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U.S. Treasury Dept.

Press Releases
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JUN 14 1972

TREASURY DEPARTMENT

IMPORTS OF DISTILLED LIQUORS AND WINES AND DUTIES COLLECTED THEREON

	April 1941	March 1941	April 1940	10 months ending April 30	
				1941	1940
DISTILLED LIQUORS (Proof Gallons):					
Stock in Customs Bonded Warehouses at beginning	8,282,976	8,156,903	6,214,842	6,976,713	4,137,917
Total imports (Free and Dutiable)	990,863	1,007,218	1,329,762	10,079,145	12,402,043
Available for Consumption	9,273,839	9,164,121	7,544,604	17,055,858	16,539,960
Entered into Consumption (a)	1,052,391	878,640	774,623	8,822,328	9,691,393
Exported from Customs Custody	5,332	2,505	861	17,414	79,447
Stock in Customs Bonded Warehouses at end	8,216,116	8,282,976	6,769,120	8,216,116	6,769,120
STILL WINES (Liquid Gallons):					
Stock in Customs Bonded Warehouses at beginning	1,690,825	1,625,728	1,614,392	1,526,805	1,151,290
Total imports (Free and Dutiable)	250,586	206,595	338,600	1,943,808	3,485,182
Available for Consumption	1,941,411	1,832,323	1,952,992	3,470,613	4,636,472
Entered into Consumption (a)	134,413	141,176	251,905	1,660,218	2,930,950
Exported from Customs Custody	354	822	1,820	3,751	6,255
Stock in Customs Bonded Warehouses at end	1,806,644	1,690,825	1,699,267	1,806,644	1,699,267
SPARKLING WINES (Liquid Gallons):					
Stock in Customs Bonded Warehouses at beginning	221,356	219,440	471,803	395,772	321,014
Total imports (Free and Dutiable)	8,288	8,240	29,129	74,061	657,617
Available for Consumption	229,644	227,680	500,932	469,833	978,631
Entered into Consumption (a)	7,204	6,239	26,121	245,404	503,177
Exported from Customs Custody	98	85	12	2,087	655
Stock in Customs Bonded Warehouses at end	222,342	221,356	474,799	222,342	474,799
DUTIES COLLECTED ON:					
Distilled Liquors	\$ 2,603,958	\$ 2,163,669	\$ 1,917,914	\$ 21,746,838	\$ 24,001,435
Still Wines	121,668	128,565	220,575	1,499,494	2,492,949
Sparkling Wines	20,808	16,977	77,556	725,274	1,502,022
Total Duties Collected on Liquor	\$ 2,746,434	\$ 2,309,211	\$ 2,216,045	\$ 23,971,606	\$ 27,996,406
Total Duties Collected on Other Commodities	46,450,583	37,640,432	24,263,283	288,621,027	266,241,629
TOTAL DUTIES COLLECTED	\$49,197,017	\$39,949,643	\$26,479,328	\$312,592,633	\$294,238,135
Percent collected on Liquor	5.6%	5.8%	8.4%	7.7%	9.5%

(a) Including withdrawals for ship supplies and diplomatic use.

(Prepared by Division of Fiscal Administration, Bureau of Customs)

TREASURY DEPARTMENT

Washington

FOR IMMEDIATE RELEASE

June 20, 1941

Press Service

No 26-1

More than 1,600 prisoners at the Lorton, Virginia, Reformatory today requested Ray L. Huff, Superintendent of Penal Institutions for the District of Columbia, to invest their prison earnings in Defense Savings Bonds and Stamps.

Superintendent Huff said those on the ~~prison~~^{institution's} payroll earn from \$1 to \$4.50 a month. Many ~~prisoners~~ who already have served considerable time ~~have~~^{had} enough money to their credit to buy one or more of the \$75 Bonds which in ten years will be worth \$100. Several hundred ~~have~~^{had} sufficient funds to purchase \$18.75 Bonds which mature at \$25.

Money earned by prisoners is placed to their credit in the Treasury Department until their release is effective. The Treasury also will act as custodian for the Bonds purchased by the prisoners.

One prisoner, in a note to Superintendent Huff, said:

"I personally feel that we inmates as a whole should put our shoulders to the wheel and help win whatever there is to be won."

Another wrote:

"We must support our country and those wearing the United States uniform to the end. Although I am unable to wear such a uniform now, I can at least do my part under the present circumstances by buying a Bond with the money I have earned here."

Superintendent Huff said the total invested in bonds and stamps was a "substantial sum"

O.K. checked with Sliedee 6/20

TREASURY DEPARTMENT
Washington

FOR IMMEDIATE RELEASE,
Saturday, June 21, 1941.

Press Service
No. 26-1

More than 1,600 prisoners in the Reformatory at Lorton Virginia have invested their earnings in Defense Savings Bonds and Stamps, Ray L. Huff, Superintendent of Penal Institutions for the District of Columbia announced today.

Superintendent Huff said those on the institution's payroll earn from \$1 to \$4.50 a month. Many who already have served considerable time had enough money to their credit to buy one or more of the \$75 Bonds which in ten years will be worth \$100. Several hundred had sufficient funds to purchase \$18.75 Bonds which mature at \$25.

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whatever is necessary to accomplish its defense; we have a great deal that is worth defending; we want to defend it well." That is the sentiment of Americans young and old.

Hundreds of thousands of young men have entered the service of their country by joining the Army, the Navy, the Marine Corps, or the Coast Guard. Millions are volunteering their time, thought, and energy in different lines of civilian defense. In these times, there is something that everyone can do, in contributing to the national defense. Yes -- there is something that you can do.

Your national leaders of 4-H Club work have assured me that you young people will be glad to assume the task of distributing information on Defense Savings Bonds and Stamps, in your home communities. Here is a task that merits your best efforts. Consider for a moment the tremendous job of getting enough planes, tanks and munitions to defend this nation against the threat of the most powerful aggressor nation the world has ever seen. It all takes money. Your government wants to borrow that money from all the American people.

