

SEPTEMBER 22, 1976

Office of the White House Press Secretary

NOTICE TO THE PRESS

The President has signed S. 3669--Interest adjustment on National Gallery of Art loan fund. This bill permits adjustment of the interest rate paid on funds deposited by the Board of Trustees of the National Gallery of Art with the Treasury.

A \$5,000,000 fund was given to the National Gallery of Art in 1942 by the Mellon Trust to be administered by the Board of Trustees of the Gallery, with the income to be used to pay the salaries of certain of the Gallery's executive officers and for other stated purposes. In accordance with the wishes of the donor, legislation was passed by Congress in 1943 which deposited the fund with the Treasury as a permanent loan to the United States, with interest payable to the Board at a rate of not less than 4 percent per annum.

S. 3669 will change the interest rate on the loan fund to the greater of (1) a 4 percent annual rate or (2) a market-yield interest rate determined by the Secretary of the Treasury, based on long-term marketable obligations of the United States adjusted to the nearest 1/8 of a percent, --less 0.25 percentage points as consideration for the guarantee of a percent minimum.

###