Mr. Clegg
Mr. Coffey
Mr. Glavin
Mr. Ladd
Mr. Nease
Mr. Rosen
Mr. Tracy
Mr. Carson
Mr. Egan
Mr. Hendon
Mr. Pennington
Mr. Quinn Tamm
Mr. Nease
Miss Gandy

File

CAPITOL STUFF

By JOHN O'DONNELL

BEHIND the scenes a furious battle is now in progress among the money experts of the New Deal over the proposal to call in paper currency of high denomination—$100 bills and up—just as all gold certificates were called in back in March of '33 when F.D.R. closed the banks and took the nation off the gold standard.

The proposal is designed to thwart the money dodgers of the black market operators, operating strictly on a cash basis, and the income tax dodgers. The White House financial wizards are split over the wisdom of the proposal.

The Treasury Department has already prepared an executive order which only needs the White House signature to put the machinery in motion.

The immediate effect will be an announcement that all $100, $500, $1,000, $5,000 and $10,000 bills now in safe deposit boxes, under the mattress, or tucked away in the family tea pot, be turned in at banks for currency of smaller denomination.

The bills of large denomination would be declared worthless.

And, this is the important part of it all, the bank will record the signature of the depositor, the amount surrendered and pass the information over to the income tax experts of the Internal Revenue Bureau and the assorted Federal sleuths now on the trail of the black market operator.

ONE suggestion goes so far as to propose that all paper currency be called in and new currency differing in size and design, be issued in its place. Such a measure would probably require congressional action; the surrender of bills of large denomination could be enforced by Executive Order.

To give a rough idea of how the important folding money has gone into hiding:

Consider the money outstanding, according to the Treasury figures. This does not include the bills which are stowed away in the Treasury vaults or in the Federal Reserve banks or their agents—in other words the money in the hands of private citizens.

Back in June of '42, six months after Pearl Harbor, the $100 bills floating around the nation amounted to $1,601,919,000. At the close of business last January 31, the amount of century notes in the hands of citizens had soared to $4,227,766,170. The latest report, giving the figures for February 28, boosted the amount to $4,316,525,000.

The bills of $500 denomination in circulation have jumped from $262 million in June of '42 to $571 million today; the $1,000 bills have gone from the '42 figure of $575 million to yesterday's record of $894 million—which is a lot of money to tuck away in safe deposit boxes.

Page 2 reference to Tamm.

16-67725-A
NOT RECORDED
63 APR 21 1945

57 APR 24 1945

MAR 27 1945
WASHINGTON TIMES-HERALD
Page