-688

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, 1954, to January 11, 1955, inclusive

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Argentina	5,203	-	1/Other British W. Indies	21,321	-
Haiti	237	-	Nigeria	5,377	-
Ecuador	9,333	-	2/Other British W. Africa	16,004	-
			3/Other French Africa . .	689	-
			Algeria and Tunisia .	-	-

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

Cotton, harsh or rough, of less than 3/4"
Imports Sept. 20, 1954, To December 31, 1954

Established Quota (Global)	Imports
70,000,000	2,194,769

Cotton 1-1/8" or more, but less than 1-11/16"
Imports Feb. 1, 1954, to January 11, 1955

Established Quota (Global)	Imports
45,656,420	39,177,566

37

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, 1954, to January 11, 1955	Established 33-1/3% of Total Quota	Imports 1/ Sept. 20, 1954 to Jan. 11, 1955
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Canada	239,690	30,202	-	-
France	227,420	-	75,807	-
British India	69,627	43,979	-	-
Netherlands	68,240	-	22,747	-
Switzerland	44,388	-	14,796	-
Belgium	38,559	-	12,853	-
Japan	341,535	-	-	-
China	17,322	-	-	-
Egypt	8,135	-	-	-
Cuba	6,544	-	-	-
Germany	76,329	-	25,443	-
Italy	21,263	6,627	7,088	6,627
	5,482,509	776,568	1,599,886	702,387

1/ Included in total imports, column 2.

Prepared in the Bureau of Customs.

H [illegible] 89

IMMEDIATE RELEASE,
Wednesday, January 12, 1955

The Treasury Department announced today that preliminary reports received from the Federal Reserve Banks on subscriptions to the FNMA note issue indicate a probable allotment in the neighborhood of 15 percent. Final figures, including late mail returns, will not be available until Friday, and it is expected that the basis of allotment will be announced Friday afternoon.

Bd 3½ + H [illegible]
nearly 7 times [illegible] but Sec wanted to stay
away

TREASURY DEPARTMENT

WASHINGTON, D.C.

IMMEDIATE RELEASE,
Wednesday, January 12, 1955.

H-689

The Treasury Department announced today that preliminary reports received from the Federal Reserve Banks on subscriptions to the FNMA note issue indicate a probable allotment in the neighborhood of 15 percent. Final figures, including late mail returns, will not be available until Friday, and it is expected that the basis of allotment will be announced Friday afternoon.

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STATUTORY DEBT LIMITATION
AS OF December 31, 1954

Washington, January 14, 1955

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 Act of August 28, 1954, (P.L. 686-83rd Congress) provides that during the period beginning on August 28, 1954, and ending June 30, 1955, the above limitation ($275,000,000,000) shall be temporarily increased by $6,000,000,000.

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			$281,000,000,000
Outstanding-			
Obligations issued under Second Liberty Bond Act, as amended			
Interest-bearing:			
Treasury bills	$19,505,955,000		
Certificates of indebtedness	28,457,862,000		
Treasury notes	32,580,840,300	$ 80,544,657,300	
Bonds-			
Treasury	81,750,042,900		
Savings (current redemp. value)	57,671,949,649		
Depositary	432,761,500		
Investment series	12,680,547,000	152,535,301.049	
Special Funds-			
Certificates of indebtedness	29,101,480,000		
Treasury notes	13,464,766,400	42,566,246,400	
Total interest-bearing		275,646,204,749	
Matured, interest-ceased		998,528,346	
Bearing no interest:			
United States Savings Stamps	48,057,075		
Excess profits tax refund bonds	1,167,041		
Special notes of the United States:			
Internat'l Monetary Fund series	1,528,000,000	1,577,224,116	
Total		278,221,957,211	
Guaranteed obligations (not held by Treasury):			
Interest-bearing:			
Debentures: F.H.A.	32,986,936		
Matured, interest-ceased	955,250	33,942,186	
Grand total outstanding			278,255,899,397
Balance face amount of obligations issuable under above authority			2,744,100,603

Reconcilement with Statement of the Public Debt Dec. 31, 1954
(Date)

(Daily Statement of the United States Treasury, Dec. 31, 1954)
(Date)

Outstanding-	
Total gross public debt	278,749,814,391
Guaranteed obligations not owned by the Treasury	33,942,186
Total gross public debt and guaranteed obligations	278,783,756,577
Deduct - other outstanding public debt obligations not subject to debt limitation	527,857,180
	278,255,899,397

H-690

STATUTORY DEBT LIMITATION

AS OF December 31, 1954

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Washington, January 14, 1955

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 Act of August 28, 1954, (P.L. 686-83rd Congress) provides that during the period beginning on August 28, 1954, and ending June 30, 1955, the above limitation ($275,000,000,000) shall be temporarily increased by $6,000,000,000.

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Deduct - other outstanding public debt obligations not subject to debt limitation	527,857,180
	278,255,899,397

H-690

S2

IMMEDIATE RELEASE,
Friday, January 14, 1955.

H-691

The Treasury today announced a 14 percent allotment on subscriptions for more than $50,000 for the current cash offering of 2-1/2 percent Federal National Mortgage Association notes. None of these subscriptions will be allotted less than $50,000, and subscriptions for $50,000 and less will be allotted in full.

~~Reports received from the Federal Reserve Banks show that subscriptions total nearly $3.5 billion.~~ 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

WASHINGTON, D.C.

IMMEDIATE RELEASE,
Friday, January 14, 1955 H-691

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TREASURY DEPARTMENT

WASHINGTON, D.C.

IMMEDIATE RELEASE,
~~Wednesday, December 15, 1954~~.
Monday, January 17, 1955

~~H-665~~
H-692

During the month of ~~November~~ December 1954, market transactions in direct and guaranteed securities of the government for Treasury investment and other accounts resulted in net purchases by the Treasury Department of ~~$14,038,500.~~ $40,965,100

January 5, 1955

MEMORANDUM TO: MR. BARTELT:

The following transactions were made in direct and guaranteed securities of the Government for Treasury investments and other accounts during the month of December 1954:

Purchases	$42,156,000.00
Sales	1,190,900.00
	$40,965,100.00

C. L. Norman

Asst Chief, Investments Branch
Division of Deposits & Investments

TREASURY DEPARTMENT

WASHINGTON, D.C.

IMMEDIATE RELEASE,
Monday, January 17, 1955. H-692

During the month of December 1954, market transactions in direct and guaranteed securities of the government for Treasury investment and other accounts resulted in net purchases by the Treasury Department of $40,965,100.

oOo

RELEASE MORNING NEWSPAPERS,
Tuesday, January 18, 1955.

H-693

The Treasury Department announced last evening that the tenders for $1,500,000,000, or thereabouts, of 91-day Treasury bills to be dated January 20 and to mature April 21, 1955, which were offered on January 13, were opened at the Federal Reserve Banks on January 17.

The details of this issue are as follows:

Total applied for - $2,459,473,000
Total accepted - 1,500,562,000 (includes $247,725,000 entered on a noncompetitive basis and accepted in full at the average price shown below)

Average price - 99.644 Equivalent rate of discount approx. 1.407% per annum

Range of accepted competitive bids: (excepting two tenders totaling $200,000)

High - 99.697 Equivalent rate of discount approx. 1.199% per annum
Low - 99.640 " " " " " 1.424% " "

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

Federal Reserve District		Total Applied for	Total Accepted
Boston		$ 45,895,000	$ 42,010,000
New York		1,773,231,000	944,114,000
Philadelphia		39,329,000	23,739,000
Cleveland		61,201,000	59,201,000
Richmond		12,633,000	12,633,000
Atlanta		39,165,000	38,165,000
Chicago		218,971,000	153,201,000
St. Louis		44,827,000	43,768,000
Minneapolis		12,218,000	12,218,000
Kansas City		65,457,000	47,097,000
Dallas		37,540,000	29,360,000
San Francisco		109,006,000	95,056,000
	TOTAL	$2,459,473,000	$1,500,562,000

TREASURY DEPARTMENT

WASHINGTON, D.C.

RELEASE MORNING NEWSPAPERS,
Tuesday, January 18, 1955.

H-693

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Dallas	37,540,000	29,360,000
San Francisco	109,006,000	95,056,000
	$2,459,473,000	$1,500,562,000

oOo

JAN 14 1955

Mr. Burgess
Mr. Overby
Mr. Rose
Mr. Lennartson

Mr. Willis

Secretary's Statement on Trade Agreements Program

In reviewing the various draft statements on the Trade Agreements Program for the House Ways and Means Committee, Mr. Randall suggested the following additional sentence for insertion at the end of paragraph 1, page 2 of the Secretary's statement:

X

Convertibility will be encouraged by a balanced development of world trade; and, in turn, will contribute to such a development.

Reconstruction and Development. The purpose of the corporation will be to stimulate private investment in underdeveloped countries by providing venture capital through loans without government guarantees, thus filling a need which is not being met by any existing organization.

While all of these proposals are important, the keystone is the (Administration Reciprocal Trade Agreements legislation (now before you). Its enactment will show that the United States is following a sound trade policy consistent with both our domestic and our international needs.

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One proposed bill will continue the program of customs simplification and management improvement initiated by the Customs Simplification Acts of 1953 and 1954. Although the existing legislation in this field has brought about substantial improvements in customs procedures and has caused an appreciable decrease in the backlog of uncompleted customs work, further improvements should be made. ~~remain to be effected.~~

The complex valuation provisions of the customs laws are in particular need of improvement and simplification. As a result of studies now being completed legislative changes will be recommended to make the process of appraisal more prompt and efficient as well as more realistic and equitable from a commercial standpoint. Again I find other countries in many instances are about as much concerned with these questions of customs as they are about the level of tariffs.

In the field of taxation, we are suggesting that consideration again be given to certain changes in the Revenue laws with respect to taxation of income earned abroad. More particularly, we recommend that corporate business income from foreign subsidiaries or branches be taxed at a rate 14 percentage points lower than the rate on corporate domestic income, and a deferral of tax on foreign branch income until it is removed from the country where earned. We will be prepared to discuss these tax proposals in more detail with your Committee at the appropriate time. These proposals are not large or costly but we think they will encourage sound private U. S. investment abroad.

Another important part of the Administration's program on which the Treasury is working is the proposal for an International Finance Corporation, to be established as an affiliate of the International Bank for

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their financial houses in order not only to strengthen their internal economies but also to keep their foreign payments and receipts in balance. I am encouraged by the progress many of these nations have made toward more internal stability and toward convertibility of their currencies.

The second point which has impressed me in my contacts abroad is the concern of foreign countries with the broad direction of our commercial policy. Foreign countries do not expect us to lower our tariffs drastically. What they want to have, however, is assurance of continuity in our policies and they watch for moderate steps in the direction of our objectives. This argues strongly for a three-year extension of the Trade Agreements Program. A three-year period is needed to provide reasonable assurance of such continuity.

The bill before you is moderate. It does not interfere with existing safeguards for our domestic producers. It does not ~~permit~~ contemplate any drastic changes which would adversely affect sizable groups of our citizens.

I would like to mention one other broad principle in connection with the bill. From the budgetary viewpoint, the President's trade program should help to reduce Government expenditures for foreign aid over a period of time. I believe ~~foreign countries would rather~~ it is best, where possible, for foreign countries to earn ~~their~~ way rather than receive aid from the U. S. Treasury. This bill is a further step in that direction.

The Treasury Department is actively working on other aspects of the President's program to promote foreign trade and investment. These proposals will be submitted to the Congress shortly.

~~OFFICIAL USE ONLY~~

~~DRAFT STATEMENT OF SECRETARY HUMPHREY ON THE TRADE AGREEMENTS PROGRAM~~

Mr. Chairman and Members of the Committee:

In my contacts over the past two years with foreign financial officials I have been impressed with two major principles in our economic relations.

First, the importance of keeping our own economy strong and dynamic and sound. Our policies are directed toward economic strength and growth -- toward greater freedom from governmental interference and control. Our policies aim at encouraging initiative and freedom and maintaining economic progress and a high level of economic activity at relatively stable prices. Such a condition helps international trade in both directions. A strong internal economy helps to keep us competitive and makes our goods attractive to foreign buyers. It also promotes a high level demand for imports. With high levels of business activity, the capacity of our economy to absorb imports is enormous -- particularly imports of raw materials. ~~(You may wish to depart from the text and illustrate this point extemporaneously by the case of iron ore from Canada and Venezuela.)~~

Maintaining the strength and value of the United States dollar is a vital part of our contribution to international monetary stability -- for the United States dollar is the yardstick for all of the currencies of the free world. The free world's vigorous economic growth must rest on a sound financial basis. What is essential for our own strength at home is equally essential for the other free nations of the world. Many countries, I am glad to say, are appreciating the importance of keeping

TREASURY DEPARTMENT
Washington

~~For Release about 2:00 P.M., EST,~~
~~Tuesday, January 18, 1955~~

Statement by Treasury Secretary Humphrey before House Ways and Means Committee on the Trade Agreements Program, Tuesday, January 18, 1955

H-694

TREASURY DEPARTMENT
Washington

Statement by Treasury Secretary Humphrey
before House Ways and Means Committee
on the Trade Agreements Program,
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Convertibility will be encouraged by a balanced development of world trade; and, in turn, will contribute to such a development.

The second point which has impressed me in my contacts abroad is the concern of foreign countries with the broad direction of our commercial policy. Foreign countries do not expect us to lower our tariffs drastically. What they want to have, however, is assurance of continuity in our policies and they watch for moderate steps in the direction of our objectives. This argues strongly for a three-year extension of the Trade Agreements Program. A three-year period is needed to provide reasonable assurance of such continuity.

The bill before you is moderate. It does not interfere with existing safeguards for our domestic producers. It does not contemplate any drastic changes which would adversely affect sizable groups of our citizens.

I would like to mention one other broad principle in connection with the bill. From the budgetary viewpoint, the President's trade program should help to reduce Government expenditures for foreign aid over a period of time. I believe it is best, where possible, for foreign countries to earn their way, rather than receive aid from the U. S. Treasury. This bill is a further step in that direction.

The Treasury Department is actively working on other aspects of the President's program to promote foreign trade and investment. These proposals will be submitted to the Congress shortly.

One proposed bill will continue the program of customs simplification and management improvement initiated by the Customs Simplification Acts of 1953 and 1954. Although the existing legislation in this field has brought about substantial improvements in customs procedures and has caused an appreciable decrease in the backlog of uncompleted customs work, further improvements should be made.

The complex valuation provisions of the customs laws are in particular need of improvement and simplification. As a result of studies now being completed legislative changes will be recommended to make the process of appraisal more prompt and efficient as well as more realistic and equitable from a commercial standpoint. Again I find other countries in many instances are about as much concerned with these questions of customs as they are about the level of tariffs.

In the field of taxation, we are suggesting that consideration again be given to certain changes in the Revenue laws with respect to taxation of income earned abroad. More particularly, we recommend that corporate business income from foreign subsidiaries or branches be taxed at a rate 14 percentage points lower than the rate on corporate domestic income, and a deferral of tax on foreign branch income until it is removed from the country where earned.

We will be prepared to discuss these tax proposals in more detail with your Committee at the appropriate time. These proposals are not large or costly but we think they will encourage sound private U. S. investment abroad.

Another important part of the Administration's program on which the Treasury is working is the proposal for an International Finance Corporation, to be established as an affiliate of the International Bank for Reconstruction and Development. The purpose of the corporation will be to stimulate private investment in underdeveloped countries by providing venture capital through loans without government guarantees, thus filling a need which is not being met by any existing organization.

While all of these proposals are important, the keystone is the Reciprocal Trade Agreements legislation now before you. Its enactment will show that the United States is following a sound trade policy consistent with both our domestic and our international needs.

oOo

~~ALPHA~~

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 is considered to be interest. Under Sections 454 (b) and 1221 (5) of the Internal Revenue Code of 1954 the amount of discount at which bills issued hereunder are sold is not considered to accrue until such bills are 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, Revised, 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~~

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 Treasury Department 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, noncompetitive 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 27, 1955, in cash or other immediately available funds or in a like face amount of Treasury bills maturing January 27, 1955. 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, does not have any exemption, as such, and loss from the sale or other disposition of Treasury bills does not have any special treatment, as such, under the Internal Revenue Code of 1954. The bills are subject to estate, inheritance, gift or other excise taxes, whether Federal or State, but are 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,

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TREASURY DEPARTMENT
Washington

1-1-695

FOR RELEASE, MORNING NEWSPAPERS,
Thursday, January 20, 1955.

The Treasury Department, 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 27, 1955 , in the amount of $ 1,500,237,000 , 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 27, 1955 , and will mature April 28, 1955 , 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 24, 1955 . 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

TREASURY DEPARTMENT 60

WASHINGTON, D.C.

RELEASE MORNING NEWSPAPERS,
Thursday, January 20, 1955.

H-695

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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 Treasury Department 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 27, 1955, in cash or other immediately available funds or in a like face amount of Treasury bills maturing January 27, 1955. 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, does not have any exemption, as such, and loss from the sale or other disposition of Treasury bills does not have any special treatment, as such, under the Internal Revenue Code of 1954. The bills are subject to estate, inheritance, gift or other excise taxes, whether Federal or State, but are 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 is considered to be interest. Under Sections 454 (b) and 1221 (5) of the Internal Revenue Code of 1954 the amount of discount at which bills issued hereunder are sold is not considered to accrue until such bills are 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, Revised, 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.

IMMEDIATE RELEASE,
Wednesday, January 19, 1955.

H-698

The Treasury Department today announced the subscription and allotment figures with respect to the current cash offering of 2-1/2 percent Federal National Mortgage Association Notes of Series ML-1958-A. These notes will be dated January 20, 1955, and will mature January 20, 1958.

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

Federal Reserve District	Total Subscriptions	Total Allotments
Boston	$ 135,122,000	$ 22,270,000
New York	993,216,000	144,869,000
Philadelphia	157,631,000	26,162,000
Cleveland	181,483,000	29,844,000
Richmond	166,747,000	28,504,000
Atlanta	131,615,000	25,360,000
Chicago	600,505,000	101,465,000
St. Louis	111,236,000	21,773,000
Minneapolis	124,505,000	28,302,000
Kansas City	135,122,000	26,582,000
Dallas	177,112,000	30,386,000
San Francisco	571,616,000	84,567,000
Treasury	5,000	5,000
TOTAL	$3,485,915,000	$570,389,000

The total amount of the allotment was larger than previously anticipated because final reports received from Federal Reserve Banks disclosed that a greater number of subscribers were entitled to the $50,000 minimum allotment than was estimated when the 14% allotment basis was announced.

IMMEDIATE RELEASE,
Wednesday, January 19, 1955. H-696

The Treasury Department today announced the subscription and allotment figures with respect to the current cash offering of 2-1/2 percent Federal National Mortgage Association Notes of Series ML-1958-A. These notes will be dated January 20, 1955, and will mature January 20, 1958.

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

Federal Reserve District	Total Subscriptions	Total Allotments
Boston	$ 135,122,000	$ 22,270,000
New York	993,216,000	144,869,000
Philadelphia	157,631,000	26,462,000
Cleveland	181,483,000	29,844,000
Richmond	166,747,000	28,504,000
Atlanta	131,615,000	25,360,000
Chicago	600,505,000	101,465,000
St. Louis	111,236,000	21,773,000
Minneapolis	124,505,000	28,302,000
Kansas City	135,122,000	26,582,000
Dallas	177,112,000	30,386,000
San Francisco	571,616,000	84,567,000
Treasury	5,000	5,000
TOTAL	$3,485,915,000	$570,389,000

The total amount of the allotment was larger than previously anticipated because final reports received from Federal Reserve Banks disclosed that a greater number of subscribers were entitled to the $50,000 minimum allotment than was estimated when the 14% allotment basis was announced.

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RELEASE MORNING NEWSPAPERS,
Tuesday, January 25, 1955.

H-697

The Treasury Department announced last evening that the tenders for $1,500,000,000, or thereabouts, of 91-day Treasury bills to be dated January 27 and to mature April 28, 1955, which were offered on January 20, were opened at the Federal Reserve Banks on January 24.

The details of this issue are as follows:

Total applied for - $2,449,938,000
Total accepted - 1,500,197,000 (includes $240,537,000 entered on a noncompetitive basis and accepted in full at the average price shown below)
Average price - 99.659 Equivalent rate of discount approx. 1.349% per annum

Range of accepted competitive bids: (Excepting one tender of $900,000)

High - 99.671 Equivalent rate of discount approx. 1.302% per annum
Low - 99.657 " " " " " 1.357% " "

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

Federal Reserve District	Total Applied for	Total Accepted
Boston	$ 28,666,000	$ 26,666,000
New York	1,711,382,000	949,188,000
Philadelphia	41,680,000	20,420,000
Cleveland	58,219,000	53,229,000
Richmond	14,126,000	14,026,000
Atlanta	29,315,000	24,170,000
Chicago	307,441,000	201,759,000
St. Louis	19,920,000	18,314,000
Minneapolis	13,875,000	11,735,000
Kansas City	53,393,000	48,608,000
Dallas	41,026,000	29,126,000
San Francisco	130,895,000	102,956,000
Total	$2,449,938,000	$1,500,197,000

TREASURY DEPARTMENT

WASHINGTON, D.C.

RELEASE MORNING NEWSPAPERS,
Tuesday, January 25, 1955.

H-697

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The details of this issue are as follows:

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Total accepted - 1,500,197,000 (includes $240,537,000 entered on a noncompetitive basis and accepted in full at the average average price shown below)
Average price - 99.659 Equivalent rate of discount approx. 1.349% per annum

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High - 99.671 Equivalent rate of discount approx. 1.302% per annum
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Dallas	41,026,000	29,126,000
San Francisco	130,895,000	102,956,000
TOTAL	$2,449,938,000	$1,500,197,000

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Immediate release

H-698

~~CARL E. HANSON APPOINTED CHAIRMAN OF HAWAII SAVINGS BONDS COMMITTEE~~

~~WASHINGTON, D. C., Jan. 24, 1955 --~~ Treasury Secretary Humphrey today announced the appointment of Carl E. Hanson, president of the Bishop National Bank of Honolulu, as territorial chairman of the Hawaii Savings Bonds Committee.

He succeeds the late George S. Waterhouse, who died last Christmas Day while visiting in California. ~~A~~ retired official of the Bishop National Bank, ~~Bank,~~ Mr. Waterhouse had served as Savings Bonds chairman for Hawaii since 1947.

Mr. Hanson is a native of Paso Robles, California, and a graduate of the University of California. He worked for a short time with Standard Oil Company of California, but has been with the Bishop National Bank in various capacities since 1925. He was named president in 1951. Mr. Hanson's other business connections include directorships in Bishop Co. Ltd., Alexander & Baldwin Ltd., United General Finance Co. Ltd., and Kauai Consolidated Terminals Ltd.

The 52-year-old banker is active in civic affairs. He is a director of the Honolulu Chamber of Commerce and a trustee in the Better Business Bureau. ~~a member of the Y.M.C.A., and a Mason.~~ He is married and has two children.

In notifying Mr. Hanson of his appointment to the chairmanship of the Savings Bonds Committee for the Territory of Hawaii, Secretary Humphrey wrote: "It is with much pleasure that I appoint you to this position ..... the Treasury appreciates your enlistment in this work, which is of great importance to us all, and we are happy to welcome you as the newest member of the family."

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IMMEDIATE RELEASE,
Monday, January 24, 1955. H-698

Treasury Secretary Humphrey today announced the appointment of Carl E. Hanson, president of the Bishop National Bank of Honolulu, as territorial chairman of the Hawaii Savings Bonds Committee.

He succeeds the late George S. Waterhouse, who died last Christmas Day while visiting in California. Mr. Waterhouse, a retired official of the Bishop National Bank, had served as Savings Bonds chairman for Hawaii since 1947.

Mr. Hanson is a native of Paso Robles, California, and a graduate of the University of California. He worked for a short time with Standard Oil Company of California, but has been with the Bishop National Bank in various capacities since 1925. He was named president in 1951. Mr. Hanson's other business connections include directorships in Bishop Co. Ltd., Alexander & Baldwin Ltd., United General Finance Co. Ltd., and Kauai Consolidated Terminals Ltd.

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Mr. Kendall was in military service for four years during World War II, in the U.S. Air Force. He was returned to inactive duty in 1945 with the rank of major.

He was born in Indianapolis, Indiana, February 11, 1903. He was graduated from Princeton University with the degree of A.B. in 1924, and received his law degree from the University of Michigan in 1931.

Immediate
Jan 26

H-

Treasury Secretary Humphrey today administered the oath of office to David W. Kendall as General Counsel of the Treasury Department.

Mr. Kendall succeeds Elbert P. Tuttle, who resigned to accept appointment as judge of the United States Circuit Court of Appeals, Fifth Circuit. Mr. Kendall was nominated by President Eisenhower on January 10, 1955, and was confirmed by the Senate on January 24, 1955.

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. Kendall is a resident of Jackson, Michigan, where he was associated with the law firm of McKone, Badgley, Kendall & Domke. He is a member of the American Bar Association, the State Bar of Michigan, and The Barristers of Jackson County, Michigan.

He has served as President of the Board of Education of Jackson, and as a member of the Jackson Veterans Housing Administration. He was instrumental in the founding of the John George Home in Jackson, a philanthropic organization for assistance to aged and retired persons.

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IMMEDIATE RELEASE,
Wednesday, January 26, 1955. H-699

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[redacted]

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 is considered to be interest. Under Sections 454 (b) and 1221 (5) of the Internal Revenue Code of 1954 the amount of discount at which bills issued hereunder are sold is not considered to accrue until such bills are 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, Revised, 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.

[redacted]

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 Treasury Department 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, noncompetitive 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 3, 1955, in cash or other immediately available funds or in a like face amount of Treasury bills maturing February 3, 1955. 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, does not have any exemption, as such, and loss from the sale or other disposition of Treasury bills does not have any special treatment, as such, under the Internal Revenue Code of 1954. The bills are subject to estate, inheritance, gift or other excise taxes, whether Federal or State, but are 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,

[redacted]

[redacted]

TREASURY DEPARTMENT
Washington

H-700

FOR RELEASE, MORNING NEWSPAPERS,
Thursday, January 27, 1955.

The Treasury Department, 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 February 3, 1955, in the amount of $1,500,936,000, 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 3, 1955, and will mature May 5, 1955, 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 31, 1955. 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

TREASURY DEPARTMENT

WASHINGTON, D.C.

RELEASE MORNING NEWSPAPERS,
Thursday, January 27, 1955.

H-700

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Immediately after the closing hour, tenders will be opened at the Federal Reserve Banks and Branches, following which public announcement will be made by the Treasury Department 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 3, 1955, in cash or other immediately available funds or in a like face amount of Treasury bills maturing February 3, 1955. 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, does not have any exemption, as such, and loss from the sale or other disposition of Treasury bills does not have any special treatment, as such, under the Internal Revenue Code of 1954. The bills are subject to estate, inheritance, gift or other excise taxes, whether Federal or State, but are 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 is considered to be interest. Under Sections 454 (b) and 1221 (5) of the Internal Revenue Code of 1954 the amount of discount at which bills issued hereunder are sold is not considered to accrue until such bills are 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, Revised, 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.

Dear Admiral Richmond:

Please pass to the commanding officer and crew of the Coast Guard Cutter Coos Bay my congratulations on the skill and courage with which the rescue of the crew of a Military Air Transport Service airplane was effected late yesterday in mid-Atlantic.

This rescue job proves again that Coast Guardsmen are ready and able at all times for the finest type of service.

To all concerned, I send a most sincere "Well done!"

Sincerely,

S/ Geo. M. Humphrey

Vice Admiral A. C. Richmond
Commandant, United States
Coast Guard

LMSILER:tgd 1-27-55

January 27, 1955

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Sincerely,

/s/ G. M. Humphrey

Vice Admiral A. C. Richmond
Commandant, United States
Coast Guard

oOo

Immediate

14-781

Treasury Secretary Humphrey today sent the following message to the Commandant of the United States Coast Guard:

Please pass to the commanding officer and crew of the Coast Guard Cutter Coos Bay my congratulations on the skill and courage with which the rescue of the crew of a Military Air Transport Service airplane was effected late yesterday in mid-Atlantic.

This rescue job proves again that Coast Guardsmen are ready and able at all times for the finest type of service.

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Sincerely,

S/ Geo. M. Humphrey

Vice Admiral A. C. Richmond
Commandant, United States
Coast Guard

LMSILER:tgd 1-27-55

TREASURY DEPARTMENT

WASHINGTON, D.C.

IMMEDIATE RELEASE,
Thursday, January 27, 1955. H-701

Treasury Secretary Humphrey today sent the following message to the Commandant of the United States Coast Guard:

January 27, 1955

Dear Admiral Richmond:

Please pass to the commanding officer and crew of the Coast Guard Cutter Coos Bay my congratulations on the skill and courage with which the rescue of the crew of a Military Air Transport Service airplane was effected late yesterday in mid-Atlantic.

This rescue job proves again that Coast Guardsmen are ready and able at all times for the finest type of service.

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Sincerely,

/s/ G. M. Humphrey

Vice Admiral A. C. Richmond
Commandant, United States
Coast Guard

oOo

H-702
7:45

IMMEDIATE RELEASE,
Thursday, January 27, 1955.

The Treasury announced today that on Tuesday, February 1, it will offer holders of the 2-7/8 percent Treasury Bonds of 1955-60, called for redemption on March 15, an opportunity to exchange their holdings for a 3 percent 40-year Treasury bond or a 13-month 1-5/8 percent Treasury note. Cash subscriptions will not be received.

At the same time holders of the 1-5/8 percent certificates of indebtedness, maturing February 15, and the 1-1/2 percent Treasury notes, maturing March 15, will be given the choice of exchanging their holdings for the new 13-month note or a 2 percent 2-1/2-year Treasury note.

The subscription books will be open for three days, Tuesday through Thursday, for these offerings.

Maturing Issues	Eligible for Exchange	New Issues to be Dated February 15, 1955
1-5/8% ctfs.	$7,007	(2% 2-1/2-yr. note and 1-5/8% 13-month note
1-1/2% notes	5,365	
2-7/8% bonds	2,611	3% 40-yr. bond and 1-5/8% 13-month note

The 13-month note will mature March 15, 1956
The 2-1/2-year note will mature August 15, 1957
The 40-year bond will mature February 15, 1995

Holders of the 2-7/8 percent called bonds will be credited with the full six-months' interest to March 15 on the bonds surrendered, they will be charged accrued interest from February 15 to March 15 on the new securities they elect to receive, and they will be paid the difference ~~following acceptance of the~~

In determining the amount of interest received upon the bonds exchanged, and the exemption to which such interest is entitled, for Federal income tax purposes, the full amount which is allowed as interest on the bonds surrendered in the exchange will be regarded as such to the extent that it accrued to the holder making the exchange, and not as a capital recovery; similarly the amount of interest charged the subscriber on the new securities issued will be regarded as an investment of capital, and therefore upon subsequent recovery of such amount (i.e., upon payment of interest to him on the securities or upon sale or other disposition by him of the securities) as a return of capital and not as interest income.

Exchanges of the maturing certificates will be made par for par as of February 15. Exchanges of the notes maturing March 15 will be made at par with an adjustment of accrued interest as of February 15.

Full information concerning this exchange offering will be released on Monday, January 31.

WASHINGTON, D.C.

IMMEDIATE RELEASE,
Thursday, January 27, 1955. H-702

The Treasury announced today that on Tuesday, February 1, it will offer holders of the 2-7/8 percent Treasury Bonds of 1955-60, called for redemption on March 15, an opportunity to exchange their holdings for a 3 percent 40-year Treasury bond or a 13-month 1-5/8 percent Treasury note. Cash subscriptions will not be received.

At the same time holders of the 1-5/8 percent certificates of indebtedness, maturing February 15, and the 1-1/2 percent Treasury notes, maturing March 15, will be given the choice of exchanging their holdings for the new 13-month note or a 2 percent 2-1/2-year Treasury note.

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H-703

RELEASE MORNING NEWSPAPERS,
Tuesday, February 1, 1955.

The Treasury Department announced last evening that the tenders for $1,500,000,000, or thereabouts, of 91-day Treasury bills to be dated February 3 and to mature May 5, 1955, which were offered on January 27, were opened at the Federal Reserve Banks on January 31.

The details of this issue are as follows:

Total applied for - $2,285,747,000
Total accepted - 1,500,192,000 (includes $215,471,000 entered on a noncompetitive basis and accepted in full at the average price shown below)
Average price - 99.713/ Equivalent rate of discount approx. 1.134% per annum

Range of accepted competitive bids:

High - 99.727 Equivalent rate of discount approx. 1.080% per annum
Low - 99.708 " " " " approx. 1.155% " "

(87% of the amount bid for at the low price was accepted)

Federal Reserve District	Total Applied for	Total Accepted
Boston	$ 31,398,000	$ 31,398,000
New York	1,622,800,000	929,550,000
Philadelphia	27,475,000	11,975,000
Cleveland	34,364,000	33,149,000
Richmond	15,719,000	15,519,000
Atlanta	50,402,000	50,402,000
Chicago	293,556,000	238,066,000
St. Louis	25,800,000	25,750,000
Minneapolis	13,610,000	13,510,000
Kansas City	35,835,000	35,635,000
Dallas	30,385,000	28,835,000
San Francisco	104,403,000	86,403,000
Total	$2,285,747,000	$1,500,192,000

TREASURY DEPARTMENT

WASHINGTON, D.C.

RELEASE MORNING NEWSPAPERS,
Tuesday, February 1, 1955.

H-703

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San Francisco	104,403,000	86,403,000
TOTAL	$2,285,747,000	$1,500,192,000

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~~ALPHA~~

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 is considered to be interest. Under Sections 454 (b) and 1221 (5) of the Internal Revenue Code of 1954 the amount of discount at which bills issued hereunder are sold is not considered to accrue until such bills are 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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~~ALPHA~~

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 Treasury Department 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, noncompetitive 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 10, 1955 ~~(9)~~, in cash or other immediately available funds or in a like face amount of Treasury bills maturing February 10, 1955 ~~(10)~~. 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, does not have any exemption, as such, and loss from the sale or other disposition of Treasury bills does not have any special treatment, as such, under the Internal Revenue Code of 1954. The bills are subject to estate, inheritance, gift or other excise taxes, whether Federal or State, but are 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,

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TREASURY DEPARTMENT
Washington

H-704

FOR RELEASE, MORNING NEWSPAPERS,
Thursday, February 3, 1955 .

The Treasury Department, 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 February 10, 1955 , in the amount of $1,500,502,000 , 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 10, 1955 , and will mature May 12, 1955 , 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 7, 1955 . 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

TREASURY DEPARTMENT

WASHINGTON, D.C.

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Thursday, February 3, 1955.

H-704

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Treasury Department Circular No. 418, Revised, 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.

RELEASE MORNING NEWSPAPERS,
Tuesday, February 8, 1955.

H-725

The Treasury Department announced last evening that the tenders for $1,500,000,000, or thereabouts, of 91-day Treasury bills to be dated February 10 and to mature May 12, 1955, which were offered on February 3, were opened at the Federal Reserve Banks on February 7.

The details of this issue are as follows:

Total applied for - $2,119,533,000
Total accepted - 1,500,008,000 (includes $216,524,000 entered on a noncompetitive basis and accepted in full at the average price shown below)
Average price - 99.725 Equivalent rate of discount approx. 1.088% per annum

Range of accepted competitive bids:

High - 99.734 Equivalent rate of discount approx. 1.052% per annum
Low - 99.719 " " " " " 1.112% " "

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

Federal Reserve District	Total Applied for	Total Accepted
Boston	$ 24,433,000	$ 24,433,000
New York	1,448,811,000	909,911,000
Philadelphia	27,423,000	12,223,000
Cleveland	42,576,000	42,176,000
Richmond	14,276,000	14,276,000
Atlanta	25,135,000	25,135,000
Chicago	291,838,000	238,238,000
St. Louis	24,154,000	24,154,000
Minneapolis	19,786,000	19,786,000
Kansas City	59,268,000	58,643,000
Dallas	57,278,000	56,478,000
San Francisco	84,555,000	74,555,000
TOTAL	$2,119,533,000	$1,500,008,000

TREASURY DEPARTMENT

WASHINGTON, D.C.

RELEASE MORNING NEWSPAPERS,
Tuesday, February 8, 1955.

H-705

The Treasury Department announced last evening that the tenders for $1,500,000,000, or thereabouts, of 91-day Treasury bills to be dated February 10 and to mature May 12, 1955, which were offered on February 3, were opened at the Federal Reserve Banks on February 7.

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San Francisco	84,555,000	74,555,000
TOTAL	$2,119,533,000	$1,500,008,000

~~PRESS RELEASE~~

In making the announcement, Treasury Secretary Humphrey said:

"The banks, the Government security dealers, and the entire financial community gave magnificent cooperation in supporting the $15 billion refunding operation. The successful placing, especially of not far from $2 billion of 3% 40-year bonds, with investors in the three days in which the subscription books were open was a substantial achievement and involved the transfer of ownership among many thousands of holders. This, together with other necessary activity in connection with the refunding, required a volume of market transactions in Government securities of about $2-1/2 billion a day during the time of the exchange.

"The 40-year 3% bonds are the longest issue of Government bonds since a 50-year bond was issued in 1911 to help build the Panama Canal. The ~~successful placing of this~~ bond issue is a further step in carrying out the goal of improving the structure of the debt so as to help maintain the value of the dollar and so encourage the dynamic growth of the economy.

"This operation lengthens the average maturity of the marketable debt from 4 years and 2 months to 4 years and 9 months."

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TREASURY DEPARTMENT
WASHINGTON, D. C.

IMMEDIATE RELEASE,
Tuesday, February 8, 1955.

H - 706

Secretary Humphrey today

~~The~~ Treasury ~~today~~ announced that a tabulation of subscriptions for the recent exchange offering showed $1,917 million for the new 40-year 3% Treasury Bonds; $3,784 million for the 2-1/2-year 2% note; and $8,450 million for the 13-month 1-5/8% note.

The securities eligible for exchange totaled $14,983,000,000, and the subscriptions amounted to $14,151,000,000, leaving only $832,000,000 or 5.6% unexchanged. A breakdown of the exchanges by issues follows:

(In millions of dollars)

Maturing or Called Issues	Eligible for Exchange	Exchange Subscriptions for New Issues				Unexchanged
		1-5/8% Note (13-month)	2% Note (2-1/2-year)	3% Bond (40-year)	Total	
1-5/8% Certificates (maturing Feb. 15, 1955).........	$7,007	$5,743	$1,179	$ -	$6,922	$ 85
1-1/2% Notes (maturing Mar. 15, 1955).........	5,365	2,388	2,605	-	4,993	372
2-7/8% Bonds of 1955-60 (called for redemption Mar.15,1955)	2,611	319	-	1,917	2,236	375
Total.........	$14,983	$8,450	$3,784	$1,917	$14,151	$832

P final figures by districts will be released in a few days.

TREASURY DEPARTMENT

WASHINGTON, D.C.

IMMEDIATE RELEASE,
Tuesday, February 8, 1955.

H-706

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"This operation lengthens the average maturity of the marketable debt from 4 years and 2 months to 4 years and 9 months."

oOo

STATUTORY DEBT LIMITATION
AS OF January 31, 1955

Washington, February 14, 1955

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 Act of August 28, 1954, (P.L. 686-83rd Congress) provides that during the period beginning on August 28, 1954, and ending June 30, 1955, the above limitation ($275,000,000,000) shall be temporarily increased by $6,000,000,000.

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			$281,000,000,000
Outstanding-			
Obligations issued under Second Liberty Bond Act, as amended			
Interest-bearing:			
Treasury bills	$ 19,506,661,000		
Certificates of indebtedness	28,462,179,000		
Treasury notes	32,534,736,500	$ 80,503,576,500	
Bonds-			
Treasury	81,757,784,900		
Savings (current redemp. value)	57,966,540,674		
Depositary	452,162,000		
Investment series	12,676,791,000	152,853,278,574	
Special Funds-			
Certificates of indebtedness	28,838,211,000		
Treasury notes	13,430,166,400	42,268,377,400	
Total interest-bearing		275,625,232,474	
Matured, interest-ceased		722,164,771	
Bearing no interest:			
United States Savings Stamps	48,434,488		
Excess profits tax refund bonds	1,156,665		
Special notes of the United States:			
Internat'l Monetary Fund series	1,528,000,000	1,577,591,153	
Total		277,924,988,398	
Guaranteed obligations (not held by Treasury):			
Interest-bearing:			
Debentures: F.H.A.	22,033,836		
Matured, interest-ceased	1,772,700	23,806,536	
Grand total outstanding			277,948,794,934
Balance face amount of obligations issuable under above authority			3,051,205,066

Reconcilement with Statement of the Public Debt January 31, 1955
(Date)

(Daily Statement of the United States Treasury, January 31, 1955)
(Date)

Outstanding-	
Total gross public debt	278,439,067,319
Guaranteed obligations not owned by the Treasury	23,806,536
Total gross public debt and guaranteed obligations	278,462,873,855
Deduct - other outstanding public debt obligations not subject to debt limitation	514,078,921
	277,948,794,934

H-707

STATUTORY DEBT LIMITATION

AS OF January 31, 1955

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H-707

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Treasury Department Circular No. 418, Revised, 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

H-708

FOR RELEASE, MORNING NEWSPAPERS,
Thursday, February 10, 1955.

The Treasury Department, 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 February 17, 1955, in the amount of $1,500,394,000, 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 17, 1955, and will mature May 19, 1955, 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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TREASURY DEPARTMENT

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WASHINGTON, D.C.

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Thursday, February 10, 1955.

H-708

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Commodity	Period and Quantity		Unit of Quantity	Imports as of Jan. 29, 1955
Peanuts, whether shelled, not shelled, blanched, salted, prepared, or preserved (including roasted peanuts, but not including peanut butter)......	12 months from July 1, 1954	1,709,000	Pound	Quota Filled
Peanut Oil	12 months from July 1, 1954	80,000,000	Pound	8,243,629
Barley, hulled, unhulled, rolled, and ground, and barley malt.......	12 months from Oct. 1, 1954			
	Canada	27,225,000	Bushel	9,070,084
	Other Countries	275,000	Bushel	5,635 *
Oats, hulled, and unhulled, and unhulled ground	12 months from Oct. 1, 1954			
	Canada	39,312,000	Bushel	7,964,025
	Other Countries	688,000	Bushel	629,069 *
Rye, rye flour, and rye meal	12 months from July 1, 1954	186,000,000	Pound	Quota Filled

* Imports through February 8, 1955.

TREASURY DEPARTMENT
Washington

IMMEDIATE RELEASE
Thursday, February 10, 1955.

H-709

The Bureau of Customs announced today preliminary figures showing the imports for consumption of the commodities listed below within quota limitations from the beginning of the quota periods to January 29, 1955, inclusive, as follows:

Commodity	Period and Quantity		Unit of Quantity	Imports as of Jan. 29, 1955
Whole milk, fresh or sour..........	Calendar Year	3,000,000	Gallon	2,149
Cream	Calendar Year	1,500,000	Gallon	27
Butter	Nov. 1, 1954- Mar. 31, 1955	50,000,000	Pound	223,064
Fish, fresh or frozen, filleted etc., cod, haddock, hake, pollock, cusk, and rosefish.........	Calendar Year	35,432,624	Pound	Quota Filled
White or Irish potatoes:				
Certified Seed	12 months from	150,000,000	Pound	42,755,910
Other	Sept. 15, 1954	329,100,000	Pound	11,332,981
Cattle, less than 200 lbs. each...	12 months from April 1, 1954	200,000	Head	4,408
Cattle, 700 lbs. or more each..... (other than dairy cows)	Jan. 1, 1955- Mar. 31, 1955	120,000	Head	28,406
Walnuts	Calendar Year	5,000,000	Pound	171,930
Almonds, shelled, blanched, roasted, or otherwise prepared or preserved.	12 months from Oct. 1, 1954	5,000,000	Pound	565,827
Filberts, shelled (whether or not blanched)........................	12 months from Oct. 1, 1954	6,000,000	Pound	2,053,514
Alsike clover seed................	12 months from July 1, 1954	1,500,000	Pound	Quota Filled

(1) Imports for consumption at the quota rate are limited to 8,858,156 lbs. during the first three months of the calendar year.

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TREASURY DEPARTMENT
Washington

MMEDIATE RELEASE
hursday, February 10, 1955. H-709

The Bureau of Customs announced today preliminary figures showing the imports for consumption of the commodities listed below within quota limitations from the beginning of the quota periods to January 29, 1955, inclusive, as follows:

Commodity	Period and Quantity		Unit of Quantity	Imports as of Jan. 29, 1955
Whole milk, fresh or sour..........	Calendar Year	3,000,000	Gallon	2,149
Cream	Calendar Year	1,500,000	Gallon	27
Butter	Nov. 1, 1954-Mar. 31, 1955	50,000,000	Pound	223,064
Fish, fresh or frozen, filleted etc., cod, haddock, hake, pollock, cusk, and rosefish.........	Calendar Year	35,432,624	Pound	Quota Filled
White or Irish potatoes:				
Certified Seed	12 months from	150,000,000	Pound	42,755,910
Other	Sept. 15, 1954	329,100,000	Pound	11,332,981
Cattle, less than 200 lbs. each...	12 months from April 1, 1954	200,000	Head	4,408
Cattle, 700 lbs. or more each..... (other than dairy cows)	Jan. 1, 1955-Mar. 31, 1955	120,000	Head	28,406
Walnuts	Calendar Year	5,000,000	Pound	171,930
Almonds, shelled, blanched, roasted, or otherwise prepared or preserved.	12 months from Oct. 1, 1954	5,000,000	Pound	565,827
Filberts, shelled (whether or not blanched)......................	12 months from Oct. 1, 1954	6,000,000	Pound	2,053,514
Alsike clover seed................	12 months from July 1, 1954	1,500,000	Pound	Quota Filled

(1) Imports for consumption at the quota rate are limited to 3,858,156 lbs. during the first three months of the calendar year.

(Continued)

Commodity	Period and Quantity		Unit of Quantity	Imports as of Jan. 29, 1955
Peanuts, whether shelled, not shelled, blanched, salted, prepared, or preserved (including roasted peanuts, but not including peanut butter)......	12 months from July 1, 1954	1,709,000	Pound	Quota Filled
Peanut Oil	12 months from July 1, 1954	80,000,000	Pound	8,243,629
Barley, hulled, unhulled, rolled, and ground, and barley malt.......	12 months from Oct. 1, 1954			
	Canada	27,225,000	Bushel	9,070,084
	Other Countries	275,000	Bushel	5,635 *
Oats, hulled, and unhulled, and unhulled ground	12 months from Oct. 1, 1954			
	Canada	39,312,000	Bushel	7,964,025
	Other Countries	688,000	Bushel	629,069 *
Rye, rye flour, and rye meal	12 months from July 1, 1954	186,000,000	Pound	Quota Filled

* Imports through February 8, 1955.

TREASURY DEPARTMENT
Washington

IMMEDIATE RELEASE,
Thursday, February 10, 1955.

H-710

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, 1955, to January 29, 1955, inclusive, as follows:

Products of the Philippines	Established Quota Quantity	Unit of Quantity	Imports as of January 29, 1955
Buttons	850,000	Gross	63,425
Cigars	200,000,000	Number	24,892
Coconut Oil	448,000,000	Pound	9,385,130
Cordage	6,000,000	Pound	267,620
Rice	1,040,000	Pound	-
Sugars (Refined.................	1,904,000,000	Pound	-
Sugars (Unrefined			127,514,562
Tobacco	6,500,000	Pound	32,785

IMMEDIATE RELEASE,
Thursday, February 10, 1955.

H-710

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, 1955, to January 29, 1955, inclusive, as follows:

Products of the Philippines		Established Quota Quantity	Unit of Quantity	Imports as of January 29, 1955
Buttons		850,000	Gross	63,425
Cigars		200,000,000	Number	24,892
Coconut Oil		448,000,000	Pound	9,385,130
Cordage		6,000,000	Pound	267,620
Rice		1,040,000	Pound	-
Sugars	(Refined	1,904,000,000	Pound	-
	(Unrefined			127,514,562
Tobacco		6,500,000	Pound	32,785

TREASURY DEPARTMENT
Washington

IMMEDIATE RELEASE,
Thursday, February 10, 1955.

H-711

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, 1954, as follows:

Country of Origin	Wheat		Wheat flour, semolina, crushed or cracked wheat, and similar wheat products	
	Established Quota	Imports May 29, 1954, to Feb. 8, 1955	Established Quota	Imports May 29, 1954 to Feb. 8, 195
	(Bushels)	(Bushels)	(Pounds)	(Pounds)
Canada	795,000	795,000	3,815,000	3,815,000
China	-	-	24,000	-
Hungary	-	-	13,000	-
Hong Kong	-	-	13,000	-
Japan	-	-	8,000	-
United Kingdom	100	-	75,000	70
Australia	-	-	1,000	-
Germany	100	99	5,000	-
Syria	100	-	5,000	5,000
New Zealand	-	-	1,000	-
Chile	-	-	1,000	-
Netherlands	100	-	1,000	-
Argentina	2,000	-	14,000	-
Italy	100	-	2,000	2,000
Cuba	-	-	12,000	-
France	1,000	-	1,000	-
Greece	-	-	1,000	-
Mexico	100	-	1,000	-
Panama	-	-	1,000	-
Uruguay	-	-	1,000	-
Poland and Danzig	-	-	1,000	-
Sweden	-	-	1,000	-
Yugoslavia	-	-	1,000	-
Norway	-	-	1,000	-
Canary Islands	-	-	1,000	-
Rumania	1,000	-	-	-
Guatemala	100	-	-	-
Brazil	100	-	-	-
Union of Soviet Socialist Republics	100	-	-	-
Belgium	100	-	-	-
	800,000	795,099	4,000,000	3,822,070

TREASURY DEPARTMENT
Washington

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IMMEDIATE RELEASE, H-711
Thursday, February 10, 1955.

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, 1954, as follows:

Country of Origin	Wheat		Wheat flour, semolina, crushed or cracked wheat, and similar wheat products	
	Established Quota	Imports May 29, 1954, to Feb. 8, 1955	Established Quota	Imports May 29, 1954, to Feb. 8, 1955
	(Bushels)	(Bushels)	(Pounds)	(Pounds)
Canada	795,000	795,000	3,815,000	3,815,000
China	-	-	24,000	-
Hungary	-	-	13,000	-
Hong Kong	-	-	13,000	-
Japan	-	-	8,000	-
United Kingdom	100	-	75,000	70
Australia	-	-	1,000	-
Germany	100	99	5,000	-
Syria	100	-	5,000	5,000
New Zealand	-	-	1,000	-
Chile	-	-	1,000	-
Netherlands	100	-	1,000	-
Argentina	2,000	-	14,000	-
Italy	100	-	2,000	2,000
Cuba	-	-	12,000	-
France	1,000	-	1,000	-
Greece	-	-	1,000	-
Mexico	100	-	1,000	-
Panama	-	-	1,000	-
Uruguay	-	-	1,000	-
Poland and Danzig	-	-	1,000	-
Sweden	-	-	1,000	-
Yugoslavia	-	-	1,000	-
Norway	-	-	1,000	-
Canary Islands	-	-	1,000	-
Rumania	1,000	-	-	-
Guatemala	100	-	-	-
Brazil	100	-	-	-
Union of Soviet Socialist Republics	100	-	-	-
Belgium	100	-	-	-
	800,000	795,099	4,000,000	3,822,070

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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, 1954, to Feb. 8, 1955	Established 33-1/3% of Total Quota	Imports 1/ Sept. 20, 1954 to Feb. 8, 1955
United Kingdom	4,323,457	1,006,289	1,441,152	1,006,289
Canada	239,690	62,389	-	-
France	227,420	-	75,807	-
British India	69,627	67,894	-	-
Netherlands	68,240	-	22,747	-
Switzerland	44,388	-	14,796	-
Belgium	38,559	-	12,853	-
Japan	341,535	-	-	-
China	17,322	-	-	-
Egypt	8,135	-	-	-
Cuba	6,544	-	-	-
Germany	76,329	-	25,443	-
Italy	21,263	6,627	7,088	6,627
	5,482,509	1,143,199	1,599,886	1,012,916

1/ Included in total imports, column 2.

Prepared in the Bureau of Customs.

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TREASURY DEPARTMENT
Washington

IMMEDIATE RELEASE,
Thursday, February 10, 1955.

H-712

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, 1954, to February 8, 1955, inclusive

Country of Origin	Established Quota	Imports
Egypt and the Anglo-Egyptian Sudan	783,816	-
Peru	247,952	5,931
British India	2,003,483	20,355
China	1,370,791	-
Mexico	8,883,259	3,541,107
Brazil	618,723	618,723
Union of Soviet Socialist Republics	475,124	411,813
Argentina	5,203	-
Haiti	237	-
Ecuador	9,333	-
Honduras	752	-
Paraguay	871	-
Colombia	124	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, 1954, to January 29, 1955

Established Quota (Global)	Imports
70,000,000	3,918,694

Cotton 1-1/8" or more, but less than 1-11/16"
Imports Feb. 1, 1954, to January 31, 1955

Established Quota (Global)	Imports
45,656,420	41,053,691

TREASURY DEPARTMENT
Washington

H-712

IMMEDIATE RELEASE,
Thursday, February 10, 1955.

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, 1954, to February 8, 1955, inclusive

Country of Origin	Established Quota	Imports
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China	1,370,791	-
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Brazil	618,723	618,723
Union of Soviet Socialist Republics .	475,124	411,813
Argentina	5,203	-
Haiti	237	-
Ecuador	9,333	-
Honduras	752	-
Paraguay	871	-
Colombia	124	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.
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Imports Feb. 1, 1954, to January 31, 1955

Established Quota (Global)	Imports
45,656,420	41,053,691

H-712

RELEASE MORNING NEWSPAPERS,
Tuesday, February 15, 1955.

The Treasury Department announced last evening that the tenders for $1,500,000,000 or thereabouts, of 91-day Treasury bills to be dated February 17 and to mature May 19, 1955, which were offered on February 10, were opened at the Federal Reserve Banks on February 14.

The details of this issue are as follows:

Total applied for - $2,158,675,000
Total accepted - 1,500,125,000 (includes $216,651,000 entered on a noncompetitive basis and accepted in full at the average price shown below)

Average price - 99.714/ Equivalent rate of discount approx. 1.130% per annum

Range of accepted competitive bids:

High	- 99.734	Equivalent rate of discount approx. 1.052% per annum
Low	- 99.709	" " " " " 1.151% " "

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

Federal Reserve District	Total Applied for	Total Accepted
Boston	$ 31,146,000	$ 30,646,000
New York	1,520,953,000	943,753,000
Philadelphia	34,500,000	19,500,000
Cleveland	49,206,000	47,206,000
Richmond	20,882,000	20,272,000
Atlanta	26,098,000	25,598,000
Chicago	269,473,000	219,473,000
St. Louis	30,388,000	30,388,000
Minneapolis	20,950,000	20,750,000
Kansas City	38,478,000	37,378,000
Dallas	39,194,000	38,754,000
San Francisco	77,407,000	66,407,000
TOTAL	$2,158,675,000	$1,500,125,000

TREASURY DEPARTMENT

WASHINGTON, D.C.

RELEASE MORNING NEWSPAPERS,
Tuesday, February 15, 1955.

H-713

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Kansas City	38,478,000	37,378,000
Dallas	39,194,000	35,754,000
San Francisco	77,407,000	69,407,000
TOTAL	$2,158,675,000	$1,500,125,000

COTTON WASTES
(In pounds)

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

Country of Origin	Established TOTAL QUOTA	Total Imports Sept. 20, 1954, to Feb. 8, 1955	Established 33-1/3% of Total Quota	Imports 1/ Sept. 20, 1954 to Feb. 8, 1955
United Kingdom	4,323,457	1,006,289	1,441,152	1,006,289
Canada	239,690	62,389	-	-
France	227,420	-	75,807	-
British India	69,627	67,894	-	-
Netherlands	68,240	-	22,747	-
Switzerland	44,388	-	14,796	-
Belgium	38,559	-	12,853	-
Japan	341,535	-	-	-
China	17,322	-	-	-
Egypt	8,135	-	-	-
Cuba	6,544	-	-	-
Germany	76,329	-	25,443	-
Italy	21,263	6,627	7,088	6,627
	5,482,509	1,143,199	1,599,886	1,012,916

1/ Included in total imports, column 2.

Prepared in the Bureau of Customs.

H-712

RELEASE MORNING NEWSPAPERS,
Tuesday, February 15, 1955.

The Treasury Department announced last evening that the tenders for $1,500,000,000, or thereabouts, of 91-day Treasury bills to be dated February 17 and to mature May 19, 1955, which were offered on February 10, were opened at the Federal Reserve Banks on February 14.

The details of this issue are as follows:

Total applied for - $2,158,675,000
Total accepted - 1,500,125,000 (includes $216,651,000 entered on a noncompetitive basis and accepted in full at the average price shown below)
Average price - 99.714/ Equivalent rate of discount approx. 1.130% per annum

Range of accepted competitive bids:

High - 99.734 Equivalent rate of discount approx. 1.052% per annum
Low - 99.709 " " " " " 1.151% " "

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

Federal Reserve District		Total Applied for	Total Accepted
Boston		$ 31,146,000	$ 30,646,000
New York		1,520,953,000	943,753,000
Philadelphia		34,500,000	19,500,000
Cleveland		49,206,000	47,206,000
Richmond		20,882,000	20,272,000
Atlanta		26,098,000	25,598,000
Chicago		269,473,000	219,473,000
St. Louis		30,388,000	30,388,000
Minneapolis		20,950,000	20,750,000
Kansas City		38,478,000	37,378,000
Dallas		39,194,000	38,754,000
San Francisco		77,407,000	66,407,000
	TOTAL	$2,158,675,000	$1,500,125,000

TREASURY DEPARTMENT

WASHINGTON, D.C.

RELEASE MORNING NEWSPAPERS,
Tuesday, February 15, 1955.

H-713

The Treasury Department announced last evening that the tenders for $1,500,000,000, or thereabouts, of 91-day Treasury bills to be dated February 17 and to mature May 19, 1955, which were offered on February 10, were opened at the Federal Reserve Banks on February 14.

The details of this issue are as follows:

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Average price - 99.714/ Equivalent rate of discount approx. 1.130% per annum

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

Federal Reserve District	Total Applied for	Total Accepted
Boston	$ 31,146,000	$ 30,646,000
New York	1,520,953,000	943,753,000
Philadelphia	34,500,000	19,500,000
Cleveland	49,206,000	47,206,000
Richmond	20,882,000	20,272,000
Atlanta	26,098,000	25,598,000
Chicago	269,473,000	219,473,000
St. Louis	30,388,000	30,388,000
Minneapolis	20,950,000	20,750,000
Kansas City	38,478,000	37,378,000
Dallas	39,194,000	36,754,000
San Francisco	77,407,000	66,407,000
TOTAL	$2,158,675,000	$1,500,125,000

H-71

IMMEDIATE RELEASE,
Tuesday, February 15, 1955.

The Treasury Department announced today that final tabulation of subscriptions for the recent exchange offering showed $1,923 million for the new 40-year 3 percent Treasury bonds, $3,793 million for the new 2-1/2-year 2 percent notes, and $8,462 million for the 13-month 1-5/8 percent notes.

The following tables show the amounts outstanding of the three issues eligible for exchange, and the extent to which they are being exchanged for the new issues, and subscriptions by Federal Reserve Districts.

(In millions of dollars)

Old Issues	Eligible for Exchange	Exchange Subscriptions for New Issues				Unexchanged
		3% Bond	2% Note	1-5/8% Note	Total	
Certificates.....	$ 7,007	$ -	$1,167	$5,738	$ 6,905	$102
Notes...........	5,365	-	2,626	2,401	5,027	338
Called Bonds.....	2,611	1,923	-	323	2,246	365
Total.......	$14,983	$1,923	$3,793	$8,462	$14,178	$805

SUBSCRIPTIONS BY FEDERAL RESERVE DISTRICTS

Federal Reserve District	3% Treasury Bonds of 1995	2% Series C-1957 Notes	1-5/8% Series A-1956 Notes
Boston	$ 128,296,500	$ 124,617,000	$ 119,711,000
New York	1,283,751,500	1,523,200,000	6,456,606,000
Philadelphia	35,322,000	127,528,000	81,486,000
Cleveland	63,732,500	169,896,000	210,495,000
Richmond	19,314,500	84,280,000	59,339,000
Atlanta	8,438,500	120,808,000	161,300,000
Chicago	228,779,500	667,268,000	598,968,000
St. Louis	23,766,500	183,946,000	110,419,000
Minneapolis	40,642,500	137,460,000	97,254,000
Kansas City	36,438,500	206,531,000	144,929,000
Dallas	16,464,000	123,931,000	46,506,000
San Francisco	32,559,000	311,698,000	352,562,000
Treasury	5,764,500	12,146,000	22,453,000
Total	$1,923,270,000	$3,793,309,000	$8,462,028,000

TREASURY DEPARTMENT

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WASHINGTON, D.C.

IMMEDIATE RELEASE,
Tuesday, February 15, 1955.

H-714

The Treasury Department announced today that final tabulation of subscriptions for the recent exchange offering showed $1,923 million for the new 40-year 3 percent Treasury bonds, $3,793 million for the new 2-1/2-year 2 percent notes, and $8,462 million for the 13-month 1-5/8 percent notes.

The following tables show the amounts outstanding of the three issues eligible for exchange, and the extent to which they are being exchanged for the new issues, and subscriptions by Federal Reserve Districts.

(In millions of dollars)

Old Issues	Eligible for Exchange	Exchange Subscriptions for New Issues				Unexchanged
		3% Bond	2% Note	1-5/8% Note	Total	
Certificates.....	$ 7,007	$ -	$1,167	$5,738	$ 6,905	$102
Notes............	5,365	-	2,626	2,401	5,027	338
Called Bonds.....	2,611	1,923	-	323	2,246	365
Total.......	$14,983	$1,923	$3,793	$8,462	$14,178	$805

SUBSCRIPTIONS BY FEDERAL RESERVE DISTRICTS

Federal Reserve District	3% Treasury Bonds of 1995	2% Series C-1957 Notes	1-5/8% Series A-1956 Notes
Boston	$ 128,296,500	$ 124,617,000	$ 119,711,000
New York	1,283,751,500	1,523,200,000	6,456,606,000
Philadelphia	35,322,000	127,528,000	81,486,000
Cleveland	63,732,500	169,896,000	210,495,000
Richmond	19,314,500	84,280,000	59,339,000
Atlanta	8,438,500	120,808,000	161,300,000
Chicago	228,779,500	667,268,000	598,968,000
St. Louis	23,766,500	183,946,000	110,419,000
Minneapolis	40,642,500	137,460,000	97,254,000
Kansas City	36,438,500	206,531,000	144,929,000
Dallas	16,464,000	123,931,000	46,506,000
San Francisco	32,559,000	311,698,000	352,562,000
Treasury	5,764,500	12,146,000	22,453,000
Total	$1,923,270,000	$3,793,309,000	$8,462,028,000

the future at an accelerated pace in excess of anything we have ever known before.

You and I as citizens must participate in this great drive toward a better America. As such a citizen, I am pleased and proud to accept this fine award from the Chamber of Commerce of Greater Philadelphia, and to receive it in recognition of the contributions which President Eisenhower's Administration has made to the advancement of the economy of this nation.

The future of free America lies in the initiative, the resourcefulness, the tenacity, daring, and courage of 160 million Americans, each free to choose how best he can promote his own interest and the interest and future of his loved ones in whatever way he can best devise only so long as he does not interfere with the rights of others. It is the cumulative power of this great effort which has made America great in the past and which I am convinced will drive us ahead in

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As cuts in future expenditures all through the government's operations come clearly into sight, and if at the same time our expanding economy promises greater income with lesser rates of tax, we will look forward to further reductions in our tax structure, distributed as fairly as possible among all taxpayers.

The expectation of further tax reduction and the maintenance of sound fiscal policies are firm foundation stones creating greater confidence in our future prosperity.

These, then, have been fine, worthwhile accomplishments for the good of the nation, its economy, and its future. They have been accomplished without fanfare or sensational controversy. ~~The people around the President are not those who clash publicly for the sake of getting into print.~~ In the Cabinet and in the Agency heads in this Administration, there exists a wonderful team spirit which has resulted in real accomplishment with few headline battles.

The role which the government can play in the economic affairs of the nation should be limited. Government manipulation is the antithesis of a free America, and encroachment by government in restricting the freedom of its citizens should be limited to doing, as Lincoln said, "for a community of people whatever they need to have done, but cannot do at all, or cannot so well do for themselves -- in their separate and individual capacities. In all that the people can individually do for themselves, government ought not to interfere."

The President's decisions on our defense forces are recognition of the fact that in this age of almost unbelievable development in science and production techniques, we cannot have a static defense committed to old-fashioned strategy and weapons. Real security for our nation over an extended period must also rest upon a sound and growing economy.

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As the President has said, the United States is in a stronger position to defend itself against aggression than it was two years ago. The Defense Department has developed a better balanced, more mobile and flexible and effective defense establishment at lower cost to the taxpayers.