Soon after you return to your homes, your local club leader will receive a supply of pamphlets, called "Land of the Free." I hope you will read one of these pamphlets -- and see that everyone in your neighborhood receives one and reads it. Your work and your dollars can make a great contribution to the defense of our

highly. A great part of our riches as a nation has always come from our farms. A still greater part has come from the wonderful people, all of them pioneers in their own ways, who have tilled our soil and sown our crops and gathered the harvests from which America has lived and breathed. But the greatest riches of all has sprung from the freedom of activity, the freedom of thought, which comes from the rural way of living. Nobody has greater respect than the farmer for the beliefs of others, whether they pertain to politics, religion or seed corn. It has always seemed to me that the rural people get closer than any others to the fundamentals of the good life, closer to nature, closer to the Creator. That is part of the heritage of you boys and girls; it is the heritage of all Americans, but it is yours to the greatest possible degree.

But our American heritage is threatened today as it has not been for more than 150 years. No group has a greater stake in the outcome of this present world conflict than the American farmer. His right to till his own acres, his right to take part in the democratic determination of policies affecting his own welfare and his children's welfare, are directly involved in this struggle. If this so-called "new order" of the dictators should triumph, we should see the markets of the world closed to American farm products which for more than a century have brought health and well-being to the peoples of the earth.

The American people have said, in many different ways --
"We want to defend our democratic way of life; we are willing to do

TREASURY DEPARTMENT
Washington

FOR RELEASE UPON DELIVERY
Monday, June 23, 1941

Press Service
No. 26-2

The following radio address by Henry Morgenthau, Jr., Secretary of the Treasury, is scheduled for 11:50 a.m., Eastern Standard Time, Monday, June 23, 1941, before the 4-H Clubs Encampment, Washington, D. C., and is for release upon delivery at that time.

I am very glad to be here this morning to have this opportunity of meeting you young men and young women who represent the 4-H Clubs of America. If you'll let me boast a little, let me say that I'm almost a member of 4-H myself. As a farmer for many happy years, as the former publisher of a farm magazine and as a parent, I have come into rather close contact with 4-H Club work. I believe in it, like all Americans who know the things for which 4-H Club work stands. And because I believe in the values of Club work, I have encouraged all my three children to become members of a 4-H Club in our home community in Dutchess County, New York.

I should like to congratulate you young people who have had the good sense to become members of the 4-H Clubs. Your numbers grow so rapidly that it is difficult to keep track of you from year to year. Already I understand that there are a million and a half of you. Nobody rejoices more than I do in the knowledge that so many of our rural boys and girls are having a part in this, the finest activity of rural youth in all the world.

I think congratulations are in order because, to me, rural America typifies to the greatest degree the things in which we Americans take the greatest pride, the things we value most

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I think congratulations are in order because, to me, rural America typifies to the greatest degree the things in which we Americans take the greatest pride, the things we value most highly. A great part of our

riches as a nation has always come from our farms. A still greater part has come from the wonderful people, all of them pioneers in their own ways, who have tilled our soil and sown our crops and gathered the harvests from which America has lived and breathed. But the greatest riches of all has sprung from the freedom of activity, the freedom of thought, which comes from the rural way of living. Nobody has greater respect than the farmer for the beliefs of others, whether they pertain to politics, religion or seed corn. It has always seemed to me that the rural people get closer than any others to the fundamentals of the good life, closer to nature, closer to the Creator. That is part of the heritage of you boys and girls; it is the heritage of all Americans, but it is yours to the greatest possible degree.

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defending; we want to defend it well." That is the sentiment of Americans young and old.

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Your national leaders of 4-H Club work have assured me that you young people will be glad to assume the task of distributing information on Defense Savings Bonds and Stamps, in your home communities. Here is a task that merits your best efforts. Consider for a moment the tremendous job of getting enough planes, tanks and munitions to defend this nation against the threat of the most powerful aggressor nation the world has ever seen. It all takes money. Your government wants to borrow that money from all the American people.

Soon after you return to your homes, your local club leader will receive a supply of pamphlets, called "Land of the Free." I hope you will read one of these pamphlets -- and see that everyone in your neighborhood receives one and reads it. Your work and your dollars can make a great contribution to the defense of our nation. You can give real meaning to your own 4-H Club pledge -- head, heart, hand and health -- to your club, community, and country. By serving your country in this crisis in every possible way, you can help to insure that there will be a club, a community, and a great free America in the future.

10:30 am
to press
room

Immediate

TREASURY DEPARTMENT
Washington

FOR RELEASE, MORNING NEWSPAPERS,
Wednesday, June 18, 1941.
~~6/17/41~~ *June 23*

Press Service
No. 25-89

26-3

today
The Treasury Department ~~and the Department of Justice tonight~~
ordered Customs officials ~~and Immigration officers~~ to take all
necessary steps to prevent any ~~German~~ *Italian* national from departing from
the United States pending further instructions.

The action was taken to insure compliance with the Executive
Order of the President of June 14, 1941, regulating transactions in
foreign exchange and foreign-owned property.

The Executive Order and the regulations approved by the President
prohibit ~~German~~ *Italian* nationals from exporting or withdrawing from the
United States any gold or silver coin or bullion or any currency
and require reports with respect to any and all property situated
in the United States in which such ~~German~~ *Italian* nationals have any
interest whatsoever.

Treasury
The instructions require Customs officials ~~and Immigration~~
~~officers~~ to cover all possible means of departure, including vessels,
trains, busses, airplanes and international border roads so that no
~~Germans~~ *Italians* may leave this country without having fully complied with
the Executive Order and the regulations.

*It is understood the
-000-
Department of Justice
has issued similar
instructions to Immigration
Officers.*

TREASURY DEPARTMENT

INTER OFFICE COMMUNICATION

DATE June 17, 1941.

TO Mr. Schwarz
FROM Mr. Foley

Attached is a proposed release which Justice will put out late this afternoon. It has been cleared by Secretary Morgenthau and Acting Attorney General Biddle.

SFH

Attachment

PROPOSED RELEASE

Wed am

~~Last night~~ ^{tonight ordered} the Treasury Department and the Department of Justice ~~issued instructions to~~ Customs officials and Immigration officers to take all necessary steps to prevent any German National from departing from the United States pending further instructions ^{to insure compliance} with the Executive Order of the President of June 14, 1941, regulating transactions in foreign exchange and foreign-owned property. ^{The action was taken} The Executive Order and the regulations approved by the President prohibit German Nationals from exporting or withdrawing from the United States any gold or silver coin or bullion or any currency and require reports with respect to any and all property situated in the United States in which such German Nationals have any interest whatsoever.

The instructions ~~issued last night~~ require Customs officials and Immigration officers to cover all possible means of departure, including vessels, trains, busses, airplanes and international border roads, so that no Germans may leave this country without having fully complied with the Executive Order and the regulations.

TREASURY DEPARTMENT
Washington

FOR RELEASE

Press Service

Sunday, June 22, 1941

WASHINGTON, D.C. -- A one-story glass block building to be known as "Treasury House", now under construction in the park at 14th Street and Pennsylvania Avenue, will be formally dedicated and opened to the public on July 1, the Treasury announced today.

The new structure will be a center of information for the Defense Savings Program. Thirty-two feet long and fourteen feet wide, the building, among other features, will include a glass-enclosed broadcasting studio through which the public may watch news broadcasts. The building will be covered with an ornamental Jeffersonian dome surrounded by four American eagles. The building will be floodlighted at night.

A series of programs and events scheduled for the month of July at "Treasury House", will include hourly news broadcasts each day over a public address system, band concerts, and prominent speakers.

Hostesses will be in constant attendance to sell Defense Savings Stamps and to distribute information and literature on Defense Savings ~~Stamps~~ Bonds.

Date

Submitted June 20, 1941

PRESS SECTION
DEFENSE SAVINGS STAFF

NEWSPAPER RELEASE

Mr. Schwarz:

Attached release - re "Treasury House"

For Release Sunday, June 22, 1941

mc
Vincent F. Callahan

Approved *[Signature]*

H. N. Graves

Time 11:05

Date 6/21

[Signature]
E. W. Sloan

[Signature]
Harford Powel

FOR IMMEDIATE RELEASE

Workmen were building a one-story glass-block house in the park at 14th st . and Pennsylvania avenue which , the Treasury announced , will be used as a center of information about United States Defense Savings Bonds and Stamps. The building will be opened July 1 with ^a formal dedicatory ~~exercise~~ program .

The building which will be thirty-two feet long and fourteen feet wide will house a glass enclosed broadcasting booth where visitors may watch news broadcasts.

A Jeffersonian dome flanked by four American eagles will surmount the building. It will be floodlighted at night.

Programs already scheduled for the new structure during the first month include hourly news broadcasts on week days which will be carried on a public address system , band concerts and talks by well known speakers.

Hostesses will be in constant attendance and will be prepared to sell ~~United States Defense~~ Postal Defense Savings Stamps and distribute information about Defense Savings Bonds.

Monday, FOR IMMEDIATE RELEASE,
June 23, 1941.

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Workmen were building a one-story glass-block house in the park at 14th Street and Pennsylvania Avenue which, the Treasury announced, will be used as a center of information about United States Defense Savings Bonds and Stamps. The building will be opened July 1 with a dedicatory program.

The building, which will be thirty-two feet long and fourteen feet wide, will house a glass-enclosed ^{radio} ~~broadcasting~~ booth where visitors may watch news broadcasts.

A Jeffersonian dome flanked by four American eagles will surmount the building. It will be floodlighted at night.

Programs already scheduled for the new structure during the first month include hourly news broadcasts on week days, which will ^{also} be carried on a public address system, ^{as well as} ~~band~~ concerts and talks by well-known speakers.

~~Hostesses will be in constant attendance and will be prepared to sell Postal Defense Savings Stamps and distribute information about Defense Savings Bonds.~~

For Immediate Release

76-41

~~A new Capital information center for the National Defense Savings campaign will be opened ~~at 14th st . and Pennsylvania avenue July 1 .~~ ~~today~~ ~~xxxxxx~~~~

~~A new Capital information center for the National Defense Savings campaign will be opened July 1 on Pennsylvania avenue at 14th street.~~

Workmen today were building a one-story glass-block house ~~avenue~~ on Pennsylvania ~~at~~ 14th street, which will be opened July 1 as a new Capital information center for the National Defense Savings campaign. After a dedicatory program, the center will be devoted to ~~the~~ dissemination of facts about Defense Savings Bonds and Stamps and the sale of the latter.

TREASURY DEPARTMENT
Washington

FOR IMMEDIATE RELEASE
Monday, June 23, 1941.

Press Service
No. 26-4

Workmen today were building a one-story glass-block house on Pennsylvania Avenue at 14th Street, which will be opened July 1 as a new Capital information center for the National Defense Savings campaign. After a dedicatory program, the center will be devoted to dissemination of facts about Defense Savings Bonds and Stamps, and the sale of the latter.

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he was relieved of ~~all~~ active duty and placed on the retired list
with the rank of Rear Admiral, in 1938.

A handwritten signature or set of initials, possibly 'H', written in dark ink. It consists of several overlapping, slanted strokes.

May 20

BIOGRAPHICAL SKETCH OF
REAR ADMIRAL THOMAS M. MOLLOY

Admiral Thomas M. Molloy began his ~~long and varied~~ career in the Coast Guard ~~(the U. S. Revenue Cutter Service)~~ ^{when it was} ~~as a cadet~~ in 1897, He was commissioned a ~~(3rd)~~ Lieutenant (Ensign) in 1899 and was ~~assigned~~ assigned to the ~~Cutter~~ ^{Cutter} GRESHAM. ~~Among the~~ cutters on which he ~~served~~ served were the FORWARD, PERRY, BEAR, McCULLOCH, MOHAWK, DEXTER, ALGONQUIN, MORRILL, TAHOMA, ANDROSCOGGIN, TALLAPOOSA, TAMPA, and ~~the~~ CAYUGA.

Admiral Molloy

He was Executive Officer on the ~~Cutter~~ ^{it} Cutter TAHOMA when ~~the~~ ~~vessel~~ while on a cruise in Alaskan waters, was wrecked in September, 1914. He was commended for ~~his~~ skill and judgment in transporting in a surfboat 22 survivors from the TAHOMA to a group of islands 800 miles to the northward.

During the World War Admiral Molloy saw service with the ~~United States~~ Navy, and in succession commanded the U.S.S. RAMBLER, the U.S.S. NOKOMIS and the U.S.S. HENRY R. MALLORY. For his ^{war} service ~~in the world war~~ he was awarded the Navy Cross and the Victory Medal.

In addition to his sea duty, Admiral Molloy served in various important administrative capacities on shore, among them being the following: Assistant Inspector, Chicago, Illinois; Captain of the Port, Chicago, Illinois; President, Coast Guard Court, New York, N. Y.; Eastern Inspector; Commander of the New York Division and Captain of the Port of New York. Following his tour of duty as Commander, New York Division,

Public Relations
June 21, 1941.

SUPERINTENDENT OF CONSTRUCTION OF FORMER
LIGHTHOUSE SERVICE RETIRES FROM COAST GUARD

Lieutenant Thomas P. Fowler, of the Marine Engineering Section at Headquarters and an employee of the former Lighthouse Service, is to retire from active duty on August 1, after 36 years of service. He entered the Lighthouse Service in 1905 as first assistant engineer and served as first assistant and chief engineer on various lighthouse tenders located in the Gulf of Mexico, on the Atlantic Coast, and on the Great Lakes until 1913 at which time he was detached from sea service and assigned as superintendent of construction in the Lighthouse Service.

During this assignment, he supervised the construction of twenty-one lighthouse tenders, among them the Tenders WAKEROBIN, HICKORY, HEMLOCK and HOLLYHOCK, and fourteen lightships including No. 112 (NANTUCKET), the largest lightship in the Service. Lieutenant Fowler was superintendent of construction in various shipyards on the Atlantic coast, the Great Lakes, the Western Rivers, and the Pacific Coast.

After the consolidation of the Lighthouse Service with the United States Coast Guard in 1939, he was commissioned Lieutenant in the Coast Guard and assigned to the Marine Engineering Section at Headquarters.

In anticipation of his retirement, he was tendered a luncheon by his associates at the Cosmos Club in Washington, D. C. on June 19.

Caps

Treasury Department
Washington

FOR IMMEDIATE RELEASE,
Monday, June 23, 1941.

Press Service
No. 26-5

Rear Admiral R. R. Waesche, Commandant of the Coast Guard, announced today that Rear Admiral Thomas M. Molloy, retired, had been called into active service and is now on duty in Washington, in charge of the Coast Guard Relief Organization. 5

Admiral Molloy joined the old Revenue Cutter Service as a cadet in 1897, and after a brilliant career, was retired, with the rank of rear admiral, in 1938. Serving with the Navy during the World War, he was awarded the Navy Cross and the Victory Medal for outstanding merit.

Admiral Waesche also announced that Lieutenant Thomas P. Fowler, of the Marine Engineering Section at Headquarters and an employee of the former Lighthouse Service, will retire from active duty on August 1, after 36 years of service. He entered the Lighthouse Service in 1905 as first assistant engineer, and saw service on various lighthouse tenders located in the Gulf of Mexico, on the Atlantic Coast, and on the Great Lakes until 1913, at which time he was detached from sea service and assigned as superintendent of construction in the Lighthouse Service. During this assignment, he supervised the construction of twenty-one lighthouse tenders, among them No. 112 (Nantucket), the largest lightship in the service.

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Oo-oO

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TREASURY DEPARTMENT
Washington

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2. The notes will be issued under authority of an act of Congress (known as "Reconstruction Finance Corporation Act") approved January 22, 1932, as amended and supplemented. The income derived from the notes shall be subject to all Federal taxes, now or hereafter imposed. The notes shall be subject to estate, inheritance, gift or other excise taxes, whether Federal or State, but shall be exempt from all taxation now or hereafter imposed on the principal or interest thereof by any Territory, dependency, or possession of the United States, or by any State, county, municipality, or local taxing authority. These notes shall be lawful investments, and may be accepted as security, for all fiduciary, trust, and public funds the investment or deposit of which shall be under the authority or control of the United States or any officer or officers thereof.

3. The authorizing act provides that in the event the Reconstruction Finance Corporation shall be unable to pay upon demand, when due, the principal of or interest on notes issued by it, the Secretary of the Treasury shall pay the amount thereof, which is authorized to be appropriated, out of any moneys in the Treasury not otherwise appropriated, and thereupon to the extent of the amounts so paid the Secretary of the Treasury shall succeed to all the rights of the holders of such notes.

4. Bearer notes with interest coupons attached will be issued in denominations of \$1,000, \$5,000, \$10,000 and \$100,000. The notes will not be issued in registered form.

III. SUBSCRIPTION AND ALLOTMENT

1. Subscriptions will be received at the Federal Reserve Banks and Branches and at the Treasury Department, Washington. Subscribers must agree not to sell or otherwise dispose of their subscriptions, or the securities which may be allotted thereon, prior to the closing of the subscription books. Banking institutions generally may submit subscriptions for account of customers, but only the Federal

RECONSTRUCTION FINANCE CORPORATION

1 PERCENT NOTES OF SERIES W, DUE APRIL 15, 1944

Dated and bearing interest from July 3, 1941

FULLY AND UNCONDITIONALLY GUARANTEED BOTH AS TO INTEREST AND PRINCIPAL BY THE UNITED STATES, WHICH GUARANTY IS EXPRESSED ON THE FACE OF EACH NOTE

1941
Department Circular No. 664

TREASURY DEPARTMENT,
Office of the Secretary,
Washington, June 24, 1941.

Fiscal Service
Bureau of the Public Debt

I. OFFERING OF NOTES AND INVITATION FOR TENDERS

1. The Secretary of the Treasury, on behalf of the Reconstruction Finance Corporation, invites subscriptions, at par and accrued interest, from the people of the United States for notes of the Reconstruction Finance Corporation, designated 1 percent notes of Series W. The amount of the offering is \$500,000,000, or thereabouts.

2. The Secretary of the Treasury, on behalf of the Reconstruction Finance Corporation, offers to purchase on July 3, 1941, at par and accrued interest, the outstanding notes of the Corporation designated Series N, maturing July 20, 1941, to the extent to which the holders thereof subscribe to the issue of Series W notes hereunder. Tenders of Series N notes for that purpose are invited.

II. DESCRIPTION OF NOTES

1. The notes will be dated July 3, 1941, and will bear interest from that date at the rate of 1 percent per annum, payable on a semiannual basis on October 15, 1941, and thereafter on April 15 and October 15 in each year until the principal amount becomes payable. They will mature April 15, 1944, and will not be subject to call for redemption prior to maturity.

Series N notes (\$3.96409 per \$1,000) will be paid following acceptance of the notes.

V. GENERAL PROVISIONS

1. As fiscal agents of the United States, Federal Reserve Banks are authorized and requested to receive subscriptions, to make allotments on the basis and up to the amounts indicated by the Secretary of the Treasury to the Federal Reserve Banks of the respective districts, to issue allotment notices, to receive payment for notes allotted, to make delivery of notes on full-paid subscriptions allotted, and they may issue interim receipts pending delivery of the definitive notes.

2. The Secretary of the Treasury may at any time, or from time to time, prescribe supplemental or amendatory rules and regulations governing the offering, which will be communicated promptly to the Federal Reserve Banks.

HENRY MORGENTHAU, JR.,
Secretary of the Treasury.

Reserve Banks and the Treasury Department are authorized to act as official agencies. Others than banking institutions will not be permitted to enter subscriptions except for their own account. Subscriptions from holders of Series N notes tendered for purchase should be accompanied by such notes to a par amount equal to the par amount of notes of Series W subscribed for. Other subscriptions from banks and trust companies 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 and surplus of the subscribing bank or trust company. Other subscriptions from all others must be accompanied by payment of 10 percent of the amount of notes applied for.

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

IV. PAYMENT

1. Payment at par and accrued interest, if any, for notes allotted hereunder must be made or completed on or before July 3, 1941, or on later allotment. In every case where payment is not so completed, the payment with application up to 10 percent of the amount of notes applied for shall, upon declaration made by the Secretary of the Treasury in his discretion, be forfeited to the United States. Notes of Series N tendered for purchase must have coupons dated July 30, 1941, attached, and payment will be made at par and accrued interest to July 3, 1941. The principal proceeds of the Series N notes will be applied in payment of the Series W notes, and accrued interest from January 30, 1941 to July 3, 1941 on

ing. These provisions are specifically set forth in the official circular released today.

Subscriptions will be received at the Federal Reserve Banks and Branches, and at the Treasury Department, Washington; they will not be received at the Reconstruction Finance Corporation. Banking institutions generally may submit subscriptions for account of customers, but only the Federal Reserve Banks and the Treasury Department are authorized to act as official agencies. Others than banking institutions will not be permitted to enter subscriptions except for their own account. Subscriptions from holders of Series N notes tendered for purchase should be accompanied by such notes to a par amount equal to the par amount of notes of Series W subscribed for. Other subscriptions from banks and trust companies 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 and surplus of the subscribing bank or trust company. Other subscriptions from all others must be accompanied by payment of 10 percent of the amount of notes applied for.

The right is reserved to close the books as to any or all subscriptions at any time without notice. Subject to the reservations set forth in the official circular, subscriptions from holders of Series N notes who tender them for purchase under this offering will be allotted in full. Payment for any notes allotted must be made or completed on or before July 3, 1941, or on later allotment. Series N notes are outstanding in the approximate amount of \$211,000,000.

The text of the official circular follows:

TREASURY DEPARTMENT

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Washington

FOR RELEASE, MORNING NEWSPAPERS,
Tuesday, June 24, 1941.
6/23/41

Press Service
No. 26-6

The Secretary of the Treasury, on behalf of the Reconstruction Finance Corporation, today announced the plan for refinancing the outstanding notes of Series N of the Corporation maturing July 20, 1941, and raising additional funds for the Corporation, through offering for subscription, at par and accrued interest, through the Federal Reserve Banks, notes of the Corporation, designated 1 percent notes of Series W, in the amount of \$500,000,000, or thereabouts, and at the same time offering to purchase on July 3, 1941, at par and accrued interest, the outstanding notes of Series N to the extent the holders of such maturing notes subscribe for the new notes.

The notes of Series W now offered will be dated July 3, 1941, and will bear interest from that date at the rate of 1 percent per annum payable on a semiannual basis on April 15 and October 15 in each year. They will mature on April 15, 1944, and will not be subject to call for redemption prior to maturity. They will be issued only in bearer form with coupons attached, in denominations of \$1,000, \$5,000, \$10,000 and \$100,000.

The notes will be fully and unconditionally guaranteed both as to interest and principal by the United States. Pursuant to the provisions of the Public Debt Act of 1941, interest upon the notes now offered shall not have any exemption, as such, under Federal Tax Acts now or hereafter enacted. Otherwise the notes will be accorded the same exemptions from taxation as are accorded other issues of Reconstruction Finance Corporation notes now outstand-

TREASURY DEPARTMENT
Washington

FOR RELEASE, MORNING NEWSPAPERS,
Tuesday, June 24, 1941.

Press Service
No. 26-6

6/23/41

The Secretary of the Treasury, on behalf of the Reconstruction Finance Corporation, today announced the plan for refinancing the outstanding notes of Series N of the Corporation maturing July 20, 1941, and raising additional funds for the Corporation, through offering for subscription, at par and accrued interest, through the Federal Reserve Banks, notes of the Corporation, designated 1 percent notes of Series W, in the amount of \$500,000,000, or thereabouts, and at the same time offering to purchase on July 3, 1941, at par and accrued interest, the outstanding notes of Series N to the extent the holders of such maturing notes subscribe for the new notes.

The notes of Series W now offered will be dated July 3, 1941, and will bear interest from that date at the rate of 1 percent per annum payable on a semiannual basis on April 15 and October 15 in each year. They will mature on April 15, 1944, and will not be subject to call for redemption prior to maturity. They will be issued only in bearer form with coupons attached, in denominations of \$1,000, \$5,000, \$10,000 and \$100,000.

The notes will be fully and unconditionally guaranteed both as to interest and principal by the United States. Pursuant to the provisions of the Public Debt Act of 1941, interest upon the notes now offered shall not have any exemption, as such, under Federal Tax Acts now or hereafter enacted. Otherwise the notes will be accorded the same exemptions from taxation as are accorded other issues of Reconstruction Finance Corporation notes now outstanding. These provisions are specifically set forth in the official circular released today.

Subscriptions will be received at the Federal Reserve Banks and Branches, and at the Treasury Department, Washington; they will not be received at the Reconstruction Finance Corporation. Banking institutions generally may submit subscriptions for account of customers, but only the Federal Reserve Banks and the Treasury Department are authorized to act as official agencies. Others than banking institutions will not be permitted to enter subscriptions except for their own account. Subscriptions from holders of Series N notes tendered for purchase should be accompanied by such notes to a par amount equal to the par amount of notes of Series W subscribed for. Other subscriptions from banks and trust companies 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 and surplus of the subscribing bank or trust company. Other subscriptions from all others must be accompanied by payment of 10 percent of the amount of notes applied for.

The right is reserved to close the books as to any or all subscriptions at any time without notice. Subject to the reservations set forth in the official circular, subscriptions from holders of Series N notes who tender them for purchase under this offering will be allotted in full. Payment for any notes allotted must be made or completed on or before July 3, 1941, or on later allotment. Series N notes are outstanding in the approximate amount of \$211,000,000.

The text of the official circular follows:

RECONSTRUCTION FINANCE CORPORATION

1 PERCENT NOTES OF SERIES W, DUE APRIL 15, 1944

Dated and bearing interest from July 3, 1941

FULLY AND UNCONDITIONALLY GUARANTEED BOTH AS TO INTEREST AND PRINCIPAL
BY THE UNITED STATES, WHICH GUARANTY IS EXPRESSED ON THE FACE
OF EACH NOTE

1941
Department Circular No. 664

Fiscal Service
Bureau of the Public Debt

TREASURY DEPARTMENT,
Office of the Secretary,
Washington, June 24, 1941.

I. OFFERING OF NOTES AND INVITATION FOR TENDERS

1. The Secretary of the Treasury, on behalf of the Reconstruction Finance Corporation, invites subscriptions, at par and accrued interest from the people of the United States for notes of the Reconstruction Finance Corporation, designated 1 percent notes of Series W. The amount of the offering is \$500,000,000, or thereabouts.

2. The Secretary of the Treasury, on behalf of the Reconstruction Finance Corporation, offers to purchase on July 3, 1941, at par and accrued interest, the outstanding notes of the Corporation designated Series N, maturing July 20, 1941, to the extent to which the holders thereof subscribe to the issue of Series W notes hereunder. Tenders of Series N notes for that purpose are invited.

II. DESCRIPTION OF NOTES

1. The notes will be dated July 3, 1941, and will bear interest from that date at the rate of 1 percent per annum, payable on a semi-annual basis on October 15, 1941, and thereafter on April 15 and October 15 in each year until the principal becomes payable. They will mature April 15, 1944, and will not be subject to call for redemption prior to maturity.

2. The notes will be issued under authority of an act of Congress (known as "Reconstruction Finance Corporation Act") approved January 22, 1932, as amended and supplemented. The income derived from the notes shall be subject to all Federal taxes, now or hereafter imposed. The notes shall be subject to estate, inheritance, gift or other excise taxes, whether Federal or State, but shall be exempt from all taxation now or hereafter imposed on the principal or interest thereof by any Territory, dependency, or possession of the United States, or by any State, county, municipality, or local taxing authority. These notes shall be lawful investments, and may be accepted as security, for all fiduciary, trust, and public funds the investment or deposit of which shall be under the authority or control of the United States or any officer or officers thereof.

3. The authorizing act provides that in the event the Reconstruction Finance Corporation shall be unable to pay upon demand, when due, the principal of or interest on notes issued by it, the Secretary of the Treasury shall pay the amount thereof, which is authorized to be appropriated, out of any moneys in the Treasury not otherwise appropriated, and thereupon to the extent of the amounts so paid the Secretary of the Treasury shall succeed to all the rights of the holders of such notes.

4. Bearer notes with interest coupons attached will be issued in denominations of \$1,000, \$5,000, \$10,000 and \$100,000. The notes will not be issued in registered form.

III. SUBSCRIPTION AND ALLOTMENT

1. Subscriptions will be received at the Federal Reserve Banks and Branches and at the Treasury Department, Washington. Subscribers must agree not to sell or otherwise dispose of their subscriptions, or the securities which may be allotted thereon, prior to the closing of the subscription books. Banking institutions generally may submit subscriptions for account of customers, but only the Federal Reserve Banks and the Treasury Department are authorized to act as official agencies. Others than banking institutions will not be permitted to enter subscriptions except for their own account. Subscriptions from holders of Series N notes tendered for purchase should be accompanied by such notes to a par amount equal to the par amount of notes of Series W subscribed for. Other subscriptions from banks and trust companies 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 and surplus of the subscribing bank or trust company. Other subscriptions from all others must be accompanied by payment of 10 percent of the amount of notes applied for.

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

IV. PAYMENT

1. Payment at par and accrued interest, if any, for notes allotted hereunder must be made or completed on or before July 3, 1941, or on later allotment. In every case where payment is not so completed, the payment with application up to 10 percent of the amount of notes applied for shall, upon declaration made by the Secretary of the Treasury in his discretion, be forfeited to the United States. Notes of Series N tendered for purchase must have coupons dated July 20, 1941, attached, and payment will be made at par and accrued interest to July 3, 1941. The principal proceeds of the Series N notes will be applied in payment of the Series W notes, and accrued interest from January 20, 1941 to July 3, 1941 on Series N notes (\$3.96409 per \$1,000) will be paid following acceptance of the notes.

V. GENERAL PROVISIONS

1. As fiscal agents of the United States, Federal Reserve Banks are authorized and requested to receive subscriptions, to make allotments on the basis and up to the amounts indicated by the Secretary of the Treasury to the Federal Reserve Banks of the respective districts, to issue allotment notices, to receive payment for notes allotted, to make delivery of notes on full-paid subscriptions allotted, and they may issue interim receipts pending delivery of the definitive notes.

2. The Secretary of the Treasury may at any time, or from time to time, prescribe supplemental or amendatory rules and regulations governing the offering, which will be communicated promptly to the Federal Reserve Banks.

HENRY MORGENTHAU, JR.,
Secretary of the Treasury.

TREASURY DEPARTMENT
Washington

FOR RELEASE, MORNING NEWSPAPERS,
Tuesday, June 24, 1941.
6/23/41

Press Service
No. 26-7

The Secretary of the Treasury announced last evening that the tenders for \$100,000,000, or thereabouts, of 91-day Treasury bills, to be dated June 25 and to mature September 24, 1941, which were offered on June 20, were opened at the Federal Reserve Banks on June 23.

The details of this issue are as follows:

Total applied for - \$267,792,000
Total accepted - 100,068,000

Range of accepted bids:

High	-	100.			
Low	-	99.978	Equivalent rate approximately	0.087	percent
Average Price	-	99.983	"	"	0.066 "

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

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TREASURY DEPARTMENT
Washington

FOR RELEASE, MORNING NEWSPAPERS,
Tuesday, June 24, 1941.
6/23/41

Press Service
No. 26-7

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TREASURY DEPARTMENT

Washington

FOR RELEASE, MORNING NEWSPAPERS,
Wednesday, June 25, 1941.

6/24/41

Press Service

no 26-8

Secretary of the Treasury Morgenthau announced last night that the subscription books for the current offering of 1 percent notes of Series W of the Reconstruction Finance Corporation closed at the close of business Tuesday, June 24, except for the receipt of subscriptions from holders of Series N notes of the Corporation who tender them for purchase by the Secretary in a par amount equal to the par amount of notes of Series W subscribed for. The subscription books will be closed for the receipt of subscriptions of the latter class at the close of business Wednesday, June 25, at which time the offer to purchase Series N notes of the Corporation will terminate.

Subscriptions of either class addressed to a Federal Reserve Bank or Branch, or to the Treasury Department, and placed in the mail before 12 o'clock midnight of the respective closing days, 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 the afternoon of Friday, June 27.

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TREASURY DEPARTMENT

WASHINGTON

FOR RELEASE, MORNING NEWSPAPERS,
Wednesday, June 25, 1941
6/24/41

PRESS SERVICE
NO. 26-8

Secretary of the Treasury Morgenthau announced last night that the subscription books for the current offering of 1 per cent notes of Series W of the Reconstruction Finance Corporation closed at the close of business Tuesday, June 24, except for the receipt of subscriptions from holders of Series N notes of the Corporation who tender them for purchase by the Secretary in a par amount equal to the par amount of notes of Series W subscribed for. The subscription books will be closed for the receipt of subscriptions of the latter class at the close of business Wednesday, June 25, at which time the offer to purchase Series N notes of the Corporation will terminate.

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Announcement of the amount of subscriptions and the basis of allotment will probably be made the afternoon of Friday, June 27.

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TREASURY DEPARTMENT
Washington

FOR IMMEDIATE RELEASE
Tuesday, June 24, 1941

Press Service
No. 26-9

A general license ~~was issued~~ under the freezing control order ^{was issued today} with respect to transactions of the Union of Soviet Socialist Republics and its nationals. The State Department requested, and ^{the} Treasury ~~Department~~ ^{Department} and ~~Justice Department~~ ^{the Department of} approved, the issuance of the license without requirement of the formal assurances which have been requested of European neutral nations ⁱⁿ affected by the freezing order.

At the time the freezing order was extended to all of continental Europe, the President announced that it was intended through the medium of general licenses to facilitate transactions of certain countries and their nationals ~~conditional~~ ^{Issuance of such licenses was to be} upon the receipt of adequate assurance from the Governments of such countries that the general licenses would not be employed by such countries or their nationals to evade the purposes of the freezing order. Recent events concerning the Union of Soviet Socialist Republics have made such assurances unnecessary.

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TREASURY DEPARTMENT
Washington

FOR IMMEDIATE RELEASE,
Tuesday, June 24, 1941.

Press Service
No.26-9

A general license under the freezing control order was issued today with respect to transactions of the Union of Soviet Socialist Republics and its nationals. The State Department requested, and the Treasury Department and the Department of Justice approved, the issuance of the license without requirement of the formal assurances which have been requested of European neutral nations affected by the freezing order.

At the time the freezing order was extended to all of continental Europe, the President announced that it was intended through the medium of general licenses to facilitate transactions of certain countries and their nationals. Issuance of such licenses was to be conditional upon the receipt of adequate assurance from the Governments of such countries that the general licenses would not be employed by such countries or their nationals to evade the purposes of the freezing order. Recent events concerning the Union of Soviet Socialist Republics have made such assurances unnecessary.

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TREASURY DEPARTMENT
Office of the Secretary
June 24, 1941.

GENERAL LICENSE NO. 51
UNDER EXECUTIVE ORDER NO. 8389, APRIL
10, 1940, AS AMENDED, AND REGULATIONS
ISSUED PURSUANT THERETO, RELATING TO
TRANSACTIONS IN FOREIGN EXCHANGE, ETC.*

(1) A general license is hereby granted licensing the Union of Soviet Socialist Republics as a generally licensed country.

(2) As used in this general license:

Any foreign country licensed as a "generally licensed country", and nationals thereof, shall be regarded for all purposes as if such foreign country were not a foreign country designated in the Order.

E. H. FOLEY, JR.
Acting Secretary of the Treasury.

* Part 131; - Sec. 5(b), 40 Stat. 415 and 966; Sec. 2, 48 Stat. 1; 54 Stat. 179; Ex. Order 8389, April 10, 1940, as amended by Ex. Order 8785, June 14, 1941; Regulations, April 10, 1940, as amended June 14, 1941.

TREASURY DEPARTMENT
Washington

FOR RELEASE, MORNING NEWSPAPERS,
Thursday, June 26, 1941.
6/25/41

Press Service
No. 26-10

Dr. Ernest Martin Hopkins, president of Dartmouth College, today urged parents of "teen-aged" children to buy Defense Savings Bonds as an "educational sinking fund."

"The Defense Savings campaign" he told Secretary Morgenthau "should be of particular interest to these parents for, by registering bonds in the names of their sons and daughters, they can assure for them a college education later on."

Dr. Hopkins, who celebrated his 25th anniversary as president of Dartmouth at commencement exercises in Hanover, N.H., last week, is now in Washington as Executive of the Minerals and Metals branch of the Priorities Division of the Office of Production Management.

"Because of our tremendous war production," he said, "the national income is jumping rapidly. It seems clear to me that it is the part of individual intelligence as well as of national duty to begin saving now and to seek the safest possible investment of the savings. Defense Savings Bonds and Stamps offer all of us the opportunity to do this.

"If I were asked for advice I would urge all college graduates to buy these Bonds and stamps regularly."

TREASURY DEPARTMENT

↑ Washington ↓

FOR IMMEDIATE RELEASE,

Press Service

no 26-11

Wednesday, June 25, 1941.

Secretary today

~~Henry Morgenthau, Jr., Secretary of the Treasury,~~

~~yesterday~~ announced the appointment of Palmer Hoyt, Publisher of the PORTLAND OREGONIAN, as State Chairman *for Oregon* of the National Defense Savings ~~campaign~~ *campaign*.

Mr. Hoyt's duties will include cooperation with the ~~Defense Savings Staff of the~~ Treasury Department in stimulating the sale of Defense *Savings* Bonds and Stamps through establishment of representative non-partisan local committees to develop community interest in the program.

TREASURY DEPARTMENT
Washington

FOR IMMEDIATE RELEASE,
Wednesday, June 25, 1941.

Press Service
No. 26-11

Secretary Morgenthau today announced the appointment of Palmer Hoyt, publisher of the Portland Oregonian, as State Chairman for Oregon of the National Defense Savings campaign.

Mr. Hoyt's duties will include co-operation with the Treasury Department in stimulating the sale of Defense Savings Bonds and Stamps through establishment of representative non-partisan local committees to develop community interest in the program.

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TREASURY DEPARTMENT
Washington

FOR IMMEDIATE RELEASE,
Wednesday, June 25, 1941.

~~PRESS RELEASE~~

~~FORXRX~~
Press Service
No. 26-11

The Bureau of Customs announced today preliminary figures for imports of coffee subject to quota limitations under the President's proclamation of the Inter-American Coffee Agreement on April 15, 1941.

The following tabulation lists the coffee quotas which have been filled, and shows import figures for the quotas now under telegraphic control as of June 21, 1941. Total imports under the other coffee quotas are shown as of June 14, 1941.

Quota Period	: Revised ^{1/}	: Entered for Consumption	
Country of Production	: Quota (lbs.)	: As of (Date)	: Pounds
<u>Quota Period - 12 months</u> from October 1, 1940:			
Dominican Republic	16,138,333		(Import quota filled)
Guatemala	71,950,208		" " "
Venezuela	56,484,233		" " "
Brazil	1,250,722,887	June 14, 1941	1,145,891,748
Cuba	10,758,933	"	5,269,632
El Salvador	80,691,799	"	61,795,687
Honduras	2,689,700	"	1,503,074
Mexico	63,880,975	"	57,456,368
Nicaragua	26,224,775	"	17,376,127
Colombia	423,632,012	June 21, 1941	408,715,625
Costa Rica	26,897,267	"	25,762,601
Ecuador	20,173,016	"	18,317,163
Haiti	36,983,708	"	36,487,962
Peru	3,362,191	"	2,947,165
Non-signatory countries:			
All types of coffee	47,742,641	June 21, 1941	45,953,019 ^{2/}

Quota Period - April 22 to
August 31, 1941, incl:

Non-signatory countries:

Mocha coffee 2,645,520 June 21, 1941 855,898 ^{2/}

^{1/}Quotas increased by Inter-American Coffee Board, as of June 1, 1941
^{2/}Under the terms of an Executive order, effective June 14, 1941, the increased import quota for non-signatory countries is subject to the allocation of a maximum of 20,000 bags for coffee of the Mocha type which may be entered for consumption from April 21 to August 31, 1941, inclusive.

(Prepared by the Bureau of Customs)

TREASURY DEPARTMENT
Washington

FOR IMMEDIATE RELEASE
Wednesday, June 25, 1941.

Press Service
No. 26-12

The Bureau of Customs announced today preliminary figures for imports of coffee subject to quota limitations under the President's proclamation of the Inter-American Coffee Agreement on April 15, 1941.

The following tabulation lists the coffee quotas which have been filled, and shows import figures for the quotas now under telegraphic control as of June 21, 1941. Total imports under the other coffee quotas are shown as of June 14, 1941.

Quota Period	: Revised 1/	: Entered for Consumption
Country of Production:	Quota (lbs.)	: As of (Date) : Pounds
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Ecuador	20,173,016	" 18,317,163
Haiti	36,983,708	" 36,487,962
Peru	3,362,191	" 2,947,165
Non-signatory countries:		
All types of coffee	47,742,641	June 21, 1941 45,953,019 2/
Quota Period - April 22 to August 31, 1941, incl:		
Non-signatory countries:		
Mocha coffee	2,645,520	June 21, 1941 855,898 2/

- 1/ Quotas increased by Inter-American Coffee Board, as of June 1, 1941.
2/ Under the terms of an Executive order, effective June 14, 1941, the increased import quota for non-signatory countries is subject to the allocation of a maximum of 20,000 bags for coffee of the Mocha type which may be entered for consumption from April 21 to August 31, 1941, inclusