

TRANSFER OF UNCLAIMED PAYMENTS ON UNITED STATES SAVINGS BONDS

MARCH 22 (Legislative day, MARCH 19), 1956.—Ordered to be printed

Mr. BYRD, from the Committee on Finance, submitted the following

R E P O R T

[To accompany S. 3422]

The Committee on Finance, to whom was referred the bill (S. 3422) to authorize the Secretary of the Treasury to transfer certain amounts from unclaimed payments on United States savings bonds to the fund created for the payment of Government losses in shipment, having considered the same, report favorably thereon without amendment and recommend that the bill do pass.

GENERAL STATEMENT

This bill will authorize and direct the Secretary of the Treasury to transfer, not to exceed \$500,000, from the account "Unclaimed partial payments on United States savings bonds" to the Government losses in shipment revolving fund.

The Government losses in shipment revolving fund was established on the books of the Treasury on July 8, 1937, in accordance with the provisions of the Government Losses in Shipment Act (5 U. S. C. 134-134h), whereby the Government assumed the risk on its shipments of valuables, including money, bullion, and securities. This act authorized an initial appropriation of \$500,000 and annual appropriations of \$200,000 for each of the fiscal years 1939 to 1948, inclusive, making a total of authorized appropriations of \$2,500,000. Actual appropriations to the fund have amounted to only \$802,000. The balance of the fund as of December 31, 1955, was \$178,000. Additional appropriations will be required in the future unless other means of obtaining funds are provided.

By the act of April 12, 1943 (31 U. S. C. 757c (i)), the fund was made available for the replacement of any losses resulting from payments made in connection with the redemption of savings bonds. From October 1, 1955 to September 30, 1955, paying agents paid

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1,269 million savings bonds aggregating \$55,177 million. There were only 65,237 bonds aggregating \$2,983,000 erroneously paid, in most cases, due to forgeries of the signatures of the owners of such bonds. Of this amount \$2,136,000 has been recovered from owners, paying agents, forgers, and others. Of the remaining \$847,000 the Government losses in shipment fund has been charged with \$494,000 and the amount of \$353,000 is in process of collection. Based on past experience, about 70 percent, or \$247,000, of the amount in process of collection will be recovered, which would leave the remainder, or about \$106,000, as a possible charge to the fund.

Funds in the account "Unclaimed partial payments on United States savings bonds" represent unclaimed partial payments on the purchase price of savings bonds made by employees of private corporations under the payroll savings plan. The Treasury agreed to accept these funds at the request of private corporations to enable the corporations to close these small accounts on their books. Since 1944 about \$746,000 has been received for credit to this account, representing about 148,000 individual accounts. This is an average of about \$5 for each account, and includes over 46,000 accounts of less than \$1 aggregating over \$17,000 which has been credited to miscellaneous receipts of the Treasury. To date claims paid from the fund have amounted to less than \$29,000. In the last 5 years claims have amounted to less than \$1,000 each year. There would remain a balance in this account of about \$200,000, after the transfer requested by this proposed legislation, which is considered sufficient to meet all anticipated claims.

NECESSITY FOR LEGISLATION

As indicated, the balance in the Government losses in shipment revolving fund as of December 31, 1955 was \$178,000. Since this fund was made available for the replacement of any losses in connection with redemption of savings bonds, it appears that there will now be \$106,000 as a possible charge to the fund, leaving a balance in the fund of \$72,000. Since there is on the account "Unclaimed partial payments on United States savings bonds" about \$700,000, the Secretary of the Treasury desires authority to transfer \$500,000 of this amount to the Government losses in shipment revolving fund, leaving in the account "Unclaimed partial payments on United States savings bonds" a balance of about \$200,000, which is considered sufficient to meet all anticipated claims. This bill was requested by the Treasury Department.

The transfer of funds to the Government losses in shipment revolving fund from the account "Unclaimed partial payments on United States savings bonds" will make it unnecessary for the Treasury to request an appropriation by the Congress to replenish the Government losses in shipment fund to offset the charges to that fund covering erroneously redeemed savings bonds.

CHANGES IN EXISTING LAW

In compliance with subsection (4) of rule XXIX of the Standing Rules of the Senate, changes in existing law made by the bill, S. 3422, as reported, are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italics, existing law in which no change is proposed is shown in roman).

GOVERNMENT LOSSES IN SHIPMENT ACT (50 STAT. 479)

Section 2 of the Government losses in Shipment Act, approved July 8, 1937, (50 Stat. 479; 5 U. S. C. 134a)

SEC. 2. There is hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, the sum of \$500,000 to be used, under the direction of the Secretary of the Treasury, for the replacement of valuables, or the value thereof, lost, destroyed, or damaged in the course of shipment effected pursuant to the regulations prescribed under section 1. There is hereby further authorized to be appropriated annually, beginning with the fiscal year 1939 and ending with the fiscal year 1948, inclusive, the sum of \$200,000 for the said purposes, and from time to time such additional sums as may be necessary for the said purposes. There shall be in the Treasury of the United States a revolving fund, to be known as "the fund for the payment of Government losses in shipment" (hereinafter referred to as "the fund"), to be constituted of the said sum of \$500,000 and the sums hereafter appropriated for the said purposes, together with all recoveries and repayments credited to the fund as hereinafter provided. There is hereby further authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, the sum of \$10,000, for expenditures under the direction of the Secretary of the Treasury, to be used for the payment of administrative expenses, including personal services, necessary to carry out the provisions of this Act for the fiscal year 1938. *The Secretary of the Treasury is authorized and directed to transfer on the books of the Treasury to the fund not to exceed \$500,000 from the account entitled "Unclaimed Partial Payments on United States Savings Bonds".*