Progress has been made in reducing waste and extravagance. Obsolete equipment and supplies are being eliminated. There is much left to be done, but that does not alter the fact that much has already been accomplished. We have a far better balanced program. We are making progress in real unification in the armed services, so that competition between them is less likely to duplicate efforts and expenditures that squander both tax money and our national resources. Greater unity adds strength to our defense position.

We can and we must spend whatever is needed for our security; that is our first concern. 725 But we know that real security does not result simply from spending huge amounts of money. The worth of our defense must be measured not by its costs but by its wisdom.

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This is well illustrated by the issue and highly successful placement only a few days ago of nearly two billion dollars in 40-year 3% bonds. They are the longest bonds that have been sold by the government since an issue to help pay for the Panama Canal in 1911.

There is nothing academic about the importance of keeping inflation locked out. The value of earnings and savings can be protected in no other way. Just realize that 55 out of every 100 families in America now earn more than $4,000 a year as compared with only 10 out of 100 earning $4,000 a year early in the century in terms of today's prices ~~50 years ago.~~ And recall the millions of owners of their homes, accounts in savings banks, savings bonds, insurance policies, and pensions, of which I spoke just a moment ago. Because this nation has quietly become a nation of "haves" rather than "have nots," inflation must stay checked to protect the earnings and savings of millions of Americans.

We had a cash balance between money collected from the public and money paid out by the government last year. Although we will not have a cash balance this year, we are estimating a small surplus in the fiscal year ahead. The total debt has continued to grow because of the large deficit we inherited in our first year in office and the subsequent deficits, even though they have been much smaller. But the inflationary effect of deficit financing has been almost wholly eliminated so that ~~during the period we have been in financial control, since~~ most of the increase in debt is being ~~has been~~ financed by securities issued to government trust funds rather than borrowing from the public.

borrowing so as to be as careful as possible concerning its effect upon the constructive course of the economy.

Our nation has made the transition from a wartime high to a lower level of government spending without a major economic upset. This transition was helped substantially by heavy tax cuts and other moves stimulating confidence.

While there is still high tension in many places, there is no armed warfare between major powers at any point on the globe as of this moment. There is peace -- uneasy as it is -- as far as American fighting men are concerned. War in Korea has halted. War in Indo-China has ceased.

The present improved relationships in many places throughout the world have been achieved by ceaseless and dedicated pursuit of solutions for the vexing and serious widespread international problems. It is a treacherous path. Bold risks must sometimes be taken, but success to date is high proof of the competence and wisdom of the policies which have been adopted in wrestling with this problem of preserving the peace and making it more secure.

Inflation has been stopped. In the past two years the value of the dollar has changed only one-fifth of one cent. This compares with a drop in the value of the dollar from 100 cents in 1939 to only 52 cents in January 1953. All departments and many people in government have been working hard for, and insisting upon getting, our federal spending under control. Deficits -- which lead to more borrowing and so to inflation -- have been cut substantially.

The Federal Reserve System has acted promptly, courageously, and wisely to adopt monetary and credit policies which have met the needs of the economy while walking the fine line between deflation and inflation. And the Treasury has done its bit in halting inflation -- and avoiding deflation -- by doing its

What has been done in encouraging initiative and enterprise has not been sensational or dramatic. But it has been important to every American in his daily life. It is important to the standard of living of every American worker and his loved ones. And it is vitally important to the defense of all Americans against any possible enemy attack, for the power and strength of American industrial capacity is the very foundation of our security

It is often true that "good news" is "no news" to attract public attention in the daily news outlets of press, radio, and TV. Yet the quiet, undramatic, progressive developments that are going on in America -- without making sensational news -- are important for the present and future of our people.

I have no quarrel with what makes news. I make these observations only as a reason for talking a little tonight about some of the constructive things that have been done during the past two years -- important things which are worth mentioning because they do not draw the attention that controversy and violence do.

What are some of these unspectacular things that this Administration has been helping to accomplish during the past two years?

The undramatic but steady and healthy progress which has been going on in this country has increased the confidence of all Americans in the possibilities of our future. This increasing confidence is the most important stimulant to the development of the strength of our nation's economy, with the careful and quiet assistance of an administration which knows that government can do relatively little except to help to properly set a stage upon which free vigorous Americans can perform.

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I am even more encouraged to talk about these simple principles that have made our country great when I read over the list of names of those who have been previous recipients of the William Penn Award, showing that the Philadelphia Chamber of Commerce over the years has been honoring men who stand for the same principles of free competitive enterprise and initiative which we now believe are basic to our American way of life -- the way of life which has yet to be surpassed anywhere in this world of ours.

It has been a dedicated goal of the Eisenhower Administration to keep alive and vigorous the priceless principles of free, competitive enterprise and initiative. But we must do more than keep them alive and vigorous. We must keep them growing and always developing the new things and the better ways of doing things which have made this

For release at 7 P.M. EST) copi
Wednesday, February 16, 1955

~~DRAFT - Tuesday Morning - 2/8/55~~

~~Proposed~~ Remarks by Treasury Secretary Humphrey (following receipt of the 1954 William Penn Award of The Chamber of Commerce of Greater Philadelphia), Wednesday, February 16, 1955, ~~at about 7:00 p.m.,~~ Bellevue-Stratford Hotel, Philadelphia, Pa.

~~Mr. Chairman (Mr. Symes), Distinguished Guests,~~ ~~and~~ Ladies ~~and Gentlemen~~:

I am deeply honored to receive the 1954 Willian Penn Award of the Chamber of Commerce of Greater Philadelphia. It is a great privilege for me to receive this honor as a member of President Eisenhower's Administration.

I am going to talk to you tonight not as Secretary of the Treasury, not as a Cabinet officer, or even as a businessman who is now a bureaucrat. I will talk rather as a friend and fellow-citizen and a taxpayer who shares with you the responsibility of good government, of keeping America the land of opportunity--the land where the economy of today must build for the economy of tomorrow by its wisdom, its soundness, and its farsightedness. We must build a world with more and better opportunities for our children and our children's children and not a world that will take opportunity away from them.

The problems and accomplishments I speak of tonight are the problems of every citizen, and the accomplishments are the work of all who, by their own efforts, have helped to build soundness and opportunity by hard work and honest endeavor.

I am going to talk to you tonight not of headlines, controversy, and crises, but of the quiet, undramatic, progressive developments that are going on all around us in America. There have been no headlines to tell you that more

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H-715

TREASURY DEPARTMENT
Washington

FOR RELEASE AT 6 P.M., EST
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Immediate Release Wednesday, February 16, 1955 (2:30 pm 2/16/55) ~~Draft Press~~ Release in Connection with ~~Renewal of~~ Peruvian Stabilization ~~Agreement~~

H-716

The Treasury Department today announced the signing of an Agreement extending, for a period of one year, the 1954 Stabilization Agreement between the United States and Peru. The Agreement was signed by W. Randolph Burgess, Under Secretary of the Treasury for Monetary Affairs, on behalf of the United States, and by Ambassador Berckemeyer on behalf of the Government of Peru and the Central Reserve Bank of Peru.

Under the terms of the Agreement, the United States Exchange Stabilization Fund undertakes to purchase Peruvian soles up to an amount equivalent to $12.5 million if the occasion for such a purchase should arise. The Agreement is designed to assist in maintaining trade and payments between the two countries substantially free from governmental restrictions and avoiding unnecessary fluctuations in the rate of exchange.

The International Monetary Fund has also announced today the extension of its stand-by arrangement with Peru under which the Monetary Fund agrees to make available up to $12.5 million. The two agreements, therefore, can provide a total of $25 million in stand-by resources.

Peru's currency is freely convertible into dollars at a market rate of exchange. ~~The exchange has been strong in recent months.~~ In 1954 balance was achieved in Peru's commodity trade with other countries, and foreign exchange reserves increased in the last half of the year.

Ambassador Berckemeyer stated that his Government intended to continue the sound monetary and fiscal policies which have contributed to this improved international position.

TREASURY DEPARTMENT

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WASHINGTON, D.C.

IMMEDIATE RELEASE,
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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 is considered to be interest. Under Sections 454 (b) and 1221 (5) of the Internal Revenue Code of 1954 the amount of discount at which bills issued hereunder are sold is not considered to accrue until such bills are 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, Revised, 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.

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 Treasury Department 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, noncompetitive 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 24, 1955, in cash or other immediately available funds or in a like face amount of Treasury bills maturing February 24, 1955. 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, does not have any exemption, as such, and loss from the sale or other disposition of Treasury bills does not have any special treatment, as such, under the Internal Revenue Code of 1954. The bills are subject to estate, inheritance, gift or other excise taxes, whether Federal or State, but are 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,

TREASURY DEPARTMENT
Washington

FOR RELEASE, MORNING NEWSPAPERS,
Thursday, February 17, 1955 .

H-717

The Treasury Department, 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 February 24, 1955 , in the amount of $ 1,499,815,000 , 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 24, 1955 , and will mature May 26, 1955 , 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 21, 1955 . 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

TREASURY DEPARTMENT

WASHINGTON, D.C.

RELEASE MORNING NEWSPAPERS,
Thursday, February 17, 1955

H-717

The Treasury Department, 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 **February 24, 1955,** in the amount of **$1,499,815,000,** 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 24, 1955,** and will mature **May 26, 1955,** 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 21, 1955.** 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 Treasury Department 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 24, 1955**, in cash or other immediately available funds or in a like face amount of Treasury bills maturing **February 24**, 1955. 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, does not have any exemption, as such, and loss from the sale or other disposition of Treasury bills does not have any special treatment, as such, under the Internal Revenue Code of 1954. The bills are subject to estate, inheritance, gift or other excise taxes, whether Federal or State, but are 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 is considered to be interest. Under Sections 454 (b) and 1221 (5) of the Internal Revenue Code of 1954 the amount of discount at which bills issued hereunder are sold is not considered to accrue until such bills are 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, Revised, 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.

The economic down-turn of last year is behind us. In general, the economy is now moving upward on a broad front. There are some lines and areas which are still depressed. Unsolved problems still remain on which we are diligently working. Unemployment in January was 3,300,000, an increase of 500,000 over the previous month and an increase of 200,000 over January a year ago. But as concrete evidence of the economy's upward movement, employment in January was 60,200,000, or 400,000 higher than in January a year ago. The economy never moves in a smooth straight line, up or down, but as long as our broad movement is upward we are moving in the right direction. If government, business, labor, farmers and all our citizens remain both confident and reasonable in their demands upon the whole economy, we should be able to maintain this upward trend, and supply the rightful demands of an ever-growing population.

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If the great bulk of the American people are reasonably confident of the future they will expand their activities, invoke new initiative and try new ways of doing things. As they continue to find their confidence justified, they will not only save money but will invest their savings. This will provide the funds to produce the tools and power for the new plants, new equipment, and new and better ways of making more things. This will lead to greater production, greater earnings of more people to pay for more consumption of more things and so in turn make more and better jobs as the years go by. A man can earn more only if he can produce more. As we produce more we will all have more. If we maintain confidence in the stability of our system, there will be more and cheaper goods produced through more and better jobs and with more and better earnings for both the workers and the investors.

Q. What is the economic outlook today?

There is nothing academic about this point because [illegible] today is a nation of earners and of savers rather than have-nots. Most Americans today are saving several dollars a week out of their pay and putting it in insurance policies, retirement funds and so forth. The recurrence of inflation would rob millions of people of their savings.

[illegible]

Isn't a little inflation a good thing?

No, it is not, and such thinking is very dangerous. I know there are millions of Americans who are earning more dollars today than they did 20 years ago. That's good. In many cases there is a real improvement in that they have better homes, automobiles and so forth. But the fact that this increase in dollar income has been accompanied by less value of the dollar must be considered. In addition, the large numbers of persons on fixed incomes and persons who have put aside savings for retirement and old age have been cruelly hurt by inflation taking away 48 cents of each dollar they saved 15 years ago.

Fortunately, inflation has now been stopped. As economists of the American Federation of Labor put it recently, according to news reports: "Unionized labor fared better in 1954 on the wage front than in any other postwar year. Higher hourly wages and stable living costs had given most workers their greatest postwar gain in purchasing power. This was true even though the average [illegible] per hour was modest in comparison with increases [illegible]. [illegible] the full benefit [illegible]. In other years inflation gobbled up [illegible]

There is nothing academic about this point because America today is a nation of earners and of haves rather than have-nots. Most Americans today are saving several dollars a week out of their pay and putting it in insurance policies, retirement funds, and so forth. The recurrence of inflation would rob millions of people of their savings.

The Federal Reserve System must continue to use wisely its money and credit responsibilities so that the economy of the nation can operate with the minimum of regulation. Savings must be protected. Investment must be encouraged ~~to~~ by a great and ever-growing group of both large and small investors, and more and better jobs will thus be created to produce more goods for better living for more and more Americans.

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Q. What is the prospect for more jobs in this country?

The prospect for jobs is very closely related to what I have just been talking about. Probably the most important thing in promoting a high level of employment and business activity is confidence -- people's confidence in our government, confidence in each other, and confidence in the future.

Q. Will there be more long-term issues?

Yes. It is our firm goal to continue to lengthen the maturities of the debt as rapidly as appropriate conditions permit. The issue last week was the second long-term issue we have put out. The first was the $3\frac{1}{4}$% 30-year bond in the spring of 1953. We will have more when and as the conditions make it appropriate. We want to have varied types of issues so that all types of investors will have appropriate government securities in which to put their funds. This will spread the debt as widely as possible among the largest number of investors so as to both finance the debt and promote sound economic growth.

Q. Have we permanently stopped inflation?

That depends upon the courageous and tenacious will of the great majority of the American people to do so. The lure of inflation is something that is never permanently killed. It beckons like a siren to enticing evil ways. Unless continuously watchful resistance is always exerted, the weak may fall for its false promises of ease to riches and be led down the primrose path to their ruin. It means the destruction of savings, which make investment possible, which in turn makes jobs. When we jeopardize the making of ever more and better jobs in America, we are ruining the very foundation of this republic.

Our record of the past two years has been good. The value of the dollar has changed less than one-fifth of one cent between January 1953 and today. This compares with a loss of 48 cents in the value of the dollar from 1939 to the time when this Administration took office. Inflation will stay checked only if we continue to actively resist the things which bring inflation about. Government must continue to cut down deficit financing and to handle its debt in a proper way.

criteria; and that if the collections made under that measure of use are dedicated by the good faith of the Congress to meet the debt obligations that are incurred, it is a perfectly proper way to independently finance debt required to pay for roads. Moreover, the entire economy is benefited: First, by the construction of the road and its employment of men and materials; second, by the use of the road and its benefits to transportation; and, third, by the liquidation of the cost of the road through a user tax measured by gas and oil, rather than by placing an additional burden on the back of the general income taxpayer.

Q. Is the government improving its debt structure?

Yes. The enormous debt is too heavy in short-term maturities. These can be inflationary as well as the source of trouble and possibly real danger to our whole economy under certain circumstances with so many short maturities ~~at time of renewal~~.

We are making progress slowly in lengthening the average maturities, and ~~This is the way~~ we must move slowly so as not to upset our sensitive economy. The 40-year 3% bonds just issued have been a real step forward. The issue was a great success. It has lengthened the average maturity of our whole marketable debt from four years and two months to four years and nine months. It is the longest government bond issued since 1911 when some 50-year bonds were issued to help finance the Panama Canal. This issue, like all our financing operations, had to be rightly timed for market conditions which were appropriate to be sure that we did not interfere with other financing requirements and so affect the economic situation in an unfavorable way.

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This year we estimate a ~~$4~~ $4.5 billion ~~-plus~~ deficit, which we hope we may cut a little, as I have said. And in fiscal 1956 we are estimating a smaller deficit of $\$2\frac{1}{2}$ billion or less. But regardless of the size of the deficit and the reductions ~~in the deficit~~ we are making, each deficit pushes up our debt still further, and so involves the problem of what to do about the debt limit. It will be with us acutely again this June.

Q. Is borrowing outside the debt limit necessarily improper?

No, not necessarily. If the government borrows outside of the regular debt for something which must be paid back from general funds, it is and would be improper. But if the government is acquiring or operating "earning assets," it is perfectly proper that they should be independently financed. The new federal road program is a good example. Some people have suggested it should not be financed outside the present debt, but I think it properly can be.

For instance, if a toll road is built and the tolls to be collected are sufficient to meet the debt service, both principal and interest, required to amortize the debt that is created to pay for the road, it is a perfectly clear case of a proper independent financing of an earning asset. Now, the toll to be collected can be based on weight or ~~axel~~ axle charge, on a mileage basis, or on any other suitable measure of use, including the consumption of oil and gasoline.

Some people have argued that while this is all true and that such a situation would be entirely proper, the allocation of oil and gas taxes to the payment of road bonds generally is

Q. Why do you have to raise the debt limit if you are really cutting spending as you claim?

When we came into office, there was ~~less than~~ $8 billion between the amount of the then-existing debt and the $275 billion debt ceiling. Now, in the very first year, the previous budget which we inherited turned out with a deficit of $9½ billion. Actually there was little we could then do beyond carrying out the spending that had already been planned and paying the bills that were presented. We had no leeway under the debt limit as we entered our first full fiscal year, 1954, so we asked the Congress for an increase, as a matter of prudence as we looked ahead. As things came out in fiscal 1954, we cut the prior administration's $11 billion estimated deficit (after an overestimate of revenue is figured in) to $3 billion -- a cut of $8 billion. But even then we still had this $3 billion deficit that had to be put on top of the $9 billion deficit that we inherited from the preceding year. These two things, plus the wide seasonal variations in collection of corporate income taxes, made some elasticity in the debt limit absolutely essential. Congress recognized this and last year authorized a $6 billion temporary increase in the limit on the condition that the debt would go back to the $275 billion limit at the end of this fiscal year.

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While significant accomplishments have been realized through foreign aid which are in the mutual interest of the United States and other free countries, history has sadly proved that large grant programs not only burden the American taxpayer but do not always produce either stronger or more friendly allies. The entire program is under intensive, continuing review to be sure that in the future both military and economic assistance may be properly balanced as operating parts of our foreign relations and defense programs.

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What we are doing is shifting some of the emphasis from men to machines, from the old concept of slugging it out with masses of men to being ready to beat the enemy with mobility, technological know-how and the most modern superiority of weapons and equipment.

Q. Can't we cut spending and balance the budget by just eliminating all foreign aid?

That is a program which is often suggested but is neither simple nor wise to carry out if you just stop and think about it. Certainly it is better to put military equipment in the hands of our friends overseas so that they can help to defend themselves if the need comes, rather than to also send American boys to handle those weapons, with all the potential loss in lives and national wealth, as well as the human anxiety that is involved. Total expenditures for mutual security, including both military assistance and economic support, are estimated at $4.7 billion for fiscal 1956, including the provisions for a program in Asia. This compares with mutual security spending of $4.3 billion in the present fiscal year.

The total cost included in this program for economic assistance alone is $1,025 million in fiscal 1956 as compared with $1,075 million in the present fiscal year. The total estimated expenditures in 1956, not including obligations for the future, for all Asian economic assistance will be about $585 million as compared with about $500 million to be spent for economic aid in Asia in the present fiscal year. So, while the estimated over the actual spending for economic aid increases slightly in Asia, the overall foreign economic aid program is still decreasing. This is directly in line with this administration's conclusion that we can best serve the cause of the free world by helping its members to help themselves through selective development programs in which private investment can play the major role.

and our present target for 1956 is an armed strength of 2,860,000 men, or almost double the number of June 1950. By the end of fiscal 1956 we will have an Air Force of 131 wings and 975,000 men as compared with 48 wings and only 411,000 men when the Korean fighting began. The Navy and Marines will be second to none (with 857,000 men). And the Army will be 80 percent above June 1950 in manpower (1,027,000 as compared with less than 593,000), but of even greater importance is the fact that because of advances in the science of warfare, each Army division will have 80 percent more firepower than a division of World War II.

To support these forces, we will spend an estimated $34 billion -- almost three times what we were spending when Korea broke out. So the total in both personnel and money going into our defense forces today is comparatively substantially increased.

Q. Have we cut too much from our security?

No! The reductions that we have made in spending for defense have not reduced our armed strength. As the President has said, we are increasing it; this Nation is in a stronger position to defend itself today than it wastwo years ago. We have a more flexible and better balanced defense establishment tailored to meet the requirements of future warfare and at lower cost to the taxpayers. Nothing that has happened in Formosa or elsewhere in the world up to this very day has changed our budget plans for lower spending in the year to come. I say this while emphasizing one basic fact: We can and will spend whatever we need to spend for our security. But this Administration is operating in the firm knowledge that real security comes not from merely spending billions of dollars but rather from spending them wisely.

the policy of cutting taxes as we cut spending is a sound policy. The fact that consumer spending in the past year was the highest that it has ever been is also good evidence of how the tax cuts helped to make the successful economic transition.

Q. Will there be further tax cuts?

Not this year, if the Administration's recommendations are accepted by the Congress. The President has proposed that the corporate rate of 52 percent, as well as excise taxes which would go down on April 1, be continued for one full year. We are asking this because we think the current status of the economy will take it and because further tax reduction would lead to too heavy deficit financing and a possible revival of dangerous inflationary pressures.

This does not mean that taxes must not be cut further. They are still too high for the long run and must come down. As the President has said, we certainly hope that we can be planning additional tax reductions a year from now.

Q. If you are going to cut taxes further next year, how can you ever balance the budget?

That is a question we are often asked -- and it is an important one. As I have said, we have not abandoned the goal of balancing the budget, and neither have we stopped cutting taxes. We can and will do both. We will keep trying to cut government spending further. At the same time our expanding economy can provide greater tax income even at lower tax rates because it is on a broader base. As this country continues to grow, there is no reason why we can't have both a balanced budget and lower tax rates provided only that world conditions continue to improve.

of World War II manufacture. We now have 3,100,000 men in service

The fact that the economic downturn was so quickly checked and tha
we are now proceeding upwards on a broad front is proof that

We must constantly have in mind in making these reductions the necessity of creating new employment to absorb those who will thus be out of work. There must be a great transition -- moving people from working for the government, either directly or indirectly, into jobs working for the production of goods for the general public. We have gone through two years of this transition with reasonable success. We are striving continually to do better and to make the transition with less loss of time for those directly involved. ~~But it is a~~ matter that must be ~~continually balanced and is~~ an ~~added and most important~~ reason ~~why~~ ~~We~~ we cannot switch from years of deficit spending to a balanced budget in too short a time.

~~The next question:~~ In view of the big reductions in expenditures that have been made Could the budget have been balanced

~~Q. Why haven't you been able to balance the budget?~~

carry back to p 7A

1/20! If we had not accompanied the heavy cuts we made in spending with substantial tax cuts, we would have balanced the budget. But we had to consider the proper balance in our sensitive economy. We knew that heavy cuts in government spending meant putting people out of work ~~who either worked directly for the government~~ or whose income came from making ~~goods bought by the government~~. We believed that we should cut taxes sharply and so give more people added money to spend for themselves to help create jobs for those who previously got their pay checks directly from the government or from government purchases. We cut taxes in calendar year 1954 by a total of \$7.4 billion -- the largest single dollar tax cut in history. We did this to help make possible the easier and quicker transition in jobs from high government spending to lower government spending.

Of course the most important reason is that ~~we must~~ in these perilous times our first obligation to the nation is to adequately provide for our security. But there is another very important consideration that must be prominently kept in mind.

Q. Why haven't we cut ~~spending~~ Government spending faster

~~There is one other factor that must always be kept in mind.~~ The government can only reduce its expenses by putting people out of work, either directly or indirectly. This sounds harsh, but the fact is that the government spends most of its money for only two things: (1) the employment of people working directly for the government, or (2) the purchase of goods which are made by people ~~working for others~~ who will be out of work if the orders for the goods are cancelled. Under these circumstances, it would not be prudent to cut government spending too fast, even if it were possible to do so.

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Gentlemen: ~~The stage is set. The clock is marking off the seconds.~~ The kleig lights are on. The moderator is in his place. We are ready for the first question.

Q. Mr. Secretary, please tell us -- has the Administration abandoned its program of trying to balance the budget?

The answer to that is absolutely no. We are working ~~very~~ hard, and with a reasonable amount of success, toward a balanced budget. The record shows that progress has been good, even though we have not reached the goal. The government's deficits ~~-- and, the deficit is the measure of how much your budget is not in balance --~~ have been cut substantially since we came into office. The deficit in fiscal 1953 was almost $9½ billion. We could do very little about this in five short months as actual spending plans were committed beyond recall. However, the Eisenhower Administration did cut the deficit in the next fiscal year, fiscal 1954, down to $3.1 billion -- or two-thirds of the way toward a balanced budget. It is true that the deficit in the present fiscal year (fiscal 1955) looks like ~~almost~~ $4.5 billion, but the new budget for fiscal 1956 again cuts the deficit to $2.4 billion. Both the present deficit and the deficit for the next fiscal year may be less than now estimated if revenue holds up and if we are able to cut spending further, as we are continuously trying to do.

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For Release at 10 A.M. CST (11 A.M. EST)
Saturday, February 19, 1955

As of ~~Wednesday~~, Feb. ~~16~~ 17, 1955

~~Proposed~~ Remarks by Treasury Secretary Humphrey at 48th Annual Convention of the National Canners Association, Conrad Hilton Hotel, Chicago, Illinois, at 10:00 a.m., CST, Saturday, February 19, 1955.

Mr. Willkie (Mr. E. E. Willkie, President of the National Canners Association) and Gentlemen:

I am delighted to have the opportunity to meet with the National Canners Association this morning.

I am greatly impressed with something I have just heard about your association. I am told that your financial statement for the past year shows that you have operated with a budget that is balanced. To one who has the ambition to do likewise but is beset with all of the problems of the Secretary of the Treasury of the United States, that is something I note with great envy.

I am also glad to have this opportunity to see so many of my good friends of days that were more carefree and to have this chance to explain to such a fine group of leading businessmen as are here this morning some of the simple principles so vital to the successful operation of our economy which the Eisenhower Administration is trying to perpetuate and strengthen.

We live in an age of change, devoted to the use of new techniques. Now, as I am not an orator but at heart, and by experience, just a businessman like yourselves, to whom deeds mean more than words, I am going to choose a new technique in speaking to you this morning. It is the technique of the presently popular radio-TV quiz show. By using questions which I am constantly being asked by Government officials,

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Q. Why haven't we cut government spending faster?

The government can only reduce its expenses by putting people out of work, either directly or indirectly. This sounds harsh, but the fact is that the government spends most of its money for only two things: (1) the employment of people working directly for the government, or (2) the purchase of goods which are made by people who will be out of work if the orders for the goods are cancelled. Under these circumstances, it would not be prudent to cut government spending too fast, even if it were possible to do so. Of course the most important reason is that in these perilous times our first obligation to the nation is to adequately provide for our security. But there is another very important consideration that must be prominently kept in mind.

We must constantly have in mind in making these reductions the necessity of creating new employment to absorb those who will thus be out of work. There must be a great transition -- moving people from working for the government, either directly or indirectly, into jobs working for the production of goods for the general public. We have gone through two years of this transition with reasonable success. We are striving continually to do better and to make the transition with less loss of time for those directly involved. We cannot switch from years of deficit spending to a balanced budget in too short a time.

Q. Why has this administration cut so much from the defense budget?

Sixty-five percent of our latest budget goes for major national security programs. This amounts to about $40.5 billion a year. Of the remaining $21.9 billion, $14.8 billion or 24 percent of the total budget goes for payment of interest on the debt and other charges fixed by law. That leaves only $7.1 billion, or 11 percent, of the total budget for other so-called civilian agencies of government. So, it simply follows that if any large cuts in spending are to be made, they must largely come -- but carefully and wisely made -- from the heavy total for defense.

Now, when we talk about "cutting" expense, let's always remember that does not mean cutting our effective defense. Let's recall how much stronger we are today than we were when Korea began in June of 1950. At the outbreak of Korea, our armed forces had less than 1-1/2 million men, equipped almost wholly with material of World War II manufacture. We now have 3,100,000 men in service, and our present target for 1956 is an armed strength of 2,860,000 men, or almost double the number of June 1950. By the end of fiscal 1956 we will have an Air Force of 131 wings and 975,000 men as compared with 48 wings and only 411,000 men when the Korean fighting began. The Navy and Marines will be second to none (with 857,000 men). And the Army will be 80 percent above June 1950 in manpower (1,027,000 as compared with less than 593,000), but of even greater importance is the fact that because of advances in the science of warfare, each Army division will have 80 percent more fire-power than a division of World War II.

To support these forces, we will spend an estimated $34 billion -- almost three times what we were spending when Korea broke out. So the total in both personnel and money going into our defense forces today is comparatively substantially increased.

Q. Have we cut too much from our security?

No! The reductions that we have made in spending for defense have not reduced our armed strength. As the President has said, we are increasing it; this nation is in a stronger position to defend itself today than it was two years ago. We have a more flexible and better balanced defense establishment tailored to meet the requirements of future warfare and at lower cost to the taxpayers. Nothing that has happened in Formosa or elsewhere in the world up to this very day has changed our budget plans for lower spending in the year to come. I say this while emphasizing one basic fact: We can and will spend whatever we need to spend for our security. But this administration is operating in the firm knowledge that real security comes not from merely spending billions of dollars but rather from spending them wisely.

What we are doing is shifting some of the emphasis from men to machines, from the old concept of slugging it out with masses of men to being ready to beat the enemy with mobility, technological know-how and the most modern superiority of weapons and equipment.

Q. Can't we cut spending and balance the budget by just eliminating all foreign aid?

That is a program which is often suggested but is neither simple nor wise to carry out if you just stop and think about it. Certainly it is better to put military equipment in the hands of our friends overseas so that they can help to defend themselves if the need comes, rather than to also send American boys to handle those weapons, with all the potential loss in lives and national wealth, as well as the human anxiety that is involved. Total expenditures for mutual security, including both military assistance and economic support, are estimated at $4.7 billion for fiscal 1956, including the provisions for a program in Asia. This compares with mutual security spending of $4.3 billion in the present fiscal year.

The total cost included in this program for economic assistance alone is $1,025 million in fiscal 1956 as compared with $1,075 million in the present fiscal year. The total estimated expenditures in 1956, not including obligations for the future, for all Asian economic assistance will be about $585 million as compared with about $500 million to be spent for economic aid in Asia in the present fiscal year. So, while the estimated over the actual spending for economic aid increases slightly in Asia, the overall foreign economic aid program is still decreasing. This is directly in line with this administration's conclusion that we can best serve the cause of the free world by helping its members to help themselves through selective development programs in which private investment can play the major role.

While significant accomplishments have been realized through foreign aid which are in the mutual interest of the United States and other free countries, history has sadly proved that large grant programs not only burden the American taxpayer but do not always produce either stronger or more friendly allies. The entire program is under intensive, continuing review to be sure that in the future both military and economic assistance may be properly balanced as operating parts of our foreign relations and defense programs.

Q. In view of the big reductions in expenditures that have been made could the budget have been balanced?

Yes! If we had not accompanied the heavy cuts we made in spending with substantial tax cuts, we would have balanced the budget. But we had to consider the proper balance in our sensitive economy. We knew that heavy cuts in government spending meant putting people out of work. We believed that we should cut taxes sharply and so give more people added money to spend for themselves to help create jobs for those who previously got their pay checks directly from the government or from government purchases. We cut taxes in calendar year 1954 by a total of $7.4 billion -- the largest single dollar tax cut in history. We did this to help make possible the easier and quicker transition in jobs from high government spending to lower government spending. The fact that the economic downturn was so quickly checked and that we are now proceeding upwards on a broad front is proof that the policy of cutting taxes as we cut spending is a sound policy. The fact that consumer spending in the past year was the highest that it has ever been is also good evidence of how the tax cuts helped to make the successful economic transition.

Q. Will there be further tax cuts?

Not this year, if the Administration's recommendations are accepted by the Congress. The President has proposed that the corporate rate of 52 percent, as well as excise taxes which would go down on April 1, be continued for one full year. We are asking this because we think the current status of the economy will take it and because further tax reduction would lead to too heavy deficit financing and a possible revival of dangerous inflationary pressures.

This does not mean that taxes must not be cut further. They are still too high for the long run and must come down. As the President has said, we certainly hope that we can be planning additional tax reductions a year from now.

Q. If you are going to cut taxes further next year, how can you ever balance the budget?

That is a question we are often asked -- and it is an important one. As I have said, we have not abandoned the goal of balancing the budget, and neither have we stopped cutting taxes. We can and will do both. We will keep trying to cut government spending further. At the same time our expanding economy can provide greater tax income even at lower tax rates because it is on a broader base. As this country continues to grow, there is no reason why we can't have both a balanced budget and lower tax rates provided only that world conditions continue to improve.

Let's notice here the difference between the administrative and the cash budgets. As long as the government is not taking out of the economy more than it spends, the government is not increasing the money supply and thus being inflationary. So when we have a balance in the cash budget (which includes the receipts of the trust funds such as social security) we have eliminated that particular inflationary pressure. We did have a cash balance between money collected from the public and money paid out by the government last year, although we will not quite have a cash balance this year. We estimate a small cash surplus in fiscal 1956. So that the inflationary effect of deficit financing will have been almost eliminated during the entire period this administration has been in financial control.

Q. Why do you have to raise the debt limit if you are really cutting spending as you claim?

When we came into office, there was $8 billion between the amount of the then-existing debt and the $275 billion debt ceiling. Now, in the very first year, the previous budget which we inherited turned out with a deficit of $9-1/2 billion. Actually there was little we could then do beyond carrying out the spending that had already been planned and paying the bills that were presented. We had no leeway under the debt limit as we entered our first full fiscal year, 1954, so we asked the Congress for an increase, as a matter of prudence as we looked ahead. As things came out in fiscal 1954, we cut the prior administration's $11 billion estimated deficit (after an over-estimate of revenue is figured in) to $3 billion -- a cut of $8 billion. But even then we still had this $3 billion deficit that had to be put on top of the $9 billion deficit that we inherited from the preceding year. These two things, plus the wide seasonal variations in collection of corporate income taxes, made some elasticity in the debt limit absolutely essential. Congress recognized this and last year authorized a $6 billion temporary increase in the limit on the condition that the debt would go back to the $275 billion limit at the end of this fiscal year.

This year we estimate a $4.5 billion deficit, which we hope we may cut a little, as I have said. And in fiscal 1956 we are estimating a smaller deficit of $2-1/2 billion or less. But regardless of the size of the deficit and the reductions we are making, each deficit pushes up our debt still further, and so involves the problem of what to do about the debt limit. It will be with us acutely again this June.

Q. Is borrowing outside the debt limit necessarily improper?

No, not necessarily. If the government borrows outside of the regular debt for something which must be paid back from general funds, it is and would be improper. But if the government is acquiring or operating "earning assets," it is perfectly proper that they should be independently financed.

For example, if a toll road is built and the tolls to be collected are sufficient to meet the debt service, both principal and interest, required to amortize the debt that is created to pay for the road, it is a perfectly clear case of a proper independent financing of an earning asset. Now, the toll to be collected can be based on weight or axle charge, on a mileage basis, or on any other suitable measure of use, including the consumption of oil and gasoline.

If the collections made under such a measure of use are dedicated in good faith to meet the debt obligations that are incurred, it is a perfectly proper way to independently finance debt required to pay for roads. Moreover, the entire economy is benefited: First, by the construction of the road and its employment of men and materials; second, by the use of the road and its benefits to transportation; and, third, by the liquidation of the cost of the road through a user tax measured by gas and oil, rather than by placing an additional burden on the back of the general income taxpayer.

Q. Is the government improving its debt structure?

Yes. The enormous debt is too heavy in short-term maturities. These can be inflationary as well as the source of trouble and possibly real danger to our whole economy under certain circumstances with so many short maturities. We are making progress slowly in lengthening the average maturities, and we must move slowly so as not to upset our sensitive economy. The 40-year 3% bonds just issued have been a real step forward. The issue was a great success. It has lengthened the average maturity of our whole marketable debt from four years and two months to four years and nine months. It is the longest government bond issued since 1911 when some 50-year bonds were issued to help finance the Panama Canal. This issue, like all our financing operations, had to be rightly timed for market conditions which were appropriate to be sure that we did not interfere with other financing requirements and so affect the economic situation in an unfavorable way.

Q. Will there be more long-term issues?

Yes. It is our firm goal to continue to lengthen the maturities of the debt as rapidly as appropriate conditions permit. The issue last week was the second long-term issue we have put out. The first was the 3-1/4% 30-year bond in the spring of 1953. We will have more when and as the conditions make it appropriate. We want to have varied types of issues so that all types of investors will have appropriate government securities in which to put their funds. This will spread the debt as widely as possible among the largest number of investors so as to both finance the debt and promote sound economic growth.

Q. Have we permanently stopped inflation?

That depends upon the courageous and tenacious will of the great majority of the American people to do so. The lure of inflation is something that is never permanently killed. It beckons like a siren to enticing evil ways. Unless continuously watchful resistance is always exerted, the weak may fall for its false promises of ease to riches and be led down the primrose path to their ruin. It means the destruction of savings, which make investment possible, which in turn makes jobs. When we jeopardize the making of ever more and better jobs in America, we are ruining the very foundation of this republic.

Our record of the past two years has been good. The value of the dollar has changed less than one-fifth of one cent between January 1953 and today. This compares with a loss of 48 cents in the value of the dollar from 1939 to the time when this administration took office. Inflation will stay checked only if we continue to actively resist the things which bring inflation about. Government must continue to cut down deficit financing and to handle its debt in a proper way.

The Federal Reserve System must continue to use wisely its money and credit responsibilities so that the economy of the nation can operate with the minimum of regulation. Savings must be protected. Investment must be encouraged by a great and ever-growing group of both large and small investors, and more and better jobs will thus be created to produce more goods for better living for more and more Americans.

Q. Isn't a little inflation a good thing?

No, it is not, and such thinking is very dangerous. I know there are millions of Americans who are earning more dollars today than they did 20 years ago. That's good. In many cases there is a real improvement in that they have better homes, automobiles, and so forth. But the fact that this increase in dollar income has been accompanied by less value of the dollar must be considered. In addition, the large numbers of persons on fixed incomes and persons who have put aside savings for retirement and old age have been cruelly hurt by inflation taking away 48 cents of each dollar they saved 15 years ago.

Fortunately, inflation has now been stopped. As economists of the American Federation of Labor put it recently, according to press reports: "Unionized labor fared better in 1954 on the wage front than in any other postwar year. Higher hourly wages and stable living costs had given most workers their greatest postwar gain in purchasing power. This was true even though the average pay rise of 5-9¢ per hour was modest in comparison with increases in previous years. Last year the wage-earner got the full benefit of a fatter pay envelope. In other years inflation gobbled up much of his gain."

There is nothing academic about this point because America today is a nation of earners and of haves rather than have-nots. Most Americans today are saving several dollars a week out of their pay and putting it in insurance policies, retirement funds, and so forth. The recurrence of inflation would rob millions of people of their savings.

Q. What is the prospect for more jobs in this country?

The prospect for jobs is very closely related to what I have just been talking about. Probably the most important thing in promoting a high level of employment and business activity is confidence -- people's confidence in our government, confidence in each other, and confidence in the future.

If the great bulk of the American people are reasonably confident of the future they will expand their activities, invoke new initiative and try new ways of doing things. As they continue to find their confidence justified, they will not only save money but will invest their savings. This will provide the funds to produce the tools and power for the new plants, new equipment and new and better ways of making more things. This will lead to greater production, greater earnings of more people to pay for more consumption of more things and so in turn make more and better jobs as the years go by. A man can earn more only if he can produce more. As we produce more we will all have more. If we maintain confidence in the stability of our system, there will be more and cheaper goods produced through more and better jobs and with more and better earnings for both the workers and the investors.

Q. What is the economic outlook today?

The economic down-turn of last year is behind us. In general, the economy is now moving upward on a broad front. There are some lines and areas which are still depressed. Unsolved problems still remain on which we are diligently working. Unemployment in January was 3,300,000, an increase of 500,000 over the previous month and an increase of 200,000 over January a year ago. But as concrete evidence of the economy's upward movement, employment in January was 60,200,000, or 400,000 higher than in January a year ago. The economy never moves in a smooth straight line, up or down, but as long as our broad movement is upward we are moving in the right direction. If government, business, labor, farmers and all our citizens remain both confident and reasonable in their demands upon the whole economy, we should be able to maintain this upward trend, and supply the rightful demands of an ever-growing population.

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RELEASE MORNING NEWSPAPERS,
Tuesday, February 22, 1955.

H-719

The Treasury Department announced last evening that the tenders for $1,500,000,000, or thereabouts, of 91-day Treasury bills to be dated February 24 and to mature May 26, 1955, which were offered on February 17, were opened at the Federal Reserve Banks on February 21.

The details of this issue are as follows:

Total applied for - $2,155,773,000
Total accepted - 1,500,141,000 (includes $193,805,000 entered on a noncompetitive basis and accepted in full at the average price shown below)
Average price - 99.657/ Equivalent rate of discount approx. 1.355% per annum

Range of accepted competitive bids:

High - 99.731 Equivalent rate of discount approx. 1.064% per annum
Low - 99.651 " " " " " 1.381% " "

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

Federal Reserve District		Total Applied for	Total Accepted
Boston		$ 25,872,000	$ 22,790,000
New York		1,511,158,000	930,108,000
Philadelphia		24,237,000	9,237,000
Cleveland		66,998,000	63,998,000
Richmond		13,292,000	11,917,000
Atlanta		22,635,000	20,260,000
Chicago		255,468,000	211,468,000
St. Louis		16,321,000	16,321,000
Minneapolis		26,203,000	26,203,000
Kansas City		39,387,000	33,637,000
Dallas		35,325,000	35,325,000
San Francisco		118,877,000	118,877,000
	TOTAL	$2,155,773,000	$1,500,141,000

TREASURY DEPARTMENT

158

WASHINGTON, D.C.

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TOTAL	$2,155,773,000	$1,500,141,000

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FEB 8 1955

MEMORANDUM TO: MR. BARTELT:

The following transactions were made in direct and guaranteed securities of the Government for Treasury investments and other accounts during the month of January, 1955:

Purchases	$25,270,000.00
Sales	2,276,600.00
	$22,993,400.00

(Sgd) Charles T. Brannar

Chief, Investments Branch
Division of Deposits & Investments

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TREASURY DEPARTMENT

WASHINGTON, D.C.

H-720

IMMEDIATE RELEASE,
Monday, ~~January 17, 1955~~. Feb 21, 1955 H-~~692~~

During the month of ~~December 1954,~~ January, 1955 market transactions in direct and guaranteed securities of the government for Treasury investment and other accounts resulted in net purchases by the Treasury Department of ~~$40,965,100~~. $22,993,400

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TREASURY DEPARTMENT 153

WASHINGTON, D.C.

IMMEDIATE RELEASE,
Monday, February 21, 1955. H-720

During the month of January 1955, market transactions in direct and guaranteed securities of the government for Treasury investment and other accounts resulted in net purchases by the Treasury Department of $22,993,400.

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There are many other things I could tell you that the able and loyal people in our Service have accomplished during the past two years but I hope I have said enough to convince you, as I am convinced, that we are now on a firm and effective operating basis and have a solid foundation for an Internal Revenue Service of the very highest standards of efficiency and integrity.

(signed) T. Coleman Andrews
Commissioner

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On January 1, 1953, there were 21,490 disputed cases pending before our Appellate people for decision. On December 31, 1954, this number had been reduced to 9,213, a decrease of 57 percent.

Even when a taxpayer does not agree with the Appellate Division and files a petition with the Tax Court of the United States he may still return before trial of the case and reopen negotiations. In fact, most cases are being settled before trial. In turn, this has resulted in exceptional progress in reducing the docketed cases.

The number of docketed cases pending on January 1, 1953 was 10,214. On December 31, 1954, the number had been reduced to 8,044, a decrease of 21 percent.

On the side of better service, we have taken steps this year to provide greater facilities for helping taxpayers fill out their own returns. We also introduced this year a new small card-type tax return for wage earners with incomes of less than $5,000. This return, which has only 14 lines, will be used by millions of taxpayers.

As in the past, for those who use this return the Service will compute their tax and send them a check, bill, or "even" notice. All our tax forms are under continuous study in an effort to make them more simple and understandable.

I think it is significant to note that while the total personnel of the Service was reduced from 51,292 to 50,234 during the calendar year 1954, the number of revenue agents was increased from 7,994 to 10,992.

Most of these additional agents, all of whom were required to pass qualifying Civil Service examinations, came from the Collection Division where they had been doing audit work before all audit responsibility was consolidated in the Audit Division.

The over-all drop in Service personnel results largely from steps taken to increase efficiency and improve methods in our non-enforcement activities.

We are, as you know, faced this year with the necessity for informing millions of taxpayers about the requirements of the new Internal Revenue Code. This means not only that we must take time out of our regular activities to train our people in the provisions of the new law but also that we are going to have to give much more assistance to taxpayers than ever before.

These drains on our manpower may possibly result in some leveling off, or even decline, in our enforcement work during the next 2 or 3 months. Under the circumstances this is unavoidable. We will, of course, do everything within our power to minimize the effect of the drain.

I am citing these figures on a six-month basis because we do not have strictly comparable figures as to the number of audits for prior years. This is so because the audit figures reported for prior periods include numerous examinations which were merely checks of the mathematical accuracy of the returns. These are not "audits" as we conceive the term today.

Also, not all returns for prior years were mathematically verified. Today mathematical verification is required in all cases. Some mistakes, of course, favor the taxpayer; others favor the Government. Last year, on balance, we collected nearly $48 million in extra taxes from this work on 1953 returns.

We also are giving increased attention to individual income tax returns that call for refunds. In 1954, our pre-refund audits weeded out over $40 million of improper claims.

In the fraud area, we are catching up with more tax evaders. In calendar year 1954, 1,417 evaders were successfully prosecuted for criminal violations of the tax laws. This was a 27 percent increase over 1953.

In our enforcement work, we have concentrated pretty largely on our audit and tax-fraud programs. There is another aspect of our enforcement activity, however, that is important. That is the problem of the slow-paying taxpayers. Here we needed a new approach.

We started out by overhauling our accounting system so that we would have better information on our past-due accounts. We worked on this new system during most of 1954, and its installation was completed by the first of this year.

Under the old system we measured delinquencies only when they reached the distress stage. Now we pick them up immediately after the due date.

On December 31, 1954, our delinquent accounts totalled $1,614 million. This large balance must be reduced and we are taking vigorous steps to do just that.

That, in brief, is the enforcement picture. Now let's look at some other important activities.

One essential of a good tax administration is prompt settlement of disputes. Taxpayers must have this service so they can budget their funds and make related business decisions. Here we have made what I regard as outstanding progress.

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U. S. TREASURY DEPARTMENT
OFFICE OF COMMISSIONER OF INTERNAL REVENUE
WASHINGTON 25

February 18, 1955

MEMORANDUM FOR: Honorable George M. Humphrey
Secretary of the Treasury

This month marks the second anniversary of my service as Commissioner of Internal Revenue, and it has occurred to me that this is an appropriate time to bring you up to date on some of the highlights of our operation.

Two years ago the initial stages of the reorganization of the Internal Revenue Service had been completed. However, the big job of realigning functions, defining responsibilities, modernizing procedures, and instituting proper controls remained to be done.

We took the first six months to appraise the plan, concluded that it was basically sound, and, with your concurrence, decided to continue it with some necessary changes. For example, a top-heavy administrative organization was avoided by reducing the number of regional offices from 17 to 9.

The tedious task of making the reorganization work was completed about July, 1954, and the bare blueprint that we inherited became a dynamic, effective organization.

Now, then, how are we doing?

To answer that, we must look at the enforcement figures. The vast majority of Americans play fair with our system of voluntary self-assessment. However, this willingness to do so is affected by our diligence in dealing with those who, intentionally or unintentionally, fail to carry their share of the load.

In the last six months of calendar year 1954 the Service audited 10 percent more returns than in the same period in 1953. At the same time, additional taxes produced by audit and other enforcement work increased from $644 million in the last half of 1953 to $766 million in the last six months of 1954. This is a step-up of over $120 million.

THE SECRETARY OF THE TREASURY
Washington

February 18, 1955

Dear Mr. Chairman:

Attached is a copy of a report from the Commissioner of Internal Revenue, T. Coleman Andrews, regarding the operations of the Internal Revenue Service. I am submitting the report to your Committee, as well as subsequently making it public, in the belief that it is of general interest to see how the Federal tax collecting agency has improved in the past two years.

It is a matter of great pride to me that the Internal Revenue Service has improved notably in two main respects: (1) in the increased effectiveness of its collection work; and (2) its better day-to-day service to the tax-paying citizens of our country.

I think the broad improvement which the attached report shows on both these fronts is one of which all concerned can well be proud. The helpful advice and consultations given by your Committee have been of vital assistance in bringing about the improvements recorded in Commissioner Andrews' report.

Sincerely,

(Signed) G. M. Humphrey

Honorable Jere Cooper
Chairman, Joint Committee on
Internal Revenue Taxation
Room 1107, House Office Building
Washington 25, D. C.

IMMEDIATE RELEASE

RELEASE AM NEWSPAPERS
Wednesday, February 23, 1955

H-721

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To answer that, we must look at the enforcement figures. The vast majority of Americans play fair with our system of voluntary self-assessment. However, this willingness to do so is affected by our diligence in dealing with those who, intentionally or unintentionally, fail to carry their share of the load.

In the last six months of calendar year 1954 the Service audited 10 percent more returns than in the same period in 1953. At the same time, additional taxes produced by audit and other enforcement work increased from $644 million in the last half of 1953 to $766 million in the last six months of 1954. This is a step-up of over $120 million.

I am citing these figures on a six-month basis because we do not have strictly comparable figures as to the number of audits for prior years. This is so because the audit figures reported for prior periods include numerous examinations which were merely checks of the mathematical accuracy of the returns. These are not "audits" as we conceive the term today.

Also, not all returns for prior years were mathematically verified. Today mathematical verification is required in all cases. Some mistakes, of course, favor the taxpayer; others favor the Government. Last year, on balance, we collected nearly $48 million in extra taxes from this work on 1953 returns.

We also are giving increased attention to individual income tax returns that call for refunds. In 1954, our pre-refund audits weeded out over $40 million of improper claims.

In the fraud area, we are catching up with more tax evaders. In calendar year 1954, 1,417 evaders were successfully prosecuted for criminal violations of the tax laws. This was a 27 percent increase over 1953.

In our enforcement work, we have concentrated pretty largely on our audit and tax-fraud programs. There is another aspect of our enforcement activity, however, that is important. That is the problem of the slow-paying taxpayers. Here we needed a new approach.

We started out by overhauling our accounting system so that we would have better information on our past-due accounts. We worked on this new system during most of 1954, and its installation was completed by the first of this year.

Under the old system we measured delinquencies only when they reached the distress stage. Now we pick them up immediately after the due date.

On December 31, 1954, our delinquent accounts totalled $1,614 million. This large balance must be reduced and we are taking vigorous steps to do just that.

That, in brief, is the enforcement picture. Now let's look at some other important activities.

One essential of a good tax administration is prompt settlement of disputes. Taxpayers must have this service so they can budget their funds and make related business decisions. Here we have made what I regard as outstanding progress.

On January 1, 1953, there were 21,490 disputed cases pending before our Appellate people for decision. On December 31, 1954, this number had been reduced to 9,213, a decrease of 57 percent.

Even when a taxpayer does not agree with the Appellate Division and files a petition with the Tax Court of the United States he may still return before trial of the case and reopen negotiations. In fact, most cases are being settled before trial. In turn, this has resulted in exceptional progress in reducing the docketed cases.

The number of docketed cases pending on January 1, 1953 was 10,214. On December 31, 1954, the number had been reduced to 8,044, a decrease of 21 percent.

On the side of better service, we have taken steps this year to provide greater facilities for helping taxpayers fill out their own returns. We also introduced this year a new small card-type tax return for wage earners with incomes of less than $5,000. This return, which has only 14 lines, will be used by millions of taxpayers.

As in the past, for those who use this return the Service will compute their tax and send them a check, bill, or "even" notice. All our tax forms are under continuous study in an effort to make them more simple and understandable.

I think it is significant to note that while the total personnel of the Service was reduced from 51,292 to 50,234 during the calendar year 1954, the number of revenue agents was increased from 7,994 to 10,992.

Most of these additional agents, all of whom were required to pass qualifying Civil Service examinations, came from the Collection Division where they had been doing audit work before all audit responsibility was consolidated in the Audit Division.

The over-all drop in Service personnel results largely from steps taken to increase efficiency and improve methods in our non-enforcement activities.

We are, as you know, faced this year with the necessity for informing millions of taxpayers about the requirements of the new Internal Revenue Code. This means not only that we must take time out of our regular activities to train our people in the provisions of the new law but also that we are going to have to give much more assistance to taxpayers than ever before.

These drains on our manpower may possibly result in some leveling off, or even decline, in our enforcement work during the next 2 or 3 months. Under the circumstances this is unavoidable. We will, of course, do everything within our power to minimize the effect of the drain.

There are many other things I could tell you that the able and loyal people in our Service have accomplished during the past two years but I hope I have said enough to convince you, as I am convinced, that we are now on a firm and effective operating basis and have a solid foundation for an Internal Revenue Service of the very highest standards of efficiency and integrity.

(signed) T. Coleman Andrews
Commissioner

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~~ALPHA~~

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 is considered to be interest. Under Sections 454 (b) and 1221 (5) of the Internal Revenue Code of 1954 the amount of discount at which bills issued hereunder are sold is not considered to accrue until such bills are 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, Revised, 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.

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 Treasury Department 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, noncompetitive 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 3, 1955, in cash or other immediately available funds or in a like face amount of Treasury bills maturing March 3, 1955. 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, does not have any exemption, as such, and loss from the sale or other disposition of Treasury bills does not have any special treatment, as such, under the Internal Revenue Code of 1954. The bills are subject to estate, inheritance, gift or other excise taxes, whether Federal or State, but are 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,

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TREASURY DEPARTMENT
Washington

FOR RELEASE, MORNING NEWSPAPERS,
Thursday, February 24, 1955.

The Treasury Department, 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 March 3, 1955, in the amount of $1,500,391,000, 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 3, 1955, and will mature June 2, 1955, 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 28, 1955. 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

TREASURY DEPARTMENT

WASHINGTON, D.C.

RELEASE MORNING NEWSPAPERS,
Thursday, February 24, 1955.

H-722

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The income derived from Treasury bills, whether interest or gain from the sale or other disposition of the bills, does not have any exemption, as such, and loss from the sale or other disposition of Treasury bills does not have any special treatment, as such, under the Internal Revenue Code of 1954. The bills are subject to estate, inheritance, gift or other excise taxes, whether Federal or State, but are 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 is considered to be interest. Under Sections 454 (b) and 1221 (5) of the Internal Revenue Code of 1954 the amount of discount at which bills issued hereunder are sold is not considered to accrue until such bills are 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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materially injurious to the domestic potash industry. To assume, because sales at dumping prices from a Communist-controlled country *may* be predatory in their motivation, that they *are* so motivated and therefore are, 5. *ipso facto*, injurious, would be, in effect, to make a finding of injury in the premises without the necessity of further investigation. It would be necessary only to establish that sales or offers for sale at dumping prices did in fact occur with respect to such Communist-controlled country. In the view of these Commissioners, this is not an adequate basis upon which to make a finding of injury at this time the practical consequences of which would be the complete exclusion of all further imports of muriate of potash from East Germany. However, they do strongly urge that future imports of muriate of potash from the Soviet Zone of Germany be closely observed, and that a review of the question of the application of the Anti-dumping Act should be initiated in the event that imports involving sales below fair value increase to such an extent as to warrant such a review. ed

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The divided opinion of the Commission, as indicated above, results, of course, in no finding of injury.

Sincerely yours

(S)

Edgar B. Brossard
Chairman the

February 25, 1955

The Honorable
The Secretary of the Treasury
Washington 25, D. C.

Dear Mr. Secretary:

Reference is made to the letter from the Acting Secretary of the Treasury, dated November 23, 1954, which was received by the Commission on November 26, 1954, advising that muriate of potash from the Soviet Zone of Germany is being or is likely to be sold in the United States at less than fair value as that term is used in the Antidumping Act, 1921.

After investigation in accordance with the provisions of section 201(a) of the Antidumping Act, 1921, the Commission is equally divided on the question of whether the domestic potash industry is being or is likely to be injured by reason of the importation of muriate of potash from the Soviet Zone of Germany at less than fair value.

Commissioners Brossard, Talbot and Schreiber find in the affirmative. They base their finding on the fact that sales or offers for sale of muriate of potash below fair value, which potash is produced in a Communist-controlled country (East Germany) under the well-known conditions prevalent in such a country, render such sales and resultant imports predatory in nature and inspired by ulterior political purposes. The very essence of the Communist State is that it eliminates the basic economic factors which in the free countries of the world constitute an important part of their costs of production under a system of free enterprise and the employer-employee relationship. Under this Communistic system any net profit ensuing bears no relationship to the value of the product or to the costs of production in a free economy. Such sales, offers of sales, and imports, without considerations of costs of production and other economic factors under normal trade practices, obviously cause injury to the domestic industry producing potash.

Commissioners Ryder, Edminster and Sutton find in the negative. In connection with their finding they desire it to be noted that they are fully cognizant of the possibility that sales or offers for sale of muriate of potash below fair value originating in a Communist-controlled country such as East Germany may be dictated by other than commercial considerations. No convincing evidence has been presented, however, that such sales or offers for sale have, in fact, been dominated by such considerations or have been predatory in their motivation. Neither has there been convincing evidence that the effect of such sales or offers for sale has been

Immediate Release
Friday, Feb 25, 1955

H-723

The Treasury Department today instructed Customs field officers to discontinue the withholding of appraisement of entries of muriate of potash from the Soviet Zone of Germany because of suspected dumping and to process entries of such merchandise without regard to any question of dumping.

The instructions were issued after notification by the United States Tariff Commission of ~~a~~ an equally divided opinion in the first case certified to it by the Secretary of the Treasury under the Antidumping Act, 1921, as amended by section 301 of the Customs Simplification Act of 1954. The divided opinion means that the Commission has not made an affirmative finding of injury as required by the Antidumping Act for the imposition of dumping duties.

In the Commission's letter of notification, the three ~~of its~~ members who found no injury expressed the view that future imports of muriate of potash from the Soviet Zone of Germany, a Communist-controlled country, should be closely observed ~~and that a review of the application of the Antidumping Act should be initiated in the event that imports involving sales below fair value increased~~ to such an extent as to warrant a review. Stet

Accordingly, The Treasury has advised the Tariff Commission that it will continue to maintain close observation over such imports ~~even though witholding of appraisement has been discontinued~~.

The letter of notification from the Tariff Commission to the Treasury Department is attached.

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TREASURY DEPARTMENT

WASHINGTON, D.C.

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The divided opinion of the Commission, as indicated above, results, of course, in no finding of injury.

Sincerely yours,

/s/ Edgar B. Brossard
Edgar B. Brossard
Chairman

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Excise taxes were cut by a billion dollars on goods of everyday use. And millions upon millions of Americans got tax reductions in relief provisions for retired people, widows, working parents, and the sick or hospitalized. These reductions were predominantly in the low-income group.

But even more important is the fact that this administration has been slowly getting the government's financial affairs under control to help the economy expand and so make constantly more and better jobs.

A job is more important than a tax cut.

The investment of money in tools, plants and equipment which makes jobs has been stimulated. Confidence has increased in the government and in the maintenance of sound policies in the future ~~and~~ as well as in the ability of our free economy under such policies to constantly develope more and better jobs, better living, and more security for all. The economic gains we are now enjoying are firm evidence of the fact that this confidence is justified.

This proposed tax cut is entirely unjustified by firm evidence at this time. If it is paid out of borrowed money requiring additional deficit financing, which is all that is in sight at this moment, it can start us right back on the reckless road of inflation with all its cruel thievery.

Inflation, rampant for several past years, has been checked. The cost of living has not increased now for over two years as compared with the fact that it almost doubled in the 15 previous years. This has been worth billions of dollars to millions of Americans.

This checking of inflation ~~It~~ has protected not only the full purchasing value of ~~their~~ peoples' current earnings but has insured the full worth of their savings in savings accounts, insurance policies, pension funds, etc., with which they are trying to provide for their own and their loved ones futures.

And let~~'s~~ us always remember that it is not the rich who ~~used~~ need protection against inflation. It is the little folks -- who suffer the most ~~and are most cruelly hurt by~~ when inflation takes hold in a land.

I hope the committee will vote out a bill excluding the $20 tax cut Propo

We cut planned spending in fiscal year 1954 by more than $10 billion. We cut the deficit in fiscal 1954 by more than $6 billion and so moved two-thirds of the way toward a balanced budget. With these spending cuts firmly in sight, we cut taxes by $7.4 billion -- the largest single tax cut in history.

This administration advocates further tax cuts but only at such times as we can see them justified by further cuts in spending and increased revenues from economic growth that broadens the tax base.

The President said in his State of the Union Message, "I am hopeful that such reductions can be made next year." Both the President's budget message and his economic report also expressed hope for a tax reduction next year but only if strongly justified by spending cuts and increased income from economic growth.

To vote a $20 tax cut now -- before we know we can afford it next year -- and without any indication of where the money is coming from is nothing but an irresponsible gesture. It is based on only hopes as yet entirely unrealized which ~~might~~ may well turn out to mean heading back into heavy deficit financing, with all the inflationary dangers that such borrowing means for the American people.

There has been some misleading talk about justifying the $20 proposal on the ground that the "little folks" have been entirely neglected. Let's look at the record. The $7.4 billion tax cuts last year included an income-tax cut for every taxpayer in America. The cut averaged about 10 percent for all the lower income taxpayers but was scaled down to only about 2 percent for the highest-bracket incomes. These reductions applied to every single taxpayer in the nation.

Treasury Department
Washington

gold draft

For Release at 10:00 AM
Monday, February 28, 1955

~~Possible~~ Remarks by Secretary Humphrey before the Senate Finance Committee, 10:00 a.m., Monday, February 28, 1955

Your committee has before it this morning a $20 tax cut which ~~was~~ was suddenly thrown on the Ways and Means Committee and hurriedly passed through the House of Representatives last week by a scant margin of only five votes with~~out~~ only a limited hearing~~s~~ ~~or~~ and no time for thoughtful consideration.

I strongly urge the Senate Finance Committee to reject this proposal as completely contrary to the public interest.

President Eisenhower asked the Congress to continue responsible financial management of the Government's affairs by extension of (1) the corporate income tax rate at 52 percent and (2) the excise taxes on tobacco, liquor, etc., both of which otherwise would go down automatically on April 1. These two extensions ~~would~~ will give the government $2.8 billion in revenue and ~~would~~ will help to continue the progress toward lower deficit financing and a balanced budget.

The $20 proposal has been hastily tacked on as an amendment to this sound bill.

This $20 proposal would give every taxpayer a reduction of $20 for himself, his wife, and each dependent. It would take about five million taxpayers completely off the federal income tax rolls. And it would lose about $2.3 billion of revenue in a full year.

Now, why is this $20 proposal contrary to the public interest? It is contrary to the public interest because it means reversing the successful trend of the administration during the past two years in cutting deficits and working towards a balanced budget. The budget deficit for fiscal year '53 was almost $9-1/2 billion and a deficit projected for fiscal year '54 was nearly $10 billion.

H-724

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This checking of inflation has protected not only the full purchasing value of peoples' current earnings but has insured the full worth of their savings in savings accounts, insurance policies, pension funds, etc., with which they are trying to provide for their own and their loved ones futures.

And let us always remember that it is not the rich who need protection against inflation. It is the little folks who suffer the most when inflation takes hold in a land.

I hope the committee will vote out a bill excluding the $20 tax cut proposal.

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H-725

RELEASE MORNING NEWSPAPERS,
Tuesday, March 1, 1955.

The Treasury Department announced last evening that the tenders for $1,500,000,000, or thereabouts, of 91-day Treasury bills to be dated March 3 and to mature June 2, 1955, which were offered on February 24, were opened at the Federal Reserve Banks on February 28.

The details of this issue are as follows:

Total applied for - $2,333,253,000
Total accepted - 1,500,841,000 (includes $199,050,000 entered on a noncompetitive basis and accepted in full at the average price shown below)
Average price - 99.642 Equivalent rate of discount approx. 1.417% per annum

Range of accepted competitive bids: (Excepting three tenders totaling $1,950,000)

High - 99.665 Equivalent rate of discount approx. 1.325% per annum
Low - 99.640 " " " " " 1.424% " "

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

Federal Reserve District	Total Applied for	Total Accepted
Boston	$ 19,523,000	$ 17,023,000
New York	1,670,055,000	961,735,000
Philadelphia	41,050,000	26,050,000
Cleveland	71,128,000	68,068,000
Richmond	15,161,000	14,161,000
Atlanta	26,060,000	23,560,000
Chicago	291,988,000	206,938,000
St. Louis	16,195,000	15,235,000
Minneapolis	10,432,000	9,932,000
Kansas City	35,575,000	35,380,000
Dallas	34,214,000	24,214,000
San Francisco	101,872,000	98,545,000
TOTAL	$2,333,253,000	$1,500,841,000

TREASURY DEPARTMENT

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WASHINGTON, D.C.

RELEASE MORNING NEWSPAPERS,
Tuesday, March 1, 1955.

H-725

The Treasury Department announced last evening that the tenders for $1,500,000,000, or thereabouts, of 91-day Treasury bills to be dated March 3 and to mature June 2, 1955, which were offered on February 24, were opened at the Federal Reserve Banks on February 28.

The details of this issue are as follows:

Total applied for - $2,333,253,000
Total accepted - 1,500,841,000 (includes $199,050,000 entered on a noncompetitive basis and accepted in full at the average price shown below)
Average price - 99.642 Equivalent rate of discount approx. 1.417% per annum

Range of accepted competitive bids: (Excepting three tenders totaling $1,950,000)

High - 99.665 Equivalent rate of discount approx. 1.325% per annum
Low - 99.640 Equivalent rate of discount approx. 1.424% per annum

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

Federal Reserve District	Total Applied for	Total Accepted
Boston	$ 19,523,000	$ 17,023,000
New York	1,670,055,000	961,735,000
Philadelphia	41,050,000	26,050,000
Cleveland	71,128,000	68,068,000
Richmond	15,161,000	14,161,000
Atlanta	26,060,000	23,560,000
Chicago	291,988,000	206,938,000
St. Louis	16,195,000	15,235,000
Minneapolis	10,432,000	9,932,000
Kansas City	35,575,000	35,380,000
Dallas	34,214,000	24,214,000
San Francisco	101,872,000	98,545,000
TOTAL	$2,333,253,000	$1,500,841,000

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While all of these proposals are important, the Reciprocal Trade Agreements legislation now before you is desirable because its enactment will permit the U. S. to follow a sound trade policy consistent with both our domestic and our international needs.

In conclusion, I cannot emphasize too strongly the importance of maintaining a high level of employment and economic activity right here in the U. S. upon which the whole world depends. Serious reversals here would have serious unfortunate effects throughout the entire world.

I would like to mention one other broad principle in connection with the bill. From the budgetary viewpoint, the President's trade program should help to reduce Government expenditures for foreign aid over a period of time. I believe it is best, where possible, for foreign countries to earn their way, rather than receive aid from the U. S. Treasury. This bill is a further step in that direction.

The Treasury Department is actively working on other aspects of the President's program to promote foreign trade and investment. Among these is a proposal revising somewhat earlier Treasury recommendations which have previously been presented to the Congress and which have not been finally considered because of the lack of time.

The proposal will provide for the amendment of the standards governing the valuation of imported articles, for the conversion of currency into dollars for customs valuation, and for the repeal of certain obsolete provisions in the customs laws. The revision of the complex valuation provisions of the present law to make the process of appraisal more prompt and efficient as well as more commercially realistic is particularly important.

Our program for customs simplification and management improvement, begun by the Customs Simplification Acts of 1953 and 1954, will continue. We expect to have some additional proposals for administrative improvement to make to the Congress during the present session.

In the field of taxation, consideration is again being given to certain changes in the revenue laws with respect to taxation of income earned abroad, so as to tax corporate business income from foreign subsidiaries or branches at a rate 14 percentage points lower than the rate on corporate domestic income, and to defer tax on foreign branch income until it is removed from the country where earned. This rate is already effective for Western Hemisphere trade corporations.

These proposals are not large or costly but are designed to encourage sound private U. S. investment abroad.

Another important part of the Administration's program on which the Treasury is working is the proposal for an International Finance Corporation, to be established as an affiliate of the International Bank for Reconstruction and Development. The purpose of the corporation will be to stimulate private investment in underdeveloped countries by providing venture capital through loans without government guarantees, thus filling a need which is not being met by any existing organization. The preparation of a charter for the Corporation is proceeding steadily in the International Bank.

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-2-

Statement by Treasury Secretary Humphrey
Before the Senate Finance Committee
on the Trade Agreements Program
~~Wednesday, March 2, 1955~~

Mr. Chairman and Members of the Committee:

In my contacts over the past two years with foreign financial officials I have been impressed with two major principles in our economic relations.

First, the importance of keeping our own economy strong and dynamic and sound. Our policies are directed toward economic strength and growth--toward greater freedom from governmental interference and control. Our policies aim at encouraging initiative and freedom and maintaining economic progress and a high level of economic activity at relatively stable prices. Such a condition helps international trade in both directions. A strong internal economy helps to keep us competitive and makes our goods attractive to foreign buyers. It also promotes a high level demand for imports. With high levels of business activity, the capacity of our economy to absorb imports is enormous--particularly imports of raw materials.

Maintaining the strength and value of the United States dollar is a vital part of our contribution to international monetary stability--for the United States dollar is the yardstick for all of the currencies of the free world. The free world's vigorous economic growth must rest on a sound financial basis. What is essential for our own strength at home is equally essential for the other free nations of the world. Many countries, I am glad to say, are appreciating the importance of keeping their financial houses in order not only to strengthen their internal economies but also to keep their foreign payments and receipts in balance. I am encouraged by the progress many of these nations have made toward more internal stability and toward convertibility of their currencies.

Convertibility will be encouraged by a balanced development of world trade; and, in turn, will contribute to such a development. Progress toward convertibility means and is measured by progress in removing trade and exchange restrictions.

The second point which has impressed me in my contacts abroad is the concern of foreign countries with the broad direction of our commercial policy. Foreign countries do not expect us to lower our tariffs drastically. They want to have, however, assurance of continuity in our policies and they watch for moderate steps in the direction of our objectives. This suggests the desirability of a three-year extension of the Trade Agreements Program. A three-year period would provide reasonable assurance of such continuity.

The bill before you is moderate. It preserves all existing safeguards for our domestic producers. It does not contemplate any drastic changes which would adversely affect sizeable groups of our citizens.

H-726

TREASURY DEPARTMENT
Washington

Statement by Treasury Secretary Humphrey
Before the Senate Finance Committee
on the Trade Agreements Program
Thursday, March 3, 1955

Mr. Chairman and Members of the Committee:

In my contacts over the past two years with foreign financial officials I have been impressed with two major principles in our economic relations.

First, the importance of keeping our own economy strong and dynamic and sound. Our policies are directed toward economic strength and growth -- toward greater freedom from governmental interference and control. Our policies aim at encouraging initiative and freedom and maintaining economic progress and a high level of economic activity at relatively stable prices. Such a condition helps international trade in both directions. A strong internal economy helps to keep us competitive and makes our goods attractive to foreign buyers. It also promotes a high level demand for imports. With high levels of business activity, the capacity of our economy to absorb imports is enormous -- particularly imports of raw materials.

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The bill before you is moderate. It preserves all existing safeguards for our domestic producers. It does not contemplate any drastic changes which would adversely affect sizeable groups of our citizens.

I would like to mention one other broad principle in connection with the bill. From the budgetary viewpoint, the President's trade program should help to reduce Government expenditures for foreign aid over a period of time. I believe it is best, where possible, for foreign countries to earn their way, rather than receive aid from the U. S. Treasury. This bill is a further step in that direction.

The Treasury Department is actively working on other aspects of the President's program to promote foreign trade and investment. Among these is a proposal revising somewhat earlier Treasury recommendations which have previously been presented to the Congress and which have not been finally considered because of the lack of time.

The proposal will provide for the amendment of the standards governing the valuation of imported articles, for the conversion of currency into dollars for customs valuation, and for the repeal of certain obsolete provisions in the customs laws. The revision of the complex valuation provisions of the present law to make the process of appraisal more prompt and efficient as well as more commercially realistic is particularly important.

Our program for customs simplification and management improvement, begun by the Customs Simplification Acts of 1953 and 1954, will continue. We expect to have some additional proposals for administrative improvement to make to the Congress during the present session.

In the field of taxation, consideration is again being given to certain changes in the revenue laws with respect to taxation of income earned abroad, so as to tax corporate business income from foreign subsidiaries or branches at a rate 14 percentage points lower than the rate on corporate domestic income, and to defer tax on foreign branch income until it is removed from the country where earned. This rate is already effective for Western Hemisphere trade corporations.

These proposals are not large or costly but are designed to encourage sound private U. S. investment abroad.

Another important part of the Administration's program on which the Treasury is working is the proposal for an International Finance Corporation, to be established as an affiliate of the International Bank for Reconstruction and Development. The purpose of the corporation will be to stimulate private investment in underdeveloped countries by providing venture capital through loans without government guarantees, thus filling a need which is not being met by any existing organization. The preparation of a charter for the Corporation is proceeding steadily in the International Bank.

While all of these proposals are important, the Reciprocal Trade Agreements legislation now before you is desirable because its enactment will permit the U. S. to follow a sound trade policy consistent with both our domestic and our international needs.

In conclusion, I cannot emphasize too strongly the importance of maintaining a high level of employment and economic activity right here in the U. S. upon which the whole world depends. Serious reversals here would have serious unfortunate effects throughout the entire world.

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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 is considered to be interest. Under Sections 454 (b) and 1221 (5) of the Internal Revenue Code of 1954 the amount of discount at which bills issued hereunder are sold is not considered to accrue until such bills are 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, Revised, 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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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 Treasury Department 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, noncompetitive 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 10, 1955 x(9)x, in cash or other immediately available funds or in a like face amount of Treasury bills maturing March 10, 1955 x(10)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, does not have any exemption, as such, and loss from the sale or other disposition of Treasury bills does not have any special treatment, as such, under the Internal Revenue Code of 1954. The bills are subject to estate, inheritance, gift or other excise taxes, whether Federal or State, but are 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,

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H-72

TREASURY DEPARTMENT
Washington

FOR RELEASE, MORNING NEWSPAPERS,
Thursday, March 3, 1955.

The Treasury Department, 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 March 10, 1955, in the amount of $ 1,499,962,000, 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 10, 1955, and will mature June 9, 1955, 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 7, 1955. 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

TREASURY DEPARTMENT

WASHINGTON, D.C.

RELEASE MORNING NEWSPAPERS,
Thursday, March 3, 1955.

H-727

The Treasury Department, 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 March 10, 1955, in the amount of $1,499,962,000, 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 10, 1955, and will mature June 9, 1955, 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 7, 1955. 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 Treasury Department 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 10, 1955, in cash or other immediately available funds or in a like face amount of Treasury bills maturing March 10, 1955. 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, does not have any exemption, as such, and loss from the sale or other disposition of Treasury bills does not have any special treatment, as such, under the Internal Revenue Code of 1954. The bills are subject to estate, inheritance, gift or other excise taxes, whether Federal or State, but are 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 is considered to be interest. Under Sections 454 (b) and 1221 (5) of the Internal Revenue Code of 1954 the amount of discount at which bills issued hereunder are sold is not considered to accrue until such bills are 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, Revised, 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.

March 2, 1955

~~The Honorable~~

George M. Humphrey

~~Secretary of the Treasury~~

Dear Mr. Secretary:

Reference is made to the letter from the Acting Secretary of the Treasury dated December 14, 1954, which was received by the Tariff Commission on December 15, 1954, advising that Muriate of Potash from the Federal Republic of Germany and from France is being, or is likely to be, sold in the United States at less than fair value as re that term is used in the Antidumping Act, 1921, as amended.

After investigation in accordance with the provisions of section 201(a) of the said Antidumping Act, the Commission by unanimous opinion has determined that the domestic potash industry is not being, and is not likely to be, injured by reason of the importation of muriate of potash from the Federal Republic of Germany or from France at less than fair value.

Sincerely yours

E.B. Brossard.

Edgar B. Brossard
Chairman

Immediate 3/2/55

~~[illegible] 1955~~ H-728

March 2, 1955

The Treasury Department today instructed Customs field officers to discontinue the withholding of appraisement of entries of muriate of potash from the Federal Republic of Germany and from France because of suspected dumping and to process entries of such merchandise without regard to any question of dumping.

The instructions were issued after notification by the United States Tariff Commission of a unanimous opinion that the domestic potash industry is not being, and is not likely to be, injured by reason of the importation of muriate of potash from the Federal Republic of Germany or from France at less than fair value.

The letter of notification to Treasury Secretary Humphrey from the Tariff Commission ~~to the Treasury Department~~ is as follows:

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Brossard.

Edgar B. Brossard
Chairman

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TREASURY DEPARTMENT

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WASHINGTON, D.C.

IMMEDIATE RELEASE,
Thursday, March 3, 1955.

H-728

The Treasury Department today instructed Customs field officers to discontinue the withholding of appraisement of entries of muriate of potash from the Federal Republic of Germany and from France because of suspected dumping and to process entries of such merchandise without regard to any question of dumping.

The instructions were issued after notification by the United States Tariff Commission of a unanimous opinion that the domestic potash industry is not being, and is not likely to be, injured by reason of the importation of muriate of potash from the Federal Republic of Germany or from France at less than fair value.

The letter of notification to Treasury Secretary Humphrey from the Tariff Commission is as follows:

March 2, 1955

Dear Mr. Secretary:

Reference is made to the letter from the Acting Secretary of the Treasury dated December 14, 1954, which was received by the Tariff Commission on December 15, 1954, advising that Muriate of Potash from the Federal Republic of Germany and from France is being, or is likely to be, sold in the United States at less than fair value as that term is used in the Antidumping Act, 1921, as amended.

After investigation in accordance with the provisions of section 201(a) of the said Antidumping Act, the Commission by unanimous opinion has determined that the domestic potash industry is not being, and is not likely to be, injured by reason of the importation of muriate of potash from the Federal Republic of Germany or from France at less than fair value.

Sincerely yours,

(signed) E. B. Brossard
Edgar B. Brossard
Chairman

oOo

Immediate 3/3/55 17-729

Thursday,

The Treasury Department today made public the following letter from Secretary Humphrey to Chairman Cooper of the House Ways and Means Committee, concerning corrections in the new tax code which the Treasury will request:

Dear Mr. Chairman:

I am writing you with respect to reserves for estimated expenses under the provisions of the new tax code. The Treasury staff, in collaboration with the staff of the Joint Committee on Internal Revenue Taxation, has been investigating for several months this subject and several others which may need Congressional correction.

We will submit to your Committee a full list of these provisions, together with our suggestions, in the near future. This will include our report and recommendations concerning reserves for estimated expenses.

Although the studies made thus far are not finished, it seems clear that some of the recent reports on the revenue loss involved are grossly exaggerated.

We will urge your Committee to take prompt remedial action.

Sincerely,

S/ G. M. Humphrey

Honorable Jere Cooper
Chairman
Committee on Ways and Means
House of Representatives
Washington 25, D. C.

TREASURY DEPARTMENT

WASHINGTON, D.C.

IMMEDIATE RELEASE,
Thursday, March 3, 1955.

H-729

The Treasury Department today made public the following letter from Secretary Humphrey to Chairman Cooper of the House Ways and Means Committee, concerning corrections in the new tax code which the Treasury will request:

Dear Mr. Chairman:

I am writing you with respect to reserves for estimated expenses under the provisions of the new tax code. The Treasury staff, in collaboration with the staff of the Joint Committee on Internal Revenue Taxation, has been investigating for several months this subject and several others which may need Congressional correction.

We will submit to your Committee a full list of these provisions, together with our suggestions, in the near future. This will include our report and recommendations concerning reserves for estimated expenses.

Although the studies made thus far are not finished, it seems clear that some of the recent reports on the revenue loss involved are grossly exaggerated.

We will urge your Committee to take prompt remedial action.

Sincerely,

(Signed) G. M. Humphrey

Honorable Jere Cooper
Chairman
Committee on Ways and Means
House of Representatives
Washington 25, D. C.

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RELEASE MORNING NEWSPAPERS,
Tuesday, March 8, 1955.

H-738

The Treasury Department announced last evening that the tenders for $1,500,000,000 or thereabouts, of 91-day Treasury bills to be dated March 10 and to mature June 9, 1955, which were offered on March 3, were opened at the Federal Reserve Banks on March 7.

The details of this issue are as follows:

Total applied for - $2,011,048,000
Total accepted - 1,500,048,000 (includes $210,812,000 entered on a noncompetitive basis and accepted in full at the average price shown below)
Average price - 99.689 Equivalent rate of discount approx. 1.231% per annum

Range of accepted competitive bids:

High - 99.697 Equivalent rate of discount approx. 1.199% per annum
Low - 99.681 " " " " " 1.262% " "

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

Federal Reserve District	Total Applied for	Total Accepted
Boston	$ 20,152,000	$ 20,152,000
New York	1,429,387,000	972,587,000
Philadelphia	28,994,000	13,994,000
Cleveland	33,413,000	32,313,000
Richmond	20,725,000	19,225,000
Atlanta	27,397,000	27,397,000
Chicago	262,203,000	227,203,000
St. Louis	30,767,000	30,767,000
Minneapolis	17,237,000	17,137,000
Kansas City	43,188,000	42,988,000
Dallas	39,880,000	38,580,000
San Francisco	57,705,000	57,705,000
Total	$2,011,048,000	$1,500,048,000

TREASURY DEPARTMENT

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WASHINGTON, D.C.

RELEASE MORNING NEWSPAPERS,
Tuesday, March 8, 1955.

H-730

The Treasury Department announced last evening that the tenders for $1,500,000,000, or thereabouts, of 91-day Treasury bills to be dated March 10 and to mature June 9, 1955, which were offered on March 3, were opened at the Federal Reserve Banks on March 7.

The details of this issue are as follows:

Total applied for - $2,011,048,000
Total accepted - 1,500,048,000 (includes $210,812,000 entered on a noncompetitive basis and accepted in full at the average price shown below)

Average price - 99.689 Equivalent rate of discount approx. 1.231% per annum

Range of accepted competitive bids:

High - 99.697 Equivalent rate of discount approx. 1.199% per annum

Low - 99.681 Equivalent rate of discount approx. 1.262% per annum

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

Federal Reserve District	Total Applied for	Total Accepted
Boston	$ 20,152,000	$ 20,152,000
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Philadelphia	28,994,000	13,994,000
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Minneapolis	17,237,000	17,137,000
Kansas City	43,188,000	42,988,000
Dallas	39,880,000	38,580,000
San Francisco	57,705,000	57,705,000
TOTAL	$2,011,048,000	$1,500,048,000

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THE SECRETARY OF THE TREASURY
WASHINGTON

My dear Mr. Chairman:

This supplements my letter of March 3 concerning the operation of the two new accounting provisions covering deferred income and reserves for estimated expenses (Sections 452 and 462 of the Internal Revenue Code of 1954). Our studies now have proceeded far enough to indicate clearly that many taxpayers are planning to use these provisions to defer income and create deductions in excess of ~~anything~~ contemplated at the time they were ~~enacted~~ proposed.

The objective of these sections was simply to conform tax bookkeeping with business bookkeeping. They never were intended to cover innumerable items some taxpayers apparently intend to claim. If permitted to remain in the law, they will cause a greater loss in revenue than estimated and cause considerable ~~legislation~~ litigation. Accordingly, I recommend that the two provisions cite~~d~~ above immediately be repealed retroactively to their original effective dates.

Our report and recommendations on various other technical corrections in the 1954 Code will be ~~submitted whenever your Committee is ready to receive it~~ ready soon.

Sincerely yours,

~~Secretary of the Treasury~~
s/ G. M. Humphrey

Honorable Jere Cooper
Chairman, Committee on Ways and Means
House of Representatives
Washington, D. C.

We are not able to adequately correct this by regulation.

Immediate

The Treasury Department today made public the following letter from Secretary Humphrey to Chairman Jere Cooper of the House Ways and Means Commi

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Immediate

14-731

The Treasury Department today made public the following letter from Secretary Humphrey to Chairman ~~XXXX~~ Cooper of the House Ways and Means Committee recommending the retroactive repeal of two provisions of the Internal Revenue Code of 1954 concerning deferred income and reserves for estimated expenses:

TREASURY DEPARTMENT

WASHINGTON, D.C.

IMMEDIATE RELEASE,
Monday, March 7, 1955. H-731

The Treasury Department today made public the following letter from Secretary Humphrey to Chairman Cooper of the House Ways and Means Committee recommending the retroactive repeal of two provisions of the Internal Revenue Code of 1954 concerning deferred income and reserves for estimated expenses:

My dear Mr. Chairman:

This supplements my letter of March 3 concerning the operation of the two new accounting provisions covering deferred income and reserves for estimated expenses (Sections 452 and 462 of the Internal Revenue Code of 1954). Our studies now have proceeded far enough to indicate clearly that many taxpayers are planning to use these provisions to defer income and create deductions in excess of anything contemplated at the time they were proposed.

The objective of these sections was simply to conform tax bookkeeping with business bookkeeping. They never were intended to cover innumerable items some taxpayers apparently intend to claim. If permitted to remain in the law, they will cause a greater loss in revenue than estimated and cause considerable litigation. We are not able to adequately correct this by regulation. Accordingly, I recommend that the two provisions cited above immediately be repealed retroactively to their original effective dates.

Our report and recommendations on various other technical corrections in the 1954 Code will be ready soon.

Sincerely yours,

/s/ G. M. Humphrey

Honorable Jere Cooper
Chairman, Committee on Ways and Means
House of Representatives
Washington, D. C.

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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 is considered to be interest. Under Sections 454 (b) and 1221 (5) of the Internal Revenue Code of 1954 the amount of discount at which bills issued hereunder are sold is not considered to accrue until such bills are 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, Revised, 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.

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 Treasury Department 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, noncompetitive 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 17, 1955 ~~(9)~~, in cash or other immediately available funds or in a like face amount of Treasury bills maturing March 17, 1955 ~~(10)~~. 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, does not have any exemption, as such, and loss from the sale or other disposition of Treasury bills does not have any special treatment, as such, under the Internal Revenue Code of 1954. The bills are subject to estate, inheritance, gift or other excise taxes, whether Federal or State, but are 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,

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TREASURY DEPARTMENT
Washington

FOR RELEASE, MORNING NEWSPAPERS,
Thursday, March 10, 1955 .

H-732

The Treasury Department, 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 March 17, 1955 , in the amount of $ 1,500,623,000 , 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 17, 1955 , and will mature June 16, 1955 , 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 14, 1955 . 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

TREASURY DEPARTMENT

WASHINGTON, D.C.

RELEASE MORNING NEWSPAPERS,
Thursday, March 10, 1955.

H-732

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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 Treasury Department 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 17, 1955, in cash or other immediately available funds or in a like face amount of Treasury bills maturing March 17, 1955. 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, does not have any exemption, as such, and loss from the sale or other disposition of Treasury bills does not have any special treatment, as such, under the Internal Revenue Code of 1954. The bills are subject to estate, inheritance, gift or other excise taxes, whether Federal or State, but are 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 is considered to be interest. Under Sections 454 (b) and 1221 (5) of the Internal Revenue Code of 1954 the amount of discount at which bills issued hereunder are sold is not considered to accrue until such bills are 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, Revised, 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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Comparison of principal items of assets and liabilities of national banks - Continued

(In thousands of dollars)

	Dec. 31, 1954	Oct. 7, 1954	Dec. 31, 1953	Increase or decrease since Oct. 7, 1954: Amount	Increase or decrease since Oct. 7, 1954: Percent	Increase or decrease since Dec. 31, 1953: Amount	Increase or decrease since Dec. 31, 1953: Percent
LIABILITIES							
Deposits of individuals, partnerships, and corporations:							
Demand	59,005,232	55,144,436	56,614,391	3,860,796	7.00	2,390,841	4.22
Time	24,676,853	24,418,920	22,863,011	257,933	1.06	1,813,842	7.93
Deposits of U. S. Government	2,823,965	4,374,955	2,817,227	-1,550,990	-35.45	6,738	.24
Postal savings deposits	13,069	13,046	13,442	23	.18	-373	-2.77
Deposits of States and political subdivisions	7,174,667	6,480,477	6,793,634	694,190	10.71	381,033	5.61
Deposits of banks	10,717,647	10,127,696	10,155,942	589,951	5.83	561,705	5.53
Other deposits (certified and cashiers' checks, etc.)	1,734,380	1,320,499	1,689,586	413,881	31.34	44,794	2.65
Total deposits	106,145,813	101,880,029	100,947,233	4,265,784	4.19	5,198,580	5.15
Bills payable, rediscounts, and other liabilities for borrowed money	11,098	233,478	14,851	-222,380	-95.25	-3,753	-25.27
Other liabilities	1,889,416	1,733,972	1,745,099	155,444	8.96	144,317	8.27
Total liabilities, excluding capital accounts	108,046,327	103,847,479	102,707,183	4,198,848	4.04	5,339,144	5.20
CAPITAL ACCOUNTS							
Capital stock:							
Preferred	4,389	4,602	5,211	-213	-4.63	-822	-15.77
Common	2,481,455	2,389,884	2,296,546	91,571	3.83	184,909	8.05
Total	2,485,844	2,394,486	2,301,757	91,358	3.82	184,087	8.00
Surplus	3,950,552	3,690,908	3,523,443	259,644	7.03	427,109	12.12
Undivided profits	1,377,282	1,540,254	1,310,761	-162,972	-10.58	66,521	5.07
Reserves	290,564	286,683	273,555	3,881	1.35	17,009	6.22
Total surplus, profits, and reserves	5,618,398	5,517,845	5,107,759	100,553	1.82	510,639	10.0[illegible]
Total capital accounts	8,104,242	7,912,331	7,409,516	191,911	2.43	694,726	9.3[illegible]
Total liabilities and capital accounts	116,150,569	111,759,810	110,116,699	4,390,759	3.93	6,033,870	5.4[illegible]
	Percent	Percent	Percent				
RATIOS:							
U. S. Gov't securities to total assets	34.01	35.71	32.32				
Loans & discounts to total assets	34.29	33.51	34.46				
Capital accounts to total deposits	7.64	7.77	7.34				

NOTE: Minus sign denotes decrease.

Statement showing comparison of principal items of assets and liabilities of active national banks as of December 31, 1954, October 7, 1954, and December 31, 1953

(In thousands of dollars)

	Dec. 31, 1954	Oct. 7, 1954	Dec. 31, 1953	Increase or decrease since Oct. 7, 1954		Increase or decrease since Dec. 31, 1953	
				Amount	Percent	Amount	Percent
Number of banks	4,796	4,827	4,864	-31		-68	
ASSETS							
Commercial and industrial loans	16,447,067	15,868,226	16,468,455	578,841	3.65	-21,388	-.13
Loans on real estate	9,806,254	9,465,267	8,786,686	340,987	3.60	1,019,568	11.60
All other loans, including overdrafts	14,196,209	12,695,779	13,243,586	1,500,430	11.82	952,623	7.19
Total gross loans	40,449,530	38,029,272	38,498,727	2,420,258	6.36	1,950,803	5.07
Less valuation reserves	621,852	583,260	554,581	38,592	6.62	67,271	12.13
Net loans	39,827,678	37,446,012	37,944,146	2,381,666	6.36	1,883,532	4.96
U. S. Government securities:							
Direct obligations	39,500,738	39,910,958	35,563,334	-410,220	-1.03	3,937,404	11.07
Obligations fully guaranteed	6,261	3,836	25,429	2,425	63.22	-19,168	-75.38
Total U. S. securities	39,506,999	39,914,794	35,588,763	-407,795	-1.02	3,918,236	11.01
Obligations of States and political subdivisions	7,246,304	7,339,866	6,330,265	-93,562	-1.27	916,039	14.47
Other bonds, notes and debentures	1,956,124	1,925,840	2,086,723	30,284	1.57	-130,599	-6.26
Corporate stocks, including stocks of Fed. Reserve banks	222,831	215,636	204,482	7,195	3.34	18,349	8.97
Total securities	48,932,258	49,396,136	44,210,233	-463,878	-.94	4,722,025	10.68
Total loans and securities	88,759,936	86,842,148	82,154,379	1,917,788	2.21	6,605,557	8.04
Currency and coin	1,279,171	1,323,599	1,292,254	-44,428	-3.36	-13,083	-1.01
Reserve with Fed. Reserve banks	12,450,001	12,353,834	13,130,530	96,167	.78	-680,529	-5.18
Balances with other banks	11,992,725	9,699,058	12,122,734	2,293,667	23.65	-130,009	-1.07
Total cash, balances with other banks, including reserve balances and cash items in process of collection	25,721,897	23,376,491	26,545,518	2,345,406	10.03	-823,621	-3.10
Other assets	1,668,736	1,541,171	1,416,802	127,565	8.28	251,934	17.78
Total assets	116,150,569	111,759,810	110,116,699	4,390,759	3.93	6,033,870	5.48

loans to individuals, loans to farmers, to brokers and dealers and others for the purpose of purchasing and carrying securities, and to banks, etc., amounted to $14,200,000,000, an increase of nearly 12 percent since October. The percentage of net loans and discounts to total assets on December 31, 1954 was 34.29 in comparison with 33.51 in October and 34.46 in December 1953.

Investments of the banks in United States Government obligations on December 31, 1954 aggregated $39,500,000,000 (including $6,000,000 guaranteed obligations), a decrease of $400,000,000 since October. These investments were 34 percent of total assets. Other bonds, stocks and securities of $9,400,000,000, which included obligations of States and political subdivisions of $7,200,000,000, were $56,000,000 less than in October, but $800,000,000 more than held in December 1953. Total securities held amounting to $48,900,000,000 decreased $500,000,000 since October.

Cash of $1,300,000,000, reserve with Federal Reserve banks of $12,400,000,000 and balances with other banks (including cash items in process of collection) of $12,000,000,000, a total of $25,700,000,000, showed an increase of $2,300,000,000 in the quarter.

The capital stock of the banks on December 31, 1954 was $2,500,000,000, including $4,000,000 of preferred stock. Surplus was $3,900,000,000, undivided profits $1,400,000,000 and capital reserves $300,000,000, or a total of $5,600,000,000. Total capital accounts of $8,100,000,000, which were 7.64 percent of total deposits, were $200,000,000 more than in October when they were 7.77 percent of total deposits.

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TREASURY DEPARTMENT
Comptroller of the Currency
Washington

RELEASE MORNING NEWSPAPERS,
Friday, March 11, 1955.

H-733

The total assets of national banks on December 31, 1954 amounted to $116,000,000,000, it was announced today by Comptroller of the Currency Ray M. Gidney. The returns covered the 4,796 active national banks in the United States and possessions. The assets were $4,400,000,000 more than the amount reported by the 4,827 active banks on October 7, 1954, the date of the previous call, and more than $6,000,000,000 over the aggregate reported by the 4,864 active banks as of December 31, 1953.

The deposits of the banks on December 31 were $106,100,000,000, an increase of $4,300,000,000 since October, and an increase of $5,200,000,000 in the year. Included in the recent deposit figures were demand deposits of individuals, partnerships, and corporations of $59,000,000,000, which increased $3,900,000,000, and time deposits of individuals, partnerships, and corporations of $24,700,000,000, which increased $258,000,000. Deposits of the United States Government of $2,800,000,000 decreased $1,600,000,000 since October; deposits of States and political subdivisions of $7,200,000,000 showed an increase of $700,000,000, and deposits of banks amounted to $10,700,000,000, an increase of $600,000,000. Postal savings were $13,000,000 and certified and cashiers' checks, etc., were $1,700,000,000.

Net loans and discounts on December 31, 1954 were $39,800,000,000, an increase of $2,400,000,000 since October, and an increase of $1,900,000,000, or 5 percent, above the December loan figure in 1953. Commercial and industrial loans of $16,400,000,000 were up $600,000,000 since October, and loans on real estate of $9,800,000,000 were up $300,000,000. Other loans, including consumer

TREASURY DEPARTMENT
Comptroller of the Currency
Washington

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RELEASE MORNING NEWSPAPERS,
Friday, March 11, 1955.

H-733

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Investments of the banks in United States Government obligations on December 31, 1954 aggregated $39,500,000,000 (including $6,000,000 guaranteed obligations), a decrease of $400,000,000 since October. These investments were 34 percent of total assets. Other bonds, stocks and securities of $9,400,000,000, which included obligations of States and political subdivisions of $7,200,000,000, were $56,000,000 less than in October, but $800,000,000 more than held in December 1953. Total securities held amounting to $48,900,000,000 decreased $500,000,000 since October.

Cash of $1,300,000,000, reserve with Federal Reserve banks of $12,400,000,000, and balances with other banks (including cash items in process of collection) of $12,000,000,000, a total of $25,700,000,000, showed an increase of $2,300,000,000 in the quarter.

The capital stock of the banks on December 31, 1954 was $2,500,000,000, including $4,000,000 of preferred stock. Surplus was $3,900,000,000, undivided profits $1,400,000,000 and capital reserves $300,000,000, or a total of $5,600,000,000. Total capital accounts of $8,100,000,000, which were 7.64 percent of total deposits, were $200,000,000 more than in October when they were 7.77 percent of total deposits.

Statement showing comparison of principal items of assets and liabilities of active national banks as of December 31, 1954, October 7, 1954, and December 31, 1953

(In thousands of dollars)

	Dec. 31, 1954	Oct. 7, 1954	Dec. 31, 1953	Increase or decrease since Oct. 7, 1954 Amount	Percent	Increase or decrease since Dec. 31, 1953 Amount	Percent
Number of banks	4,796	4,827	4,864	-31		-68	
ASSETS							
Commercial and industrial loans	16,447,067	15,868,226	16,468,455	578,841	3.65	-21,388	-.13
Loans on real estate	9,806,254	9,465,267	8,786,686	340,987	3.60	1,019,568	11.60
All other loans, including overdrafts	14,196,209	12,695,779	13,243,586	1,500,430	11.82	952,623	7.19
Total gross loans	40,449,530	38,029,272	38,498,727	2,420,258	6.36	1,950,803	5.07
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Net loans	39,827,678	37,446,012	37,944,146	2,381,666	6.36	1,883,532	4.96
U. S. Government securities:							
Direct obligations	39,500,738	39,910,958	35,563,334	-410,220	-1.03	3,937,404	11.07
Obligations fully guaranteed	6,261	3,836	25,429	2,425	63.22	-19,168	-75.38
Total U. S. securities	39,506,999	39,914,794	35,588,763	-407,795	-1.02	3,918,236	11.01
Obligations of States and political subdivisions	7,246,304	7,339,866	6,330,265	-93,562	-1.27	916,039	14.47
Other bonds, notes and debentures	1,956,124	1,925,840	2,086,723	30,284	1.57	-130,599	-6.26
Corporate stocks, including stocks of Fed. Reserve banks	222,831	215,636	204,482	7,195	3.34	18,349	8.97
Total securities	48,932,258	49,396,136	44,210,233	-463,878	-.94	4,722,025	10.68
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Balances with other banks	11,992,725	9,699,058	12,122,734	2,293,667	23.65	-130,009	-1.07
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Other assets	1,668,736	1,541,171	1,416,802	127,565	8.28	251,934	17.78
Total assets	116,150,569	111,759,810	110,116,699	4,390,759	3.93	6,033,870	5.48

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

	Dec. 31, 1954	Oct. 7, 1954	Dec. 31, 1953	Increase or decrease since Oct. 7, 1954		Increase or decrease since Dec. 31, 1953	
				Amount	Percent	Amount	Percent
LIABILITIES							
Deposits of individuals, partnerships, and corporations:							
Demand	59,005,232	55,144,436	56,614,391	3,860,796	7.00	2,390,841	4.22
Time	24,676,853	24,418,920	22,863,011	257,933	1.06	1,813,842	7.93
Deposits of U. S. Government	2,823,965	4,374,955	2,817,227	-1,550,990	-35.45	6,738	.24
Postal savings deposits	13,069	13,046	13,442	23	.18	-373	-2.77
Deposits of States and political subdivisions	7,174,667	6,480,477	6,793,634	694,190	10.71	381,033	5.61
Deposits of banks	10,717,647	10,127,696	10,155,942	589,951	5.83	561,705	5.53
Other deposits (certified and cashiers' checks, etc.)	1,734,380	1,320,499	1,689,586	413,881	31.34	44,794	2.65
Total deposits	106,145,813	101,880,029	100,947,233	4,265,784	4.19	5,198,580	5.15
Bills payable, rediscounts, and other liabilities for borrowed money	11,098	233,478	14,851	-222,380	-95.25	-3,753	-25.27
Other liabilities	1,889,416	1,733,972	1,745,099	155,444	8.96	144,317	8.27
Total liabilities, excluding capital accounts	108,046,327	103,847,479	102,707,183	4,198,848	4.04	5,339,144	5.20
CAPITAL ACCOUNTS							
Capital stock:							
Preferred	4,389	4,602	5,211	-213	-4.63	-822	-15.77
Common	2,481,455	2,389,884	2,296,546	91,571	3.83	184,909	8.05
Total	2,485,844	2,394,486	2,301,757	91,358	3.82	184,087	8.00
Surplus	3,950,552	3,690,908	3,523,443	259,644	7.03	427,109	12.12
Undivided profits	1,377,282	1,540,254	1,310,761	-162,972	-10.58	66,521	5.07
Reserves	290,564	286,683	273,555	3,881	1.35	17,009	6.22
Total surplus, profits, and reserves	5,618,398	5,517,845	5,107,759	100,553	1.82	510,639	10.00
Total capital accounts	8,104,242	7,912,331	7,409,516	191,911	2.43	694,726	9.38
Total liabilities and capital accounts	116,150,569	111,759,810	110,116,699	4,390,759	3.93	6,033,870	5.48
	Percent	Percent	Percent				
RATIOS:							
U. S. Gov't securities to total assets	34.01	35.71	32.32				
Loans & discounts to total assets	34.29	33.51	34.46				
Capital accounts to total deposits	7.64	7.77	7.34				

NOTE: Minus sign denotes decrease.

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, 1954, to March 8, 1955	Established 33-1/3% of Total Quota	Imports 1/ Sept. 20, 1954 to Mar. 8, 1955
United Kingdom	4,323,457	1,006,289	1,441,152	1,006,289
Canada	239,690	62,389	-	-
France	227,420	-	75,807	-
British India	69,627	67,894	-	-
Netherlands	68,240	20,382	22,747	20,382
Switzerland	44,388	-	14,796	-
Belgium	38,559	-	12,853	-
Japan	341,535	-	-	-
China	17,322	-	-	-
Egypt	8,135	-	-	-
Cuba	6,544	-	-	-
Germany	76,329	-	25,443	-
Italy	21,263	6,627	7,088	6,627
	5,482,509	1,163,581	1,599,886	1,033,298

1/ Included in total imports, column 2.

Prepared in the Bureau of Customs.

TREASURY DEPARTMENT
Washington

IMMEDIATE RELEASE,
Wednesday, March 9, 1955.

H-734

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, 1954, to March 8, 1955, 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	5,931	Paraguay	871	-
British India	2,003,483	20,355	Colombia	124	124
China	1,370,791	-	Iraq	195	-
Mexico	8,883,259	7,387,123	British East Africa . .	2,240	-
Brazil	618,723	618,723	Netherlands E. Indies.	71,388	-
Union of Soviet Socialist Republics .	475,124	411,813	Barbados	-	-
Argentina	5,203	-	1/Other British W. Indies	21,321	-
Haiti	237	-	Nigeria	5,377	-
Ecuador	9,333	-	2/Other British W. Africa	16,004	-
			3/Other French Africa . .	689	-
			Algeria and Tunisia .	-	-

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

Cotton, harsh or rough, of less than 3/4"
Imports Sept. 20, 1954, to February 26, 1955

Established Quota (Global)	Imports
70,000,000	4,519,444

Cotton 1-1/8" or more, but less than 1-11/16"
Imports Feb. 1, 1955, to February 26, 1955

Established Quota (Global)	Imports
45,656,420	2,853,234

TREASURY DEPARTMENT
Washington

IMMEDIATE RELEASE,
Wednesday, March 9, 1955.

H-734

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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COTTON WASTES
(In pounds)

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Germany	76,329	-	25,443	-
Italy	21,263	6,627	7,088	6,627
	5,482,509	1,163,581	1,599,886	1,033,298

1/ Included in total imports, column 2.

Prepared in the Bureau of Customs.

Commodity	Period and Quantity		Unit of Quantity	Imports as of Feb. 26, 1955
Peanuts, whether shelled, not shelled, blanched, salted, prepared, or preserved (including roasted peanuts, but not including peanut butter)............	12 months from July 1, 1954	1,709,000	Pound	Quota Filled
Peanut Oil	12 months from July 1, 1954	80,000,000	Pound	15,118,287
Barley, hulled,unhulled, rolled, and ground, and barley malt........	12 months from Oct. 1, 1954			
	Canada	27,225,000	Bushel	9,736,587
	Other Countries	275,000	Bushel	5,635 *
Oats, hulled, and unhulled, and unhulled ground....................	12 months from Oct. 1, 1954			
	Canada	39,312,000	Bushel	9,817,847
	Other Countries	688,000	Bushel	686,943 *
Rye, rye flour, and rye meal........	12 months from July 1, 1954	186,000,000	Pound	Quota Filled

* Imports through March 8, 1955.

TREASURY DEPARTMENT
Washington

IMMEDIATE RELEASE,
Wednesday, March 9, 1955.

H-735

The Bureau of Customs announced today preliminary figures showing the imports for consumption of the commodities listed below within quota limitations from the beginning of the quota periods to February 26, 1955, inclusive, as follows:

Commodity	Period and Quantity		Unit of Quantity	Imports as of Feb. 26, 1955
Whole milk, fresh or sour	Calendar Year	3,000,000	Gallon	3,089
Cream	Calendar Year	1,500,000	Gallon	54
Butter	Nov. 1, 1954-Mar. 31, 1955	50,000,000	Pound	285,449
Fish, fresh or frozen, filleted etc., cod, haddock, hake, pollock, cusk, and rosefish..........	Calendar Year	35,432,624	Pound	Quota Filled (1)
White or Irish potatoes:				
Certified Seed.....................	12 months from Sept. 15, 1954	150,000,000	Pound	59,638,150
Other		329,100,000	Pound	9,055,898
Cattle, less than 200 lbs. each.....	12 months from April 1, 1954	200,000	Head	4,522
Cattle, 700 lbs. or more each....... (other than dairy cows)	Jan. 1, 1955-Mar. 31, 1955	120,000	Head	42,973
Walnuts.............................	Calendar Year	5,000,000	Pound	847,969
Almonds, shelled, blanched, roasted, or otherwise prepared or preserved	12 months from Oct. 1, 1954	5,000,000	Pound	789,045
Filberts, shelled (whether or not blanched).........................	12 months from Oct. 1, 1954	6,000,000	Pound	2,536,247
Alsike clover seed..................	12 months from July 1, 1954	1,500,000	Pound	Quota Filled

(1) Imports for consumption at the quota rate are limited to 8,858,156 lbs. during the first three months of the calendar year.

(Continued)

TREASURY DEPARTMENT
Washington

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Wednesday, March 9, 1955. H-735

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(Continued)

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Peanuts, whether shelled, not shelled, blanched, salted, prepared, or preserved (including roasted peanuts, but not including peanut butter)............	12 months from July 1, 1954	1,709,000	Pound	Quota Filled
Peanut Oil	12 months from July 1, 1954	80,000,000	Pound	15,118,287
Barley, hulled, unhulled, rolled, and ground, and barley malt........	12 months from Oct. 1, 1954			
	Canada	27,225,000	Bushel	9,736,587
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	Other Countries	688,000	Bushel	686,943 *
Rye, rye flour, and rye meal........	12 months from July 1, 1954	186,000,000	Pound	Quota Filled

* Imports through March 8, 1955.

TREASURY DEPARTMENT
Washington

IMMEDIATE RELEASE,
Wednesday, March 9, 1955.

H-736

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, 1955, to February 26, 1955, inclusive, as follows:

Products of the Philippines		Established Quota Quantity	Unit of Quantity	Imports as of Feb. 26, 1955
Buttons		850,000	Gross	92,123
Cigars		200,000,000	Number	299,988
Coconut Oil		448,000,000	Pound	23,226,089
Cordage.........................		6,000,000	Pound	694,818
Rice		1,040,000	Pound	-
Sugars	(Refined................	1,904,000,000	Pound	500,000
	(Unrefined..............			240,634,562
Tobacco.........................		6,500,000	Pound	95,285

TREASURY DEPARTMENT
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Tobacco		6,500,000	Pound	95,285

TREASURY DEPARTMENT
Washington

IMMEDIATE RELEASE,
Wednesday, March 9, 1955.

H-737

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, 1954, as follows:

Country of Origin	Wheat		Wheat flour, semolina, crushed or cracked wheat, and similar wheat products	
	Established Quota	Imports May 29, 1954, to March 8, 1955	Established Quota	Imports May 29, 1954, to Mar. 8, 1955
	(Bushels)	(Bushels)	(Pounds)	(Pounds)
Canada	795,000	795,000	3,815,000	3,815,000
China	-	-	24,000	-
Hungary	-	-	13,000	-
Hong Kong	-	-	13,000	-
Japan	-	-	8,000	-
United Kingdom	100	-	75,000	70
Australia	-	-	1,000	-
Germany	100	99	5,000	-
Syria	100	-	5,000	5,000
New Zealand	-	-	1,000	-
Chile	-	-	1,000	-
Netherlands	100	-	1,000	-
Argentina	2,000	-	14,000	-
Italy	100	-	2,000	2,000
Cuba	-	-	12,000	-
France	1,000	-	1,000	-
Greece	-	-	1,000	-
Mexico	100	-	1,000	-
Panama	-	-	1,000	-
Uruguay	-	-	1,000	-
Poland and Danzig	-	-	1,000	-
Sweden	-	-	1,000	-
Yugoslavia	-	-	1,000	-
Norway	-	-	1,000	-
Canary Islands	-	-	1,000	-
Rumania	1,000	-	-	-
Guatemala	100	-	-	-
Brazil	100	-	-	-
Union of Soviet Socialist Republics	100	-	-	-
Belgium	100	-	-	-
	800,000	795,099	4,000,000	3,822,070

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	(Bushels)	(Bushels)	(Pounds)	(Pounds)
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China	-	-	24,000	-
Hungary	-	-	13,000	-
Hong Kong	-	-	13,000	-
Japan	-	-	8,000	-
United Kingdom	100	-	75,000	70
Australia	-	-	1,000	-
Germany	100	99	5,000	-
Syria	100	-	5,000	5,000
New Zealand	-	-	1,000	-
Chile	-	-	1,000	-
Netherlands	100	-	1,000	-
Argentina	2,000	-	14,000	-
Italy	100	-	2,000	2,000
Cuba	-	-	12,000	-
France	1,000	-	1,000	-
Greece	-	-	1,000	-
Mexico	100	-	1,000	-
Panama	-	-	1,000	-
Uruguay	-	-	1,000	-
Poland and Danzig	-	-	1,000	-
Sweden	-	-	1,000	-
Yugoslavia	-	-	1,000	-
Norway	-	-	1,000	-
Canary Islands	-	-	1,000	-
Rumania	1,000	-	-	-
Guatemala	100	-	-	-
Brazil	100	-	-	-
Union of Soviet Socialist Republics	100	-	-	-
Belgium	100	-	-	-
	800,000	795,099	4,000,000	3,822,070

UNITED STATES GOLD TRANSACTIONS WITH FOREIGN COUNTRIES, 1954

(In millions of dollars at $35 per ounce)

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

Country	1st Quarter 1954	2nd Quarter 1954	3rd Quarter 1954	4th Quarter 1954	Calendar Year 1954
Austria.................	—	—	—	-$6.2	-$6.2
Bolivia.................	$13.2	$2.0	—	2.0	17.3
Germany.................	-40.0	-15.6	-$140.0	-30.0	-225.6
Israel..................	—	—	-1.1	—	-1.1
Lebanon.................	-8.8	—	—	—	-8.8
Mexico..................	—	80.3	—	—	80.3
Portugal................	-20.0	-5.0	-20.0	-10.0	-54.9
Sweden..................	—	—	—	-15.0	-15.0
Switzerland.............	—	—	-8.0	-7.5	-15.5
Switzerland——Bank for International Settlements	-7.9	-1.1	-2.6	-8.4	-20.0
United Kingdom..........	—	-50.0	—	—	-50.0
Uruguay.................	-5.0	—	—	—	-5.0
The Vatican.............	5.5	—	—	3.3	8.8
Venezuela...............	—	-30.0	—	—	-30.0
All Others..............	-.2	-.2	-.1	-.6	-1.0
Total	-$63.0	-$19.6	-$171.8	-$72.3	-$326.6

Some figures may not add to totals because of rounding.

TREASURY DEPARTMENT

WASHINGTON, D.C.

RELEASE MORNING NEWSPAPERS,
Thursday, March 10, 1955. H-738

The Treasury Department today made public a report of monetary gold transactions with foreign governments and central banks for the calendar year 1954. For the year as a whole, the net outward movement of gold amounted to $326.6 million; U.S. sales of gold were $433.1 million; U.S. purchases, $106.4 million.

A table showing quarterly and annual net transactions for 1954, by country, is attached.

As we have previously testified and said many times, in a revision of tax laws involving 875 pages of printed matter covering all of the law with respect to federal taxation, it is inevitable that some errors should creep in. These can all only be developed by experience in actual practice and we have repeatedly said that as soon as any discrepancy between the original Congressional intent and actual operation of the law became apparent we would call it to the attention of the Congress for corrective action. This is such a case.

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How much greater it might be we cannot now say because we simply do not have the information as to what the bulk of taxpayers concerned might claim should these provisions remain in the law. And with the litigation that would surely be involved in many cases should the provisions remain, we might not have final figures on the loss for years to come.

Repeal of these two provisions will reinstate the legal rights of everyone just as they were under the old law prior to last August and will protect the government from revenue loss which was never intended by the Congress.

I wish to emphasize that there is almost no new money over our original estimates which will be added to the Treasury by repeal of these two provisions. This action simply avoids unplanned loss of revenue.

The objective of trying to conform tax accounting with business accounting is still a sound one. In trying to do this, however, a serious mistake was made in not sufficiently limiting the application of the provisions and restricting the revenue impact of the changes as enacted. That is why repeal is required rather than amendment, so as to be sure that in any new approach to the original objective, the revenue is adequately protected.

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their income tax returns and the thirty days expired for protests against the proposed regulations, there was not much reliable information available.

It then developed that there is a sharp difference of opinion between taxpayers and the government as to the scope of these sections. The tentative regulations issued by the Treasury on January 22, in order to carry out the provisions of the law, have come under strong attack as being too restrictive in limiting the intended application of the sections. Taxpayers have already served notice that they intend to litigate this restriction. Should they be successful in the courts, the revenue loss under the law might be far in excess of anything contemplated by the Congress. As soon as the checks were sufficiently conclusive to satisfy the staff that the original objective might not be carried out and that the situation could not be adequately corrected by/regulation, they reported their findings and we promptly made this move to call the matter to the attention of the Congress.

The original estimate for several so-called bookkeeping items, of which Sections 452 and 462 were the principal revenue items, was $47 million. The limited check that we have made around the country indicates that the loss would be substantially greater than the original estimates.

235

Statement by Secretary Humphrey before Ways and Means Committee, 10:00 a.m., Thursday, March 10, 1955.

Mr. Chairman:

I am here today to urge prompt action, as I did in my letter to the Chairman on Monday of this week, to repeal Sections 452 and 462 of the Internal Revenue Code of 1954.

The original objective of these two sections which cover prepaid income and reserves for estimated expenses was simply to conform tax accounting with business accounting. It was never intended that these provisions would result in any substantial loss of revenue or result in windfalls to taxpayers. A review of the consideration of this subject by this committee will confirm the impression held at the time by lawyers, accountants, and businessmen, that the basic motive for these provisions was simplification of tax accounting procedures, and not radical tax reductions.

This tax law became effective on August 16, 1954. During the fall, as the knowledge of its provisions increased, there began to be rumors that these particular provisions might not work as originally intended. Before the end of the year, studies by the Treasury staff, working with the staff of your committee, were undertaken to see if the threatened situation could properly and effectively be cured by regulation. Proposed regulations were issued on January 22. However, until the time came when these provisions began to be put into actual practice by taxpayers preparing

H-739

TREASURY DEPARTMENT
Washington

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The objective of trying to conform tax accounting with business accounting is still a sound one. In trying to do this, however, a serious mistake was made in not sufficiently limiting the application of the provisions and restricting the revenue impact of the changes as enacted. That is why repeal is required rather than amendment, so as to be sure that in any new approach to the original objective the revenue is adequately protected.

As we have previously testified and said many times, in a revision of tax laws involving 875 pages of printed matter covering all of the law with respect to Federal taxation, it is inevitable that some errors should creep in. These can all only be developed by experience in actual practice and we have repeatedly said that as soon as any discrepancy between the original Congressional intent and actual operation of the law became apparent we would call it to the attention of the Congress for corrective action. This is such a case.

oOo

I hope that the Administration's requ~~e~~st for extension of both increased corporation and excise taxes wil be approved without addition of this latest misleading compromise proposal as a crippling ammendment.

Confidence in the government's hadling of its financial affairs in a sound and healthy way is far more important t o the people, both to the "little people" they talk so much about and to the great middle class of fine Americans who are the great majority of our total population, than any political quickie gimmick can possibly be.

~~For Release AM Papers Monday March 14~~

~~STATEMENT BY SECRETARY HUMPHREY~~

The U.S. Senate now appears to have definitely ~~opposed to~~ abandoned the original straight $20 Democratic tax cut plan and I am encouraged to believe that it will reject the unsound $20-10 compromise tax cut ~~opposed~~ proposed in connection with the proper extension of the increased corporation and excise taxes.

As Government spending is being reduced, this Administration has taken many steps to help the economy make the transition from high to lower government spending. One of the principal ways in which our economy is being helped to make that transition successfully was the enactment of last year's tax program, giving tax relief to every taxpayer. We are now on the way up on a broad front. To repeal, as this quickie compromise now ~~opposes~~ proposes, some of the important tax changes which have been helping to make new jobs and better times in this recovery would certainly not be in the best interests of the people.

The American people can be seriously harmed by unwise political tinkering with a tax program which has helped set the present economic recovery in motion. It is entirely misleading to argue that this newest proposal which [redacted] works against the making of new and better jobs is really in the interests of the 'little folks'.

Their claims of increased revenue to help to balance this year's budget are fantastic. You don't help pay your way this year by proposing to collect more taxes in the future two or three years from now. You don't help to increase the purchasing power of the 'little folks' by repealing the laws which are helping to make their jobs and then claiming to increase their purchasing power by $10 and $20 a year tax reductions which they don't even begin to get until nearly a year from now and then at the rate of but a few cents a week for only part of the people.

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TREASURY DEPARTMENT
Washington

RELEASE MORNING NEWSPAPERS
Monday, March 14, 1955

H- 740

Treasury Secretary Humphrey today issued the following statement concerning the tax bill now pending in the Senate:

TREASURY DEPARTMENT
Washington

RELEASE MORNING NEWSPAPERS
Monday, March 14, 1955.

H-740

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"The U. S. Senate now appears to have definitely abandoned the original straight $20 Democratic tax cut plan and I am encouraged to believe that it will reject the unsound $20-10 compromise tax cut proposed in connection with the proper extension of the increased corporation and excise taxes.

"As Government spending is being reduced, this Administration has taken many steps to help the economy make the transition from high to lower government spending. One of the principal ways in which our economy is being helped to make that transition successfully was the enactment of last year's tax program, giving tax relief to every taxpayer. We are now on the way up on a broad front. To repeal, as this quickie compromise now proposes, some of the important tax changes which have been helping to make new jobs and better times in this recovery would certainly not be in the best interests of the people.

"The American people can be seriously harmed by unwise political tinkering with a tax program which has helped set the present economic recovery in motion. It is entirely misleading to argue that this newest proposal which works against the making of new and better jobs is really in the interests of the 'little folks'.

"Their claims of increased revenue to help to balance this year's budget are fantastic. You don't help pay your way this year by proposing to collect more taxes in the future two or three years from now. You don't help to increase the purchasing power of the 'little folks' by repealing the laws which are helping to make their jobs and then claiming to increase their purchasing power by $10 and $20 a year tax reductions which they don't even begin to get until nearly a year from now and then at the rate of but a few cents a week for only part of the people.

"Confidence in the government's handling of its financial affairs in a sound and healthy way is far more important to the people, both to the 'little people' they talk so much about and to the great middle class of fine Americans who are the great majority of our total population, than any political quickie gimmick can possibly be.

"I hope that the Administration's request for extension of both increased corporation and excise taxes will be approved without addition of this latest misleading compromise proposal as a crippling amendment."

oOo

RELEASE MORNING NEWSPAPERS,
Tuesday, March 15, 1955.

H-741

The Treasury Department announced last evening that the tenders for $1,500,000,000, or thereabouts, of 91-day Treasury bills to be dated March 17 and to mature June 16, 1955, which were offered on March 10, were opened at the Federal Reserve Banks on March

The details of this issue are as follows:

Total applied for - $2,219,301,000
Total accepted - 1,500,251,000 (includes $231,695,000 entered on a noncompetitive basis and accepted in full at the average price shown below)
Average price - 99.675 Equivalent rate of discount approx. 1.286% per annum

Range of accepted competitive bids:

High	- 99.721	Equivalent rate of discount approx. 1.104% per annum
Low	- 99.672	" " " " " 1.298% " "

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

Federal Reserve District		Total Applied for	Total Accepted
Boston		$ 21,367,000	$ 21,367,000
New York		1,518,081,000	880,931,000
Philadelphia		37,291,000	22,291,000
Cleveland		53,487,000	48,487,000
Richmond		14,653,000	14,653,000
Atlanta		49,853,000	48,653,000
Chicago		279,395,000	247,895,000
St. Louis		24,346,000	24,346,000
Minneapolis		12,598,000	12,598,000
Kansas City		57,976,000	54,476,000
Dallas		46,905,000	44,805,000
San Francisco		103,349,000	79,749,000
	TOTAL	$2,219,301,000	$1,500,251,000

TREASURY DEPARTMENT

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WASHINGTON, D.C.

RELEASE MORNING NEWSPAPERS,
Tuesday, March 15, 1955.

H-741

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TOTAL	$2,219,301,000	$1,500,251,000

oOo

STATUTORY DEBT LIMITATION

AS OF February 28, 1955

Washington, March 14, 1955

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 Act of August 28, 1954, (P.L. 686-83rd Congress) provides that during the period beginning on August 28, 1954, and ending June 30, 1955, the above limitation ($275,000,000,000) shall be temporarily increased by $6,000,000,000.

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			$281,000,000,000
Outstanding-			
Obligations issued under Second Liberty Bond Act, as amended			
Interest-bearing:			
Treasury bills	$19,505,255,000		
Certificates of indebtedness	21,455,441,000		
Treasury notes	39,722,498,700	$ 80,683,194,700	
Bonds-			
Treasury	81,441,246,200		
Savings (current redemp. value)	58,224,889,399		
Depositary	446,618,000		
Investment series	12,650,708,000	152,763,461,599	
Special Funds-			
Certificates of indebtedness	28,695,802,000		
Treasury notes	13,351,565,400	42,047,367,400	
Total interest-bearing		275,494,023,699	
Matured, interest-ceased		590,043,784	
Bearing no interest:			
United States Savings Stamps	48,765,040		
Excess profits tax refund bonds	1,154,665		
Special notes of the United States:			
Internat'l Monetary Fund series	1,536,000,000	1,585,919,705	
Total		277,669,987,188	
Guaranteed obligations (not held by Treasury):			
Interest-bearing:			
Debentures: F.H.A.	25,239,536		
Matured, interest-ceased	1,708,725	26,948,261	
Grand total outstanding			277,696,935,449
Balance face amount of obligations issuable under above authority			3,303,064,551

Reconcilement with Statement of the Public Debt February 28, 1955
(Date)

(Daily Statement of the United States Treasury, February 28, 1955)
(Date)

Outstanding-	
Total gross public debt	278,181,954,642
Guaranteed obligations not owned by the Treasury	26,948,261
Total gross public debt and guaranteed obligations	278,208,902,903
Deduct - other outstanding public debt obligations not subject to debt limitation	511,967,454
	277,696,935,449

H-742

STATUTORY DEBT LIMITATION
AS OF February 28, 1955

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Washington, March 14, 1955

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H-742

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Immediate

MAR 9 1955

MEMORANDUM TO MR. BARTELT:

The following transactions were made in direct and guaranteed securities of the Government for Treasury investments and other accounts during the month of February, 1955:

Purchases	$77,213,000.00
Sales	7,500.00
	$77,205,500.00

(Sgd) Charles T. Brannan

Chief, Investments Branch
Division of Deposits & Investments

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TREASURY DEPARTMENT

WASHINGTON, D.C.

H-743

IMMEDIATE RELEASE,
Monday, February ~~21~~, 1955. ~~H-720~~

March 14

Feb

During the month of ~~January~~ 1955,
market transactions in direct and guaranteed
securities of the government for Treasury
investment and other accounts resulted in
net ~~purchases~~ by the Treasury Department of
~~$22,993,400~~. $77,205,500.00

oOo

TREASURY DEPARTMENT 249

WASHINGTON, D.C.

IMMEDIATE RELEASE,
Monday, March 14, 1955.   H-743

During the month of February 1955, market transactions in direct and guaranteed securities of the government for Treasury investment and other accounts resulted in net purchases by the Treasury Department of $77,205,500.

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I am ~~glad~~ pleased to have ~~had~~ this opportunity to ~~give you some of my views for an~~y assistance ~~they may be~~ in any way that I can in the study you are making of the stock market ~~that your committee is conducting~~. I will be glad to answer any questions ~~that I can~~ on this subject which, as I said at the outset, I long ago discovered I didn't know much about.

have a reasonable spread in comparison to those of corporate bonds, where margin trading remains on a conservative basis, and where turnover is sufficient to maintain a broad active market yet avoids excessive speculation.

The price rise that has taken place in the stock market during the last year and a half reflects many viewpoints of millions of people and conditions not only here at home but from abroad. It is in part the rebirth of confidence in the functioning of our free enterprise system.

It is also perhaps reflecting a new phenomenon in our national life that is growing daily. The small savings of millions of Americans are being invested in securities in greater amounts than ever before. This wider investment isn't just individual purchases in the market -- it reflects the rapid growth of pension funds and other group investments. What it means is that millions of people working in industry today have $5 or $10 or some such amount deducted from each pay check for their future retirement, and a good share of that goes into stocks and bonds. They often do not realize it, but these small savings multiply into hundreds of millions of dollars of security purchases, which is making millions of people investors in American industry who had never thought of doing it before. These purchases are large for long term investment and so tend to ... to lessen the floating supply of the ... They ...

We are ~~not complacent~~ watching, however, about the problems which the new higher level of the stock market ~~has brought with~~ is creating. Federal Reserve action in January in raising margin requirements was ~~a wholesome~~ we believe a desirable thing, ~~and the move had unqualified Treasury support~~. Buying on margin isn't nearly as important as it used to be, but we want to be ~~sure~~ watchful to see that credit in the stock market -- just like all other kinds of credit -- doesn't ~~get out of bounds~~ exceed the reasonable demands. The Federal Reserve action simply served as a reminder that ~~people should watch their step, and use~~ caution should be used in making commitments. The offering of the new Treasury 40-year bond in February may also have been helpful in offering an attractive alternative form of investment.

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contribution of Government agencies in making available an increasing flow of valuable statistical information on matters affecting the securities markets, are of major importance.

Even more important to a healthy market, however, is governmental policy in assisting the achievement~~s~~ of a broad, sound financial base for economic development. Such a base must rest primarily on the continued stability of the dollar, with reasonably stable buying power. This means a budget that is under control and headed for balance. It means a public debt that is prudently managed. It means a tax system that is fair and equitable -- one which minimizes tax barriers to the initiative of workers and investors alike. It means monetary and credit policies which will ~~achieve our goals~~ operate through the exercise of broad general powers rather than through a crushing maze of direct controls.

This is the way confidence in the future of America is built. Such confidence is the very life blood not only of a healthy stock market but of a vibrant growing economy. Government action at best can only assist to influence the broad direction of healthy markets -- whether they are for stocks, for bonds, or for commodities. The real success of these efforts must rest squarely upon the people of the United States -- as investors, as managers of business enterprise, or as brokers or stock exchange members.

The market place itself has done much to foster public understanding of its accomplishments and aims. Stock exchange studies are informative and useful. The function of enlightened investor services has assumed a new importance in stimulating constructive thinking.

A healthy stock market can be visualized as one in which prices bear an appropriate relationship to earnings and to asset values, where stock yields

These billions of shares are truly shares in America. They represent the ownership of American business and property. They are the fountainhead of more and better jobs -- the invested savings through which the inventive genius of America can find expression in the development of new products and methods.

Widespread ownership of American industry is to be encouraged. A dynamic economy is synonymous with increased emphasis on corporate financing through stock issuance rather than by going further and further into debt. And the success of new risk-taking enterprise is peculiarly dependent on equity financing. A healthy stock market is essential if the role of equity financing in corporate finance is to flourish.

Your Committee's study presents an opportunity for increased public understanding of the market and its functions at a time when ~~we are all watching the market very carefully~~ it is a matter of broad public interest. It is also an opportunity to define more clearly the Government's place in relation to the stock market's operations ~~picture~~. The role of Government ~~is~~ should be to do what it can to assist in making stock market activity contribute to, rather than detract from, the soundness of our financial structure.

This takes two forms. Both are important.

The first involves the supervisory responsibilities of the Securities and Exchange Commission. These are designed, as we all know, to insure fair and honest markets in securities transactions on the organized exchanges, through adequate public information on proposed new security issues, adequate periodic company reports, and the regulation of trading on these exchanges.

The second involves Federal Reserve Board regulation of margin requirements, ~~(with administration of the regulations by the S.E.C.,)~~ in order to help supply sufficient credit ~~yet discourage~~ but not excessive ~~use of~~ credit in stock market trading. These elements of Government supervision, together with the

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Wash

Statement by Secretary of the Treasury Humphrey
Before the Senate Committee on Banking and Currency,
10:00 A.M., Tuesday, March 15, 1955

I welcome the opportunity to participate in your study of the stock market.

I am not here today to say that the market is either too high or too low. I gave up years ago trying to figure out the stock market. ~~I think the comment Mr. Morgan is supposed to have made is about the best I've heard on the subject.~~

~~He was asked "could you tell us Mr. Morgan what the stock market will do?" He said, "yes, I can -- it will fluctuate."~~

~~I think that is probably correct.~~

But I am glad to consider with you the importance of a healthy stock market to a growing economy~~, and to indicate how the Government can assist in achieving that goal~~.

A healthy stock market is one of the evidences of a strong and growing nation. The 4-1/2 billion shares listed on the organized exchanges alone are impressive evidence of the effectiveness of markets throughout the country in meeting the needs of our dynamic economy. These 4-1/2 billion shares represent investment by millions of savers throughout the country. Many millions of them own stocks directly. Many millions more have an interest in stock ownership through the pension plans where they work ~~of~~ or through the financial institutions that handle their life insurance and other savings. Colleges, hospitals, religious and charitable institutions, scientific and other research centers, and many other endowed funds also rely heavily on stock ownership.

H-744

TREASURY DEPARTMENT
Washington

Statement by Secretary of the Treasury Humphrey
before the Senate Committee on Banking and Currency,
10:00 a.m., Tuesday, March 15,1955

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These billions of shares are truly shares in America. They represent the ownership of American business and property. They are the fountainhead of more and better jobs -- the invested savings through which the inventive genius of America can find expression in the development of new products and methods.

Widespread ownership of American industry is to be encouraged. A dynamic economy is synonymous with increased emphasis on corporate financing through stock issuance rather than by going further and further into debt. And the success of new risk-taking enterprise is peculiarly dependent on equity financing. A healthy stock market is essential if the role of equity financing in corporate finance is to flourish.

Your Committee's study presents an opportunity for increased public understanding of the market and its functions at a time when it is a matter of broad public interest. It is also an opportunity to define more clearly the Government's place in relation to the stock market's operations. The role of Government should be to do what it can to assist in making stock market activity contribute to, rather than detract from, the soundness of our financial structure.

This takes two forms. Both are important.

The first involves the supervisory responsibilities of the Securities and Exchange Commission. These are designed, as we all know, to insure fair and honest markets in securities transactions on the organized exchanges, through adequate public information on proposed new security issues, adequate periodic company reports, and the regulation of trading on these exchanges.

The second involves Federal Reserve Board regulation of margin requirements, in order to help supply sufficient credit but not excessive credit in stock market trading. These elements of Government supervision, together with the contribution of Government agencies in making available an increasing flow of valuable statistical information on matters affecting the securities markets, are of major importance.

Even more important to a healthy market, however, is governmental policy in assisting the achievement of a broad, sound financial base for economic development. Such a base must rest primarily on the continued stability of the dollar, with reasonably stable buying power. This means a budget that is under control and headed for balance. It means a public debt that is prudently managed. It means a tax system that is fair and equitable -- one which minimizes tax barriers to the initiative of workers and investors alike. It means monetary and credit policies which will operate through the exercise of broad general powers rather than through a crushing maze of direct controls.

This is the way confidence in the future of America is built. Such confidence is the very lifeblood not only of a healthy stock market but of a vibrant growing economy. Government action at best can only assist to influence the broad direction of healthy markets -- whether they are for stocks, for bonds, or for commodities. The real success of these efforts must rest squarely upon the people of the United States -- as investors, as managers of business enterprise, or as brokers or stock exchange members.

The market place itself has done much to foster public understanding of its accomplishments and aims. Stock exchange studies are informative and useful. The function of enlightened investor services has assumed a new importance in stimulating constructive thinking.

A healthy stock market can be visualized as one in which prices bear an appropriate relationship to earnings and to asset values, where stock yields have a reasonable spread in comparison to those of corporate bonds, where margin trading remains on a conservative basis, and where turnover is sufficient to maintain a broad active market yet avoids excessive speculation.

The price rise that has taken place in the stock market during the last year and a half reflects many viewpoints of millions of people and conditions not only here at home but from abroad. It is in part the rebirth of confidence in the functioning of our free enterprise system.

It is also perhaps reflecting a new phenomenon in our national life that is growing daily. The small savings of millions of Americans are being invested in securities in greater amounts than ever before. This wider investment isn't just individual purchases in the market -- it reflects the rapid growth of pension funds and other group investments. What it means is that millions of people working in industry today have $5 or $10 or some such amount deducted from each pay check for their future retirement, and a good share of that goes into stocks and bonds. They often do not realize it, but these small savings multiply into hundreds of millions of dollars of security purchases, which is making millions of people investors in American industry who had never thought of doing it before. These purchases are largely for long term investment and so tend to continually work to lessen the floating supply of the securities they buy.

We are watching attentively the conditions which the new higher level of the stock market is creating. Federal Reserve action in January in raising margin requirements was, we believe, a desirable thing. Buying on margin isn't nearly as important as it used to be, but we want to be watchful to see that credit in the stock market -- just like all other kinds of credit -- doesn't exceed the reasonable demands. The Federal Reserve action simply served as a reminder that caution should be used in making commitments. The offering of the new Treasury 40-year bond in February may also have been helpful in offering an attractive alternative form of investment.

I am pleased to have this opportunity to assist in any way that I can in the study you are making of the stock market. I will be glad to answer any questions on this subject which, as I said at the outset, I long ago discovered I didn't know much about.

oOo

It has been said many times that this inquiry is a friendly study, with the best of intentions, and only to obtain more knowledge. More knowledge is always a good thing. But as criticism of the Government and suggestions for restrictive actions have been made from day to day before the Committee/ and in the public press, with discussion of restrictive action that the Government might or might not engage ~~XXX~~ in, they can easily contribute to a questioning of confidence and uncertainty as to what the future may hold.

A feeling of confidence in the future has been strong and has moved up on a brodd front for the past several months. Business activity has been ~~xxxxxxxxx~~ expanding and this month that we are in today may well be one of the highest months of activity we have ever had in our history. We are on sound economic ground, based on sound economic principles, and there is no reason why we should not go forward unless confidence is badly ~~xxx~~ injured or destroyed.

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ADD SECRETARY HUMPHREY'S STATEMENT

There is just one word of caution that I want to leave with you: Confidence -- or lack of it -- has more to do with conduct of investors, businessmen, and the great mass of the people generally than any single thing. If there is confidence in the future, in the stability of the economy, and in the maintenance of jobs, the American people continue to buy the things they need and the things they want. But most American families are in position today to buy more than the bare necessities of life. When they have confidence, they buy things that they do not absolutely need but things that they want. If they lose confidence, they postpone or cancel those purchases.

Businessmen either move forward with plant expansion -- with the creation of ~~xxx~~ new jobs -- or they are cautious and restrained, based on confidence. And investors are perhaps more sensitive than any in governing their conduct in confidence they have or lack.

Confidence is a subtle thing. It is built slowly and can be easily shaken. It manifests itself in many ways. A crowd leaving a theatre at the close of a play will walk out in orderly fashion in short order. But if as the curtain goes down someone calls "fire," terror can reign and great injury result.

H-744-A

TREASURY DEPARTMENT
Washington

Further statement by Secretary of the Treasury Humphrey before the Senate Committee on Banking and Currency, 10:00 a.m., Tuesday, March 15, 1955

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H-744-A

oOo

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productive work, improving methods, and cutting out waste wherever we can find it.

In connection with specific activities, I have given some illustrations of savings from management improvements. The aggregate savings for the whole Department were over $12 million in fiscal 1953 and well over $20 million in fiscal 1954. The 1952 figure was $4 million and the highest previous year for which we have figures was $8 million in 1951.

In closing, I would like to ~~state~~ say that I am proud to be a member of the Eisenhower Administration and the Treasury team. I also want to stress the loyalty, hard-work, and devoted service ~~which we have found in~~ of the Department's employees. We are all striving to give the American people a fair, honest, and efficient Government in which they will have ~~complete~~ confidence. Such confidence is basic to our policies of providing stability in the value of the dollar and a solid basis for economic growth.

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Finally, there are the Treasury's newest duties, those given the Secretary last year for administering the Federal Facilities Corporation, the liquidation of the R. F. C., and various defense lending programs.

8 L The Federal Facilities Corporation has been conducting the Government's program for the production and sale of synthetic rubber and refined tin. It is currently expected that the synthetic rubber producing facilities will soon be sold to private interests, and that production of tin will be discontinued at the close of the current fiscal year.

The liquidation of the R. F. C. is being carried out as expeditiously as possible under the general policy of securing the highest possible return on the funds invested in R. F. C. assets without creating undue hardships for those indebted to the Corporation.

The programs for defense production and civil defense lending are being carried on at the minimum levels required under present international and military conditions. Loans previously made under these programs are being placed in the hands of private financial institutions as rapidly as possible.

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These many bureaus, divisions, offices, and services add up to the Treasury Department, an efficient organization carrying out functions vital to the operations of our Government. The Treasury has for many years been a well-run Department staffed with many able career people. It was not overstaffed so much under the past Administration as some other Departments and the opportunity for savings was not so great. Nevertheless, in the last two years we have been able to make significant improvements in the management of this Department. While the total civilian employment of the Treasury is down from almost 88,000 to about 79,000 - a drop of ~~over~~ 9,000 or 10 percent - the enforcement activities have been strengthened by emphasizing more

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The Bureau of Narcotics administers a program designed to deal with the control of permissive manufacture, distribution, and sale of drugs as well as the control of sources of the illicit supply of drugs on international, national, and local levels. The Narcotic Agent's job is ferreting out gangsters and drug traffickers and bringing them before the courts. Some of the most effective work done by this little Bureau is in collaboration with foreign police.

Next I come to the U. S. Coast Guard, a branch of the military service at all times, a wing of the Treasury Department during peace, and a fighting arm of the Navy in time of war or whenever the President so directs.

The primary peacetime activity of the Coast Guard is to prevent avoidable loss of life and property. The Coast Guard's activities include air-sea rescue duties, port security responsibilities, maintaining aids to navigation including ice patrol work, operation of lighthouses and ocean weather stations, and inspection of merchant vessels and their equipment.

A dramatic example of the skill and courage of the men of the Coast Guard was the rescue of the crew of a Military Air Transport Service plane in the mid-Atlantic in January.

peddler, and moonshiner. Some of these illegal activities are ~~sought~~ ferreted out by groups I have already mentioned, the Revenue Service and the Bureau of Customs. Other Treasury enforcement activities are conducted by the U. S. Secret Service, Bureau of Narcotics, and the U. S. Coast Guard.

The Secret Service is a small and compact organization with three major functions. The first is the protection of the President and his family, the President-elect, and the Vice President at his request. The second is the suppression of counterfeiting of the currency and other obligations and securities of the Government. The third is the suppression of the forgery and fraudulent negotiation of Government checks and bonds.

An example of the excellent work done by the Secret Service is in detecting counterfeiting. While there has been no appreciable reduction in counterfeiting since 1951, there has been marked reduction in the amount of counterfeit money in circulation. This is due to successful efforts by Secret Service Agents to discover counterfeiters and the seizure of counterfeiting plants before the money can be placed in circulation.

The "Know Your Money" educational program of the Secret Service paid off in a case near Pittsburgh, ~~Pennsylvania~~, when a 14-year-old high school boy detected a counterfeit $10 note after it was passed by one of three men in a car. The boy called to another clerk to get the license number of the automobile which bore an Indiana tag. The Secret Service was notified, the car was traced and with the help of Indiana police, the three men were arrested and charged with passing nearly $300 in bogus notes in and around Pittsburgh. The boy responsible for their capture said he had studied the Secret Service material on the detection of counterfeit money as a part of his school's Problems of Democracy class. The three men are now awaiting trial.

Bureau are carried out on a completely reimbursable basis, as authorized by Congress in 1950. Lower production costs are passed on to other agencies in the form of reduced costs for currency, bonds, and the like. Improved management techniques are paying large dividends in this Bureau as in other Treasury activities. For example, in fiscal 1953 currency printing was converted from 12 subjects in each sheet to 18 subjects giving an annual saving of over $4 million. Starting in fiscal 1954 savings of almost $450,000 a year were made by converting $25 Savings Bonds from expensive plate printing to the offset method. A similar change in the printing of liquor tax stamps is saving over $125,000 each year. $50 and $100 bonds have now been changed also, with additional annual savings of $150,000.

The main jobs of the Bureau of the Mint are the manufacture of coins and physical custody of the United States monetary stocks of gold and silver, including their purchase and sale. Coinage mints are in operation in Philadelphia and Denver, and, as you probably know, gold is deposited at Fort Knox, Kentucky, and silver at West Point, New York. Coinage production for the present fiscal year is expected to be over one billion pieces. Although salary costs have risen considerably, coinage costs are lower today than they were several years ago. The cost of shipping coins has been cut $250,000 a year by using armored cars and trucks instead of express. Additional annual savings of about $415,000 will commence this year as a result of discontinuing coinage operations recently in San Francisco and the closing of the Seattle Assay office.

Turning now to Treasury enforcement agencies, there are employees who act against the smuggler, counterfeiter, check forger, tax evader, narcotics

remarkable progress has been made in utilizing new, efficient procedures. Conversion from paper to card checks alone provided $327,000 in recurring annual savings in fiscal 1953 and an additional $112,000 in 1954. Decentralization of the destruction of unfit currency is saving over $600,000 a year.

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The Comptroller of the Currency has general supervision over all national banks including such matters as the organization of new banks, consolidations, mergers, and the operation of branches. The main working force is in the field, the examiners and their assistants who make periodic examinations of national banks to determine their solvency and compliance with the laws relating to national banks. The personnel of this office is paid exclusively from assessments against national banks.

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Turning now from revenue collection to the public debt, ~~these~~ operating activities are centered primarily in the Bureau of the Public Debt.

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The Revenue Service has been making notable progress in increasing the effectiveness of its collection work. At the same time better day-to-day service is being given the taxpaying citizens of our country. Tax disputes pending before the Appellate Division have been reduced 57 percent in the last two years, thereby enabling taxpayers to settle disputes more promptly. Facilities for helping taxpayers fill out their returns have been expanded; this and other steps will help taxpayers take full advantage of the many beneficial tax changes made by Congress last year. All tax forms are under continuous study in an effort to make them more simple and understandable. This year a new small punch-card tax return is available for wage earners with incomes less than $5,000.

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gradually but effectively, being followed again to provide sound money, a firm foundation for economic growth, and opportunity for every American.

This background on the Administration's progress in fiscal matters puts in perspective the operations of the Treasury Department; for the principal activities of the Department are the development and implementation of monetary and fiscal policies, management of the debt, collection of Government revenue, and the manufacture of stamps, bonds, coins, and currency. More than 90 percent of the Treasury's 79,000 civilian employees are engaged in these activities.

The development of over-all Department policies is carried on in the Office of the Secretary. In this office is the Analysis Staff which coordinates our studies of taxation, financing, and debt management. Also there are others working out the legal, fiscal, and administrative aspects of the Department's policies including many important activities in the field of international finance.

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A fundamental part of our sound money program has been the management of the public debt in the interest of monetary stability. The public debt of $278 billion is being handled wisely. Progess is being made toward our basic objective of lengthening the average maturity of the debt so that our huge debt is more manageable. Accelerated sales of United States Savings Bonds are stimulating widespread ownership of the debt by individuals. Finally, our central banking system, the Federal Reserve organization, has been allowed to carry out, in the interest of the American people, flexible monetary policies directed toward economic stability and growth.

A well-planned program, using the several fiscal and monetary tools I have mentioned, has enabled the Nation to stop the inflationary trend and make the necessary adjustment to a sound basis without a serious deflation and without direct government controls. We have merely put into effect great American traditions established at the very founding of the republic by Alexander Hamilton and carried forward by great men of all parties. While these traditions were cast aside for many years, they are now,

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Simultaneous with the cutting of taxes, steady progress has been made towards a balanced administrative budget. For fiscal 1956 we expect a deficit of $2.4 billion, down $7.0 billion from the 1953 figure. On a cash basis, comparing the total amount of money we collect and the amount we pay out, the cash deficit was almost eliminated last year and a small cash surplus is currently anticipated for 1956.

The budget could have been balanced last year if the heavy cuts in spending had not been accompanied by substantial tax cuts. But tax reduction helped sustain the economy in a period of transition to lower levels of Government expenditures. Personal income in the last quarter of 1954 was up $1.7 billion from the fourth quarter of 1953. At the same time personal taxes fell at the annual rate of $3.0 billion. As a result, disposable personal income, i.e. income after taxes, in the last quarter of 1954 was at the annual rate of almost $256 billion, an increase of $4.7 billion over the comparable period in 1953. This was the main reason for the continuous rise in personal spending during 1954.

Taxes remain high and present a serious obstacle to the long-term dynamic growth of the economy. But the Government must always make adequate provision for National Security and other essential services. Further tax reductions can only be made as savings in Government spending or increased revenues resulting from growth in our economy are in sight.

This encouraging progress in reducing the deficit has helped to give the American people a sound dollar. The value of the dollar has been

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Last year taxes were cut $7.4 billion, the largest dollar tax reduction in one year in our Nation's history. This tax reduction cushioned the impact on the economy of the sharp reduction in Federal spending. Of the cuts, $3 billion was in individual income taxes, $2 billion resulted from the termination of the excess profits tax, and $1 billion represented excise tax reductions.

The balance of $1.4 billion is accounted for by reductions included in the 1954 Internal Revenue Code revision. This recasting of the tax laws was a big step in improving our tax system. It had two main objectives: to remove many of the hardships to individuals which had crept into the tax laws; and to remove barriers to economic growth, and by so doing let American ingenuity go ahead full steam under the free enterprise system which has made this country great.

The tax revision law helped millions upon millions of taxpayers who had been plagued by unjust and unfair hardships for many, many years. This relief went to many millions of citizens in all walks of life and all income levels including working women, farmers, small businessmen, retired people on pensions, widows, and people in hospitals or with medical expense.

The tax revision law sought to help permit the economy to expand and provide more and better jobs. The partial relief of the double taxation of dividends is one of the provisions which help stimulate the investments which make jobs. The more flexible allowance for depreciation also stimulates the replacement of outmoded equipment and the building of more efficient plants, which lead to more jobs and the production of better goods.

We must continue in the future to eliminate other hardships in the tax laws as well as remove additional barriers to economic growth whenever our financial situation will permit the tax loss involved.

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TREASURY DEPARTMENT
Washington

FOR RELEASE ON DELIVERY

H-745

Remarks by Marion B. Folsom, Under Secretary of the Treasury, before the Women's National Republican Club, New York City, 2:30 p.m., Tuesday, March 15, 1955

The Treasury Department under the Eisenhower Administration

In earlier years March 15 perhaps was not the best psychological moment for Treasury Department representatives to talk about the activities of the Department. But the shift of the individual income tax day to April 15 this year may make it easier for me to talk to you today about the Treasury, its activities, problems, and accomplishments.

First, though, I want to describe briefly the progress of the Administration as a whole in the fiscal field, which includes the income and outgo of the Government, taxes, debt, and the Budget. While most of my remarks this afternoon will be about specific operational activities of the Treasury, we are, as you know, vitally concerned with the over-all fiscal problems of the Government.

This Administration has been dedicated to the policies of economy in Government, tax reduction, and a sound dollar. When we came to Washington we were faced with serious deficits -- one of $9.4 billion in fiscal 1953, and a further $11 billion deficit in sight for fiscal 1954. We could do little about the 1953 deficit, but we cut the projected 1954 deficit to $3 billion. Due to the intensive work by all departments, spending has been cut so that for fiscal 1956 it is expected to be about $12 billion below the actual 1953 level, a huge reduction in so short a time.

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The Treasury through the Bureau of Engraving and Printing and the Bureau of the Mint produces the Nation's stamps, bonds, coins, and currency.

The Bureau of Engraving and Printing designs, engraves, and prints currency, securities, postage and revenue stamps, Government checks, military commissions and certificates, and other Government engraving work. This is a large scale production operation employing more than 4,000 people, about 2,000 less than when we came to Washington. The operations of the Bureau are carried out on a completely reimbursable basis, as authorized by Congress in 1950. Lower production costs are passed on to other agencies in the form of reduced costs for currency, bonds, and the like. Improved management techniques are paying large dividends in this Bureau as in other Treasury activities. For example, in fiscal 1953 currency printing was converted from 12 subjects in each sheet to 18 subjects giving an annual saving of over $4 million. Starting in fiscal 1954 savings of almost $450,000 a year were made by converting $25 Savings Bonds from expensive plate printing to the offset method. A similar change in the printing of liquor tax stamps is saving over $125,000 each year. $50 and $100 bonds have now been changed also, with additional annual savings of $150,000.

The main jobs of the Bureau of the Mint are the manufacture of coins and physical custody of the United States monetary stocks of gold and silver, including their purchase and sale. Coinage mints are in operation in Philadelphia and Denver, and, as you probably know, gold is deposited at Fort Knox, Kentucky, and silver at West Point, New York. Coinage production for the present fiscal year is expected to be over one billion pieces. Although salary costs have risen considerably, coinage costs are lower today than they were several years ago. The cost of shipping coins has been cut $250,000 a year by using armored cars and trucks instead of express. Additional annual savings of about $415,000 will commence this year as a result of discontinuing coinage operations recently in San Francisco and the closing of the Seattle Assay office.

Turning now to Treasury enforcement agencies, there are employees who act against the smuggler, counterfeiter, check forger, tax evader, narcotics peddler, and moonshiner. Some of these illegal activities are ferreted out by groups I have already mentioned, the Revenue Service and the Bureau of Customs. Other Treasury enforcement activities are conducted by the U. S. Secret Service, Bureau of Narcotics, and the U. S. Coast Guard.

The Secret Service is a small and compact organization with three major functions. The first is the protection of the President and his family, and the President-elect, and the Vice President at his request. The second is the suppression of counterfeiting of the currency and other obligations and securities of the Government. The third is the suppression of the forgery and fraudulent negotiation of Government checks and bonds.

An example of the excellent work done by the Secret Service is in detecting counterfeiting. While there has been no appreciable reduction in counterfeiting since 1951, there has been marked reduction in the amount of counterfeit money in circulation. This is due to successful efforts by Secret Service Agents to discover counterfeiters and the seizure of counterfeiting plants before the money can be placed in circulation.

The "Know Your Money" educational program of the Secret Service paid off in a case near Pittsburgh when a 14-year-old high school boy detected a counterfeit $10 note after it was passed by one of three men in a car. The boy called to another clerk to get the license number of the automobile which bore an Indiana tag. The Secret Service was notified, the car was traced and with the help of Indiana police, the three men were arrested and charged with passing nearly $300 in bogus notes in and around Pittsburgh. The boy responsible for their capture said he had studied the Secret Service material on the detection of counterfeit money as a part of his school's Problems of Democracy class. The three men are now awaiting trial.

The Bureau of Narcotics administers a program designed to deal with the control of permissive manufacture, distribution, and sale of drugs as well as the control of sources of the illicit supply of drugs on international, national, and local levels. The Narcotic Agent's job is ferreting out gangsters and drug traffickers and bringing them before the courts. Some of the most effective work done by this little Bureau is in collaboration with foreign police.

Next I come to the U. S. Coast Guard, a branch of the military service at all times, a wing of the Treasury Department during peace, and a fighting arm of the Navy in time of war or whenever the President so directs.

The primary peacetime activity of the Coast Guard is to prevent avoidable loss of life and property. The Coast Guard's activities include air-sea rescue duties, port security responsibilities, maintaining aids to navigation including ice patrol work, operation of lighthouses and ocean weather stations, and inspection of merchant vessels and their equipment.

A dramatic example of the skill and courage of the men of the Coast Guard was the rescue of the crew of a Military Air Transport Service plane in the mid-Atlantic in January.

Finally, there are the Treasury's newest duties, those given the Secretary last year for administering the Federal Facilities Corporation, the liquidation of the R. F. C., and various defense lending programs.

The Federal Facilities Corporation has been conducting the Government's program for the production and sale of synthetic rubber and refined tin. It is currently expected that the synthetic rubber producing facilities will soon be sold to private interests, and that production of tin will be discontinued at the close of the current fiscal year.

The liquidation of the R. F. C. is being carried out as expeditiously as possible under the general policy of securing the highest possible return on the funds invested in R. F. C. assets without creating undue hardships for those indebted to the Corporation.

The programs for defense production and civil defense lending are being carried on at the minimum levels required under present international and military conditions. Loans previously made under these programs are being placed in the hands of private financial institutions as rapidly as possible.

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These many bureaus, divisions, offices, and services add up to the Treasury Department, an efficient organization carrying out functions vital to the operations of our Government. The Treasury has for many years been a well-run Department staffed with many able career people. It was not overstaffed so much under the past Administration as some other Departments and the opportunity for savings was not so great. Nevertheless, in the last two years we have been able to make significant improvements in the management of this Department. While the total civilian employment of the Treasury is down from almost 88,000 to about 79,000 -- a drop of 9,000 or 10 percent -- the enforcement activities have been strengthened by emphasizing more productive work, improving methods, and cutting out waste wherever we can find it.

In connection with specific activities, I have given some illustrations of savings from management improvements. The aggregate savings for the whole Department were over $12 million in fiscal 1953 and well over $20 million in fiscal 1954. The 1952 figure was $4 million and the highest previous year for which we have figures was $8 million in 1951.

In closing, I would like to say that I am proud to be a member of the Eisenhower Administration and the Treasury team. I also want to stress the loyalty, hard-work, and devoted service of the Department's employees. We are all striving to give the American people a fair, honest, and efficient Government in which they will have confidence. Such confidence is basic to our policies of providing stability in the value of the dollar and a solid basis for economic growth.

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is held in place by friction. The end cap is held in place by a spring arrangement. The substitution of the jewels for the metal hole element and the metal cap is effected after importation by releasing the spring, extracting the metal hole element and metal cap, inserting their jewel counterparts, and replacing the spring in position.

(2) A metal end cap, in a position customarily occupied by a genuine or synthetic cap jewel, fastened to the plate by a screw. The substitution of a metal insert containing a genuine or synthetic cap jewel for the metal end cap is effected after importation by removing the screw and replacing the metal end cap with a metal insert containing a genuine or synthetic cap jewel.

(3) A metal sleeve or collar frictioned into the plate of the movement. The sleeve or collar contains a metal hole element and a metal cap bearing, both of which are held in place by friction. After importation, the hole element and cap are pressed out and a genuine or synthetic hole jewel and an end stone are inserted.

These brief descriptions have been set out to illustrate the type of devices covered by this ruling. The ruling is not limited to movements containing the devices described. Any movement which has been specially engineered, constructed, designed, or prepared to facilitate the placing of genuine or synthetic jewels after importation in positions occupied by bearings of any material other than a genuine or synthetic jewel is within the scope of the ruling.

As announced in the notice of prospective classification, however, there is not in contemplation an administrative review of the question decided in the case of the Bulova Watch Co. v. United States, 21 C.C.P.A. 156, T. D. 46494, whether "bouchons" or "bushings" in so-called conventional watch movements of the kind involved in that case are substitutes for jewels.

Movements containing substitutes for jewels within the meaning of this ruling shall be marked, in order to comply with the provisions of subparagraphs (b), (i), and (j) of paragraph 367, Tariff Act of 1930, to indicate as jewels the total number of jewels and substitutes for jewels in the movement or, optionally, the number of actual jewels and the number of substitutes for jewels. Thus, a movement containing, for example, 15 jewels and, in addition, two Duo-Fix units each having one hole jewel and one metal cap bearing will be dutiable as a movement having more than 17 jewels, and shall be marked 19 jewels or, optionally, 17 jewels and 2 substitutes for jewels.

In accordance with the provisions of section 315(d), Tariff Act of 1930, as amended, and section 16.10(a), Customs Regulations, this ruling shall be effective only as to such watches and watch movements entered, or withdrawn from warehouse, for consumption after 90 days after the publication of this decision in the weekly Treasury Decisions.

Mar 15, 1955

Ralph Kelly
Commissioner of Customs

(T. D. 53713)

CLASSIFICATION — WATCHES AND WATCH MOVEMENTS

Certain watch movements specially prepared for upjeweling contain substitutes for jewels within the meaning of paragraph 367(i), Tariff Act of 1930.

TREASURY DEPARTMENT
OFFICE OF THE COMMISSIONER OF CUSTOMS
WASHINGTON, D. C.

TO COLLECTORS OF CUSTOMS AND OTHERS CONCERNED:

Reference is made to the notice of prospective classification published in the Federal Register of January 14, 1955 (20 F.R. 345), announcing that it appeared probable that imported watch movements specially constructed to be upjeweled after importation, such as, but not limited to, those incorporating the so-called "Duo-Fix" feature, or employing metal end caps designed to be replaced by jewels, or utilizing other similar devices, are properly classifiable as movements containing substitutes for jewels within the meaning of paragraph 367(i), Tariff Act of 1930, and are subject to duty and marking accordingly.

The Bureau has carefully reviewed the written submissions of those supporting and those opposing the prospective classification. Consideration also has been given to the oral representations of the parties in interest who appeared at the Bureau.

It is clear that devices such as Duo-Fix are being utilized to facilitate upjeweling after importation by omitting (at the time the movements are prepared for exportation to the United States) genuine or synthetic jewels from positions in the movements which would customarily be occupied by such jewels and substituting in such positions temporary metal caps, bearings, bushings, or bouchons. It is equally clear that other devices are being utilized to facilitate the replacement after importation of metal caps, bearings, bushings, or bouchons by genuine or synthetic jewels in positions customarily occupied by such jewels, jewels having been omitted at the time the movements were prepared for exportation to the United States.

The Bureau has concluded after the fullest consideration of the question in the light of the applicable statutes, the pertinent judicial decisions, and the controlling principles of tariff classification, that watch movements specially engineered, constructed, designed, or prepared to facilitate upjeweling after importation by such omission of jewels and the substitution therefor of metal caps, bearings, bushings, or bouchons contain substitutes for jewels within the meaning of paragraph 367(i) in each position customarily occupied by a genuine or synthetic jewel but in which a metal cap, bearing, bushing, or bouchon has been placed at the time the movements were prepared for exportation to the United States.

Illustrations of such types of devices in movements specially prepared to facilitate upjeweling after importation are:

(1) A metal housing frictioned into the plate of the movement, which contains in positions customarily occupied by genuine or synthetic jewels a removable metal hole element and a metal cap. The hole element

Release Morning Newspapers
Thursday, March 17, 1955

H-746

After careful study of briefs submitted to it, the Bureau of Customs has decided that in fixing import duties, certain imported watch movements specially prepared for so-called "upjeweling" should be treated as containing substitutes for jewels. Under the Tariff Act, substitutes for jewels count as jewels for marking and duty purposes.

The Customs decision becomes effective 90 days after the decision is published in the Weekly Treasury Decisions, and will be applied to all importations of watch movements cleared through the United States Customs thereafter.

Notice of this proposed ruling was published in the Federal Register on January 14, 1955, and interested parties were invited to submit relevant data, views or arguments. Notice of the decision was filed Wednesday, March 16, with the Federal Register for publication.

The decision will affect imported movements such as those containing the so-called "Duo-Fix" feature, or metal end caps, which have been specially prepared to facilitate "upjeweling" by the insertion of additional jewels in the movements after importation.

Customs officials said the decision dealt only with the technical question of the proper legal interpretation of the Tariff Act provisions on duty determination and had no relation to other issues

The text of the official decision follows:

TREASURY DEPARTMENT

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WASHINGTON, D.C.

RELEASE MORNING NEWSPAPERS,
Thursday, March 17, 1955.

H-746

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The text of the official decision follows:

(T. D. 53753)

CLASSIFICATION -- WATCHES AND WATCH MOVEMENTS

Certain watch movements specially prepared for upjeweling contain substitutes for jewels within the meaning of paragraph 367(i), Tariff Act of 1930.

TREASURY DEPARTMENT
OFFICE OF THE COMMISSIONER OF CUSTOMS
WASHINGTON, D.C.

TO COLLECTORS OF CUSTOMS AND OTHERS CONCERNED:

Reference is made to the notice of prospective classification published in the Federal Register of January 14, 1955 (20 F.R. 345), announcing that it appeared probable that imported watch movements specially constructed to be upjeweled after importation, such as but not limited to, those incorporating the so-called "Duo-Fix" feature, or employing metal end caps designed to be replaced by jewels, or utilizing other similar devices, are properly classifiable as movements containing substitutes for jewels within the meaning of paragraph 367(i), Tariff Act of 1930, and are subject to duty and marking accordingly.

The Bureau has carefully reviewed the written submissions of those supporting and those opposing the prospective classification. Consideration also has been given to the oral representations of the parties in interest who appeared at the Bureau.

It is clear that devices such as Duo-Fix are being utilized to facilitate upjeweling after importation by omitting (at the time the movements are prepared for exportation to the United States) genuine or synthetic jewels from positions in the movements which would customarily be occupied by such jewels and substituting in such positions temporary metal caps, bearings, bushings, or bouchons. It is equally clear that other devices are being utilized to facilitate the replacement after importation of metal caps, bearings, bushings, or bouchons by genuine or synthetic jewels in positions customarily occupied by such jewels, jewels having been omitted at the time the movements were prepared for exportation to the United States.

The Bureau has concluded after the fullest consideration of the question in the light of the applicable statutes, the pertinent judicial decisions, and the controlling principles of tariff classification, that watch movements specially engineered, constructed, designed, or prepared to facilitate upjeweling after importation by such omission of jewels and the substitution therefor of metal caps, bearings, bushings, or bouchons contain substitutes for jewels within the meaning of paragraph 367(i) in each position customarily occupied by a genuine or synthetic jewel but in which a metal cap, bearing, bushing, or bouchon has been placed at the time the movements were prepared for exportation to the United States.

Illustrations of such types of devices in movements specially prepared to facilitate upjeweling after importation are:

(1) A metal housing frictioned into the plate of the movement, which contains in positions customarily occupied by genuine or synthetic jewels a removable metal hole element and a metal cap. The hole element is held in place by friction. The end cap is held in place by a spring arrangement. The substitution of the jewels for the metal hole element and the metal cap is effected after importation by releasing the spring, extracting the metal hole element and metal cap, inserting their jewel counterparts, and replacing the spring in position.

(2) A metal end cap, in a position customarily occupied by a genuine or synthetic cap jewel, fastened to the plate by a screw. The substitution of a metal insert containing a genuine or synthetic cap jewel for the metal end cap is effected after importation by removing the screw and replacing the metal end cap with a metal insert containing a genuine or synthetic cap jewel.

(3) A metal sleeve or collar frictioned into the plate of the movement. The sleeve or collar contains a metal hole element and a metal cap bearing, both of which are held in place by friction. After importation, the hole element and cap are pressed out and a genuine or synthetic hole jewel and an end stone are inserted.

These brief descriptions have been set out to illustrate the type of devices covered by this ruling. The ruling is not limited to movements containing the devices described. Any movement which has been specially engineered, constructed, designed, or prepared to facilitate the placing of genuine or synthetic jewels after importation in positions occupied by bearings of any material other than a genuine or synthetic jewel is within the scope of the ruling.

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In accordance with the provisions of section 315(d), Tariff Act of 1930, as amended, and section 16.10 (a), Customs Regulations, this ruling shall be effective only as to such watches and watch movements entered, or withdrawn from warehouse, for consumption after 90 days after the publication of this decision in the weekly Treasury Decisions.

/s/ Ralph Kelly
Commissioner of Customs

March 16, 1955

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Treasury Department,
Washington

March 15, 1955

IN ANSWER TO INQUIRIES

The FBI has entered the investigation of the disappearance of $1,000 in $10 Federal Reserve notes at the Bureau of Engraving and Printing, acting pursuant to a Treasury-Justice Department agreement reflecting ~~covering~~ provisions of Public Law 725 of the 83d Congress.

This law removed any uncertainty as to whether the FBI had authority to investigate alleged irregularities on the part of officers and employees of the Treasury Department.

A working arrangement ~~memorandum of understanding~~ as to the law's provisions has been reached ~~was signed~~ ~~in February~~ by Treasury Secretary Humphrey and Attorney General Brownell, with a view to assuring the fullest interdepartmental cooperation in dealing with offenses against the Government.

H-747

TREASURY DEPARTMENT
Washington

IN ANSWER TO INQUIRIES

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H-747 March 15, 1955

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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 is considered to be interest. Under Sections 454 (b) and 1221 (5) of the Internal Revenue Code of 1954 the amount of discount at which bills issued hereunder are sold is not considered to accrue until such bills are 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, Revised, 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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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 Treasury Department 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, noncompetitive 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 24, 1955 ~~(9)~~, in cash or other immediately available funds or in a like face amount of Treasury bills maturing March 24, 1955 ~~(10)~~. 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, does not have any exemption, as such, and loss from the sale or other disposition of Treasury bills does not have any special treatment, as such, under the Internal Revenue Code of 1954. The bills are subject to estate, inheritance, gift or other excise taxes, whether Federal or State, but are 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,

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TREASURY DEPARTMENT
Washington

H-748

FOR RELEASE, MORNING NEWSPAPERS,
Thursday, March 17, 1955.

The Treasury Department, 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 March 24, 1955, in the amount of $ 1,501,676,000, 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 24, 1955, and will mature June 23, 1955, 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 21, 1955. 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

TREASURY DEPARTMENT

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WASHINGTON, D.C.

RELEASE MORNING NEWSPAPERS,
Thursday, March 17, 1955

H-748

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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 Treasury Department 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 24, 1955, in cash or other immediately available funds or in a like face amount of Treasury bills maturing March 24, 1955. 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, does not have any exemption, as such, and loss from the sale or other disposition of Treasury bills does not have any special treatment, as such, under the Internal Revenue Code of 1954. The bills are subject to estate, inheritance, gift or other excise taxes, whether Federal or State, but are 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 is considered to be interest. Under Sections 454 (b) and 1221 (5) of the Internal Revenue Code of 1954 the amount of discount at which bills issued hereunder are sold is not considered to accrue until such bills are 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, Revised, 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 at 6 P.M. E.S.T.
Saturday, March 19, 1955

H-742

Treasury Secretary Humphrey today issued the following statement endorsing the National Reserve Plan: ~~for a trained military force of civilians.~~

"I hope that everyone, young or old, interested in national defense will give thoughtful attention to the National Reserve Plan. This plan, the broad lines of which were presented by the President in his recent message to Congress on military security, and which is embodied in pending legislation, would significantly strengthen our defense resources for the long pull.

"The legislation which has been proposed would correct deficiencies in the present reserve arrangement so as to assure the maintenance under the most dependable conditions of a trained force of civilians available in case of emergency or mobilization. At the same time it would give the young men of the Nation the widest feasible choice of methods of fulfilling their military obligations, and so minimize personal hardships. It would provide for the most equitable sharing of these obligations.

"If any young man or parent who wants to know more about the National Reserve Plan will write to the Secretary of Defense, Washington, details of the Plan will be forwarded to him or her."

TREASURY DEPARTMENT

WASHINGTON, D.C.

RELEASE AT 6 P.M. E.S.T.,
Saturday, March 19, 1955.

H-749

Treasury Secretary Humphrey today issued the following statement endorsing the National Reserve Plan:

"I hope that everyone, young or old, interested in national defense will give thoughtful attention to the National Reserve Plan. This plan, the broad lines of which were presented by the President in his recent message to Congress on military security, and which is embodied in pending legislation, would significantly strengthen our defense resources for the long pull.

"The legislation which has been proposed would correct deficiencies in the present reserve arrangement so as to assure the maintenance under the most dependable conditions of a trained force of civilians available in case of emergency or mobilization. At the same time it would give the young men of the Nation the widest feasible choice of methods of fulfilling their military obligations, and so minimize personal hardships. It would provide for the most equitable sharing of these obligations.

"If any young man or parent who wants to know more about the National Reserve Plan will write to the Secretary of Defense, Washington, details of the Plan will be forwarded to him or her."

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H-7

IMMEDIATE RELEASE,
Friday, March 18, 1955.

Secretary Humphrey announced today that on Tuesday, March 22, the Treasury will offer for cash subscription $3 billion of 1-3/8 percent Tax Anticipation Certificates of Indebtedness to be dated April 1, 1955, maturing June 22, 1955, and receivable at par plus accrued interest to maturity in payment of income and profits taxes due on June 15, 1955. The books will be open only for one day, on March 22.

Subscriptions from commercial banks, which for this purpose are defined as banks accepting demand deposits, for their own account, will be received without deposit, but will be restricted in each case to an amount not exceeding 50 percent of the combined capital, surplus and undivided profits of the subscribing bank as of December 31, 1954. A payment of 5 percent of the amount of certificates subscribed for, not subject to withdrawal until after allotment, must be made on all other subscriptions. The new certificates may be paid for by credit in Treasury Tax and Loan Accounts.

Commercial banks and other lenders are requested to refrain from making unsecured loans or loans collateralized in whole or in part by the certificates subscribed for, to cover the 5 percent deposits required to be paid when subscriptions are entered. A certification by the subscribing bank that no such loan has been made will be required on each subscription entered by it for account of its customers. A certification that the bank has no beneficial interest in its customers' subscriptions, and that no customers have any beneficial interest in the bank's own subscription, will also be required.

Any subscription addressed to a Federal Reserve Bank or Branch or to the Treasurer of the United States and placed in the mail before midnight March 22 will be considered as timely.

TREASURY DEPARTMENT

WASHINGTON, D.C.

IMMEDIATE RELEASE,
Friday, March 18, 1955.

H-750

Secretary Humphrey announced today that on Tuesday, March 22, the Treasury will offer for cash subscription $3 billion of 1-3/8 percent Tax Anticipation Certificates of Indebtedness to be dated April 1, 1955, maturing June 22, 1955, and receivable at par plus accrued interest to maturity in payment of income and profits taxes due on June 15, 1955. The books will be open only for one day, on March 22.

Subscriptions from commercial banks, which for this purpose are defined as banks accepting demand deposits, for their own account, will be received without deposit, but will be restricted in each case to an amount not exceeding 50 percent of the combined capital, surplus and undivided profits of the subscribing bank as of December 31, 1954. A payment of 5 percent of the amount of certificates subscribed for, not subject to withdrawal until after allotment, must be made on all other subscriptions. The new certificates may be paid for by credit in Treasury Tax and Loan Accounts.

Commercial banks and other lenders are requested to refrain from making unsecured loans or loans collateralized in whole or in part by the certificates subscribed for, to cover the 5 percent deposits required to be paid when subscriptions are entered. A certification by the subscribing bank that no such loan has been made will be required on each subscription entered by it for account of its customers. A certification that the bank has no beneficial interest in its customers' subscriptions, and that no customers have any beneficial interest in the bank's own subscription, will also be required.

Any subscription addressed to a Federal Reserve Bank or Branch or to the Treasurer of the United States and placed in the mail before midnight March 22 will be considered as timely.

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H-75

RELEASE MORNING NEWSPAPERS,
Tuesday, March 22, 1955.

The Treasury Department announced last evening that the tenders for $1,500,000,000, or thereabouts, of 91-day Treasury bills to be dated March 24 and to mature June 23, 1955, which were offered on March 17, were opened at the Federal Reserve Banks on March 21.

The details of this issue are as follows:

Total applied for - $2,358,953,000
Total accepted - 1,501,723,000 (includes $250,327,000 entered on a noncompetitive basis and accepted in full at the average price shown below)
Average price - 99.655 Equivalent rate of discount approx. 1.366% per annum

Range of accepted competitive bids:

High - 99.696 Equivalent rate of discount approx. 1.203% per annum
Low - 99.653 " " " " " 1.373% " "

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

Federal Reserve District		Total Applied for	Total Accepted
Boston		$ 47,656,000	$ 46,581,000
New York		1,542,101,000	806,404,000
Philadelphia		58,378,000	43,878,000
Cleveland		85,448,000	84,398,000
Richmond		15,420,000	13,210,000
Atlanta		58,804,000	55,968,000
Chicago		291,060,000	257,990,000
St. Louis		22,640,000	22,178,000
Minneapolis		24,849,000	24,513,000
Kansas City		41,214,000	31,641,000
Dallas		52,860,000	33,767,000
San Francisco		118,023,000	81,195,000
	TOTAL	$2,358,953,000	$1,501,723,000

TREASURY DEPARTMENT

WASHINGTON, D.C.

RELEASE MORNING NEWSPAPERS,
Tuesday, March 22, 1955.

H-751

The Treasury Department announced last evening that the tenders for $1,500,000,000, or thereabouts, of 91-day Treasury bills to be dated March 24 and to mature June 23, 1955, which were offered on March 17, were opened at the Federal Reserve Banks on March 21.

The details of this issue are as follows:

Total applied for - $2,358,953,000
Total accepted - 1,501,723,000 (includes $250,327,000 entered on a noncompetitive basis and accepted in full at the average price shown below)

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High - 99.696 Equivalent rate of discount approx. 1.203% per annum
Low - 99.653 Equivalent rate of discount approx. 1.373% per annum

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

Federal Reserve District	Total Applied for	Total Accepted
Boston	$ 47,656,000	$ 46,581,000
New York	1,542,101,000	806,404,000
Philadelphia	58,878,000	43,878,000
Cleveland	85,448,000	84,398,000
Richmond	15,420,000	13,210,000
Atlanta	58,804,000	55,968,000
Chicago	291,060,000	257,990,000
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Minneapolis	24,849,000	24,513,000
Kansas City	41,214,000	31,641,000
Dallas	52,860,000	33,767,000
San Francisco	118,023,000	81,195,000
TOTAL	$2,358,953,000	$1,501,723,000

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I should also like to call your attention to the fact that the bill provides that the Secretary of the Treasury is responsible for the supervision of the borrowing program and all borrowing requires his consent. In this way, the borrowing of money can be harmonized with Government fiscal, ~~and~~ monetary and debt management policy. Within limits, the timing of the borrowing can be subject to control and adjusted to ~~the~~ varying conditions in the economic life of the country. Thus, provision is made for keeping any possible inflationary effects of the program under control.

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necessary to assure flexibility in handling the program in the future. We don't know enough about the future to spell out all the details now ~~[illegible]~~. I hope your Committee will examine with care questions of accounting and budgetary supervision.

It may cost somewhat more to issue the bonds through the Corporation rather than by the use of public debt obligations. I think it is worth it. It provides a semi-automatic way of paying off the debt over specific periods. ~~This way we can insure their being paid off in a reasonable length of time.~~ If they carry a higher rate, that very fact may give them wider distribution of ownership by real investors and require less use of bank credit.

It is a wholesome thing to have debt limits set by the Congress. It provides a standard in our fiscal policy for everybody to think about and respect. It is wise for the highway program to have a debt limit, too, and one is provided for in S. 1160.

There is one further point on this program that is very important, and that is its inflationary potential. If the Congress and the Administration were to stop suddenly right now in their drive toward a lower level of budget expenditures, then I would say that to pile this highway program on top of it might be inflationary. As I mentioned before, however, we are firmly committed to further reducing Government expenditures and working toward a less oppressive tax system. As we succeed in cutting expenditures further ~~and direct taxes further~~, a highway program like this can, I believe, be handled without inflationary effects.

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ing the program in the future.

the major principles of sound Federal Government finance. I have read with care his impressive statement last Friday before the Committee. It raises important questions of principle as well as questions of administrative practice and Government accounting.

I believe the principle involved in S. 1160 is sound. My reasons are simple. There are real earning assets here — new highways vital to the future of our Nation. If the program could be paid for completely by tolls, there would be no question about its financial soundness. But "tolls" can be measured in a great many ways. You can base them on mileage traveled. You can levy a charge based on the weight of the vehicle, the number of passengers, or the number of axles. Or, you can carry that one step further and measure your tolls by consumption of motor vehicle fuel. ~~Of course, correspondence between motor vehicle fuel consumption and the use of a specific highway isn't exact. But it~~ This is a practical way of doing it.

There is no doubt in my mind that this program should be handled on as close to a pay-as-you-go basis as possible. I would not object, therefore, if the Congress sees fit to increase the Federal gasoline tax in order to finance this program. If it cannot be on a pay-as-you-go basis and borrowing is necessary, then that borrowing should not involve a pledge of the general revenues of the United States Government. It should rather rely upon specific user taxes, in the last analysis, for servicing the bonds and for their security.

Now as to details of administration and accounting ~~as I understand~~ ~~it,~~ the Board of Directors of the Highway Corporation ~~will~~ would have the authority

The evidence that has already been presented to your Committee, I am sure, has convinced all of us of the urgent need for building highways more rapidly. To do so will result in a substantial economic gain to the American people in terms of time-saving through more rapid movement of traffic, greater efficiency through more prompt er delivery, the reduction of the accident toll, and lower costs on the upkeep of vehicles. These are all matters difficult to measure, but all of them are important ~~it is my belief that they are all significant economic factors.~~

In suggesting this program, the Administration has clearly in mind the advantages to the whole country of an expanded road program which will employ more people, and add to the country's rate of economic growth. Such a road program will encourage the continued development of the automobile industry and the construction industry; in fact, all our citizens will be better off ~~the~~ benefits of the program ~~will~~ run through the entire economy.

The Treasury has given particular study to the financing of the proposed highway program and its relationship to the Federal budget. I would be the last man to advocate a program that simply added to our Federal budget and the charge on general Federal revenues. We must ~~would~~ think in terms of cutting back the ~~total~~ volume of Federal expenditures, and I have repeatedly stated that I think this can be done and that the load of (general) ~~direct~~ taxes, which weighs so heavily on the economy, can be decreased over a period of years. One of the reasons I am in favor of the road program is that it does not interfere with the long-term objectives of reducing ~~direct~~ Federal expenditures and reducing general ~~direct~~ taxes.

Let me say also that no one could have a higher regard than I have for the views of Senator Byrd. I have been ~~generally~~ in agreement with him on

1806

Treasury Department
Washington

Statement by Secretary of the Treasury Humphrey
Before the Senate Committee on Public Works, Public
Roads Subcommittee, Tuesday, March 22, 1955, at 10:45 a.m.

I am glad to have the opportunity to participate in your discussion of the President's highway program, with particular reference to the financial aspects of S. 1160.

We are all agreed on the need for an expanded highway program. The question is how best to finance it.

The plan embodied in S. 1160 of setting up a self-sustaining Government corporation to handle the expanded highway program has been carefully designed to serve the following objectives:

1. To get the road program under way with the speed required by the rapidly growing volume of automobile traffic.
2. To produce promptly an (adequate) ~~interstate~~ network ~~as part of the~~ defense program more effectively than can be done by dependence on programs of the separate states.
3. To tie firmly together the expenditures on roads and the income which can reasonably be drawn from the users of the roads, so that the operation is self-sustaining.
4. To finance this road program with taxable securities rather than tax-exempt securities; this is an important objective, since the growing volume of tax-exempt securities for roads involves a serious loss of revenue to the Treasury.
5. To hold down further increases in the mounting levels of Government obligations payable out of general revenues.

H-752

Statement by Secretary of the Treasury Humphrey
Before the Senate Committee on Public Works, Public
Roads Subcommittee, Tuesday, March 22, 1955, at 10:45 a.m.

I am glad to have the opportunity to participate in your discussion of the President's highway program, with particular reference to the financial aspects of S. 1160.

We are all agreed on the need for an expanded highway program. The question is how best to finance it.

The plan embodied in S. 1160 of setting up a self-sustaining Government corporation to handle the expanded highway program has been carefully designed to serve the following objectives:

1. To get the road program under way with the speed required by the rapidly growing volume of automobile traffic.

2. To produce promptly an interstate network as part of the defense program more effectively than can be done by dependence on programs of the separate states.

3. To tie firmly together the expenditures on roads and the income which can reasonably be drawn from the users of the roads, so that the operation is self-sustaining.

4. To finance this road program with taxable securities rather than tax-exempt securities; this is an important objective, since the growing volume of tax-exempt securities for roads involves a serious loss of revenue to the Treasury.

5. To hold down further increases in the mounting levels of Government obligations payable out of general revenues.

The evidence that has already been presented to your Committee, I am sure, has convinced all of us of the urgent need for building highways more rapidly. To do so will result in a substantial economic gain to the American people in terms of time-saving through more rapid movement of traffic, greater efficiency through more prompt delivery, the reduction of the accident toll, and lower costs on the upkeep of vehicles. These are all matters difficult to measure, but all of them are important.

In suggesting this program, the Administration has clearly in mind the advantages to the whole country of an expanded road program which will employ more people, and add to the country's rate of economic growth. Such a road program will encourage the continued development of the automobile industry and the construction industry; in fact, all our citizens will be better off as benefits of the program run through the entire economy.

The Treasury has given particular study to the financing of the proposed highway program and its relationship to the Federal budget. I would be the last man to advocate a program that simply added to our Federal budget and the charge on general Federal revenues. We must think in terms of cutting back the volume of Federal expenditures, and I have repeatedly stated that I think this can be done and that the load of general taxes, which weighs so heavily on the economy, can be decreased over a period of years. One of the reasons I am in favor of the road program is that it does not interfere with the long-term objectives of reducing Federal expenditures and reducing general taxes.

Let me say also that no one could have a higher regard than I have for the views of Senator Byrd. I have been in agreement with him on the major principles of sound Federal Government finance. I have read with care his impressive statement last Friday before the Committee. It raises important questions of principle as well as questions of administrative practice and Government accounting.

I believe the principle involved in S. 1160 is sound. My reasons are simple. There are real earning assets here -- new highways vital to the future of our Nation. If the program could be paid for completely by tolls, there would be no question about its financial soundness. But "tolls" can be measured in a great many ways. You can base them on mileage traveled. You can levy a charge based on the weight of the vehicle, the number of passengers, or the number of axles. Or, you can carry that one step further and measure your tolls by consumption of motor vehicle fuel. This is a practical way of doing it.

There is no doubt in my mind that this program should be handled on as close to a pay-as-you-go basis as possible. I would not object, therefore, if the Congress sees fit to increase the Federal gasoline tax in order to finance this program.

If it cannot be on a pay-as-you-go basis and borrowing is necessary, then that borrowing should not involve a pledge of the general revenues of the United States Government. It should rather rely upon specific user taxes, in the last analysis, for servicing the bonds and for their security.

Now as to details of administration and accounting -- the Board of Directors of the Highway Corporation would have the authority necessary to assure flexibility in handling the program in the future. We don't know enough about the future to spell out all the details now. I hope your Committee will examine with care questions of accounting and budgetary supervision.

It may cost somewhat more to issue the bonds through the Corporation rather than by the use of public debt obligations. I think it is worth it. It provides a semi-automatic way of paying off the debt over specific periods. If they carry a higher rate, that very fact may give them wider distribution of ownership by real investors and require less use of bank credit.

It is a wholesome thing to have debt limits set by the Congress. It provides a standard in our fiscal policy for everybody to think about and respect. It is wise for the highway program to have a debt limit, too, and one is provided for in S. 1160.

There is one further point on this program that is very important, and that is its inflationary potential. If the Congress and the Administration were to stop suddenly right now in their drive toward a lower level of budget expenditures, then I would say that to pile this highway program on top of it might be inflationary. As I mentioned before, however, we are firmly committed to further reducing Government expenditures and working toward a less oppressive tax system. As we succeed in cutting expenditures further a highway program like this can, I believe, be handled without inflationary effects.

I should also like to call your attention to the fact that the bill provides that the Secretary of the Treasury is responsible for the supervision of the borrowing program and all borrowing requires his consent. In this way, the borrowing of money can be harmonized with Government fiscal, monetary and debt management policy. Within limits, the timing of the borrowing can be subject to control and adjusted to varying conditions in the economic life of the country. Thus, provision is made for keeping any possible inflationary effects of the program under control.

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[redacted]

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 is considered to be interest. Under Sections 454 (b) and 1221 (5) of the Internal Revenue Code of 1954 the amount of discount at which bills issued hereunder are sold is not considered to accrue until such bills are 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, Revised, 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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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 Treasury Department 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, noncompetitive 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 31, 1955, in cash or other immediately available funds or in a like face amount of Treasury bills maturing March 31, 1955. 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, does not have any exemption, as such, and loss from the sale or other disposition of Treasury bills does not have any special treatment, as such, under the Internal Revenue Code of 1954. The bills are subject to estate, inheritance, gift or other excise taxes, whether Federal or State, but are 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,

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H-753

TREASURY DEPARTMENT
Washington

FOR RELEASE, MORNING NEWSPAPERS,
Thursday, March 24, 1955.

The Treasury Department, 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 March 31, 1955, in the amount of $1,500,859,000, 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 31, 1955, and will mature June 30, 1955, 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 28, 1955. 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

RELEASE MORNING NEWSPAPERS,
Thursday, March 24, 1955.

H-753

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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 Treasury Department 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 31,1955, in cash or other immediately available funds or in a like face amount of Treasury bills maturing March 31,1955. 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, does not have any exemption, as such, and loss from the sale or other disposition of Treasury bills does not have any special treatment, as such, under the Internal Revenue Code of 1954. The bills are subject to estate, inheritance, gift or other excise taxes, whether Federal or State, but are 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 is considered to be interest. Under Sections 454 (b) and 1221 (5) of the Internal Revenue Code of 1954 the amount of discount at which bills issued hereunder are sold is not considered to accrue until such bills are 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, Revised, 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.

H-754

IMMEDIATE RELEASE,
Thursday, March 24, 1955.

Preliminary reports from the Federal Reserve Banks indicate subscriptions of slightly less than $8 billion for the current cash offering of $3 billion of Tax Anticipation Certificates of Indebtedness.

The basis of allotment on this issue will be announced tomorrow morning.

TREASURY DEPARTMENT

WASHINGTON, D.C.

IMMEDIATE RELEASE,
Thursday, March 24, 1955.

H-754

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The basis of allotment on this issue will be announced tomorrow morning.

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H-755

H-~~754~~ 755

IMMEDIATE RELEASE
March 24, 1955

The Bureau of Customs announced today that the absolute quota of 8,883,259 pounds on Mexican cotton of less than 1-1/8 inches in staple length (other than harsh or rough cotton of less than 3/4 inch in staple length, and other than linters) for the quota year ending September 19, 1955, was filled by entries presented on March 15, 1955.

WASHINGTON, D.C.

IMMEDIATE RELEASE,
Thursday, March 24, 1955.

H-755

The Bureau of Customs announced today that the absolute quota of 8,883,259 pounds on Mexican cotton of less than 1-1/8 inches in staple length (other than harsh or rough cotton of less than 3/4 inch in staple length, and other than linters) for the quota year ending September 19, 1955, was filled by entries presented on March 15, 1955.

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H-756

IMMEDIATE RELEASE,
Friday, March 25, 1955.

The Treasury today announced a 40 percent allotment on subscriptions for the current cash offering of 1-3/8 percent Tax Anticipation Certificates. However, subscriptions for $50,000 or less will be allotted in full. Subscriptions for more than $50,000 will be allotted not less than $50,000.

Reports received thus far from the Federal Reserve Banks show that subscriptions total about $7,938 billion. 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

WASHINGTON, D.C.

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H-757

RELEASE MORNING NEWSPAPERS,
Tuesday, March 29, 1955.

The Treasury Department announced last evening that the tenders for $1,500,000,000 or thereabouts, of 91-day Treasury bills to be dated March 31 and to mature June 30, 1955, which were offered on March 24, were opened at the Federal Reserve Banks on March 28.

The details of this issue are as follows:

Total applied for - $2,229,689,000
Total accepted - 1,500,099,000 (includes $202,251,000 entered on a noncompetitive basis and accepted in full at the average price shown below)
Average price - 99.653 Equivalent rate of discount approx. 1.374% per annum

Range of accepted competitive bids: (Excepting three tenders totaling $1,012,000)

High - 99.667 Equivalent rate of discount approx. 1.317% per annum
Low - 99.648 " " " " " 1.393% " "

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

Federal Reserve District	Total Applied for	Total Accepted
Boston	$ 22,502,000	$ 22,002,000
New York	1,613,670,000	960,440,000
Philadelphia	27,496,000	12,496,000
Cleveland	68,635,000	67,725,000
Richmond	10,941,000	10,941,000
Atlanta	21,429,000	20,974,000
Chicago	251,652,000	223,862,000
St. Louis	19,285,000	19,285,000
Minneapolis	9,672,000	9,672,000
Kansas City	47,014,000	44,594,000
Dallas	44,971,000	39,971,000
San Francisco	92,422,000	68,137,000
Total	$2,229,689,000	$1,500,099,000

WASHINGTON, D.C.

RELEASE MORNING NEWSPAPERS,
Tuesday, March 29, 1955.

H-757

The Treasury Department announced last evening that the tenders for $1,500,000,000, or thereabouts, of 91-day Treasury bills to be dated March 31 and to mature June 30, 1955, which were offered on March 24, were opened at the Federal Reserve Banks on March 28.

The details of this issue are as follows:

Total applied for - $2,229,689,000
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Atlanta	21,429,000	20,974,000
Chicago	251,652,000	223,862,000
St. Louis	19,285,000	19,285,000
Minneapolis	9,672,000	9,672,000
Kansas City	47,014,000	44,594,000
Dallas	44,971,000	39,971,000
San Francisco	92,422,000	68,137,000
TOTAL	$2,229,689,000	$1,500,099,000

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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 is considered to be interest. Under Sections 454 (b) and 1221 (5) of the Internal Revenue Code of 1954 the amount of discount at which bills issued hereunder are sold is not considered to accrue until such bills are 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, Revised, 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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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 Treasury Department 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, noncompetitive 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 7, 1955, in cash or other immediately available funds or in a like face amount of Treasury bills maturing April 7, 1955. 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, does not have any exemption, as such, and loss from the sale or other disposition of Treasury bills does not have any special treatment, as such, under the Internal Revenue Code of 1954. The bills are subject to estate, inheritance, gift or other excise taxes, whether Federal or State, but are 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,

TREASURY DEPARTMENT
Washington

FOR RELEASE, MORNING NEWSPAPERS,
Thursday, March 31, 1955.

The Treasury Department, 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 7, 1955, in the amount of $ 1,500,112,000, 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 7, 1955, and will mature July 7, 1955, 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 4, 1955. 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

TREASURY DEPARTMENT

WASHINGTON, D.C.

RELEASE MORNING NEWSPAPERS,
Thursday, March 31, 1955.

H-758

The Treasury Department, 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 7, 1955, in the amount of $ 1,500,112,000, 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 7, 1955, and will mature July 7, 1955, 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 Treasury Department 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 7, 1955, in cash or other immediately available funds or in a like face amount of Treasury bills maturing April 7, 1955. 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, does not have any exemption, as such, and loss from the sale or other disposition of Treasury bills does not have any special treatment, as such, under the Internal Revenue Code of 1954. The bills are subject to estate, inheritance, gift or other excise taxes, whether Federal or State, but are 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 is considered to be interest. Under Sections 454 (b) and 1221 (5) of the Internal Revenue Code of 1954 the amount of discount at which bills issued hereunder are sold is not considered to accrue until such bills are 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, Revised, 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.

IMMEDIATE RELEASE,
Thursday, March 31, 1955.

H-759

The Treasury Department today announced the subscription and allotment figures with respect to the current cash offering of 1-3/8 percent Tax Anticipation Certificates of Indebtedness of Series F-1955. These certificates will be dated April 1, 1955, and will mature June 22, 1955. They will be accepted at par plus accrued interest to maturity in payment of income and profits taxes due on June 15, 1955.

Commercial banks were allotted slightly over $1.9 billion, with more than $1.3 billion going to nonbank sources on original issue.

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

Federal Reserve District		Total Subscriptions Received	Total Subscriptions Allotted
Boston		$ 317,673,000	$ 128,105,000
New York		3,548,777,000	1,422,177,000
Philadelphia		290,532,000	117,528,000
Cleveland		686,778,000	276,876,000
Richmond		237,683,000	96,748,000
Atlanta		219,987,000	92,611,000
Chicago		950,893,000	386,392,000
St. Louis		201,097,000	83,131,000
Minneapolis		171,656,000	71,777,000
Kansas City		241,549,000	101,872,000
Dallas		247,752,000	101,954,000
San Francisco		823,767,000	330,804,000
Treasury		- -	- -
	TOTAL	$7,938,144,000	$3,209,975,000

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TREASURY DEPARTMENT

WASHINGTON, D.C.

IMMEDIATE RELEASE,
Thursday, March 31, 1955.

H-759

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TOTAL	$7,938,144,000	$3,209,975,000

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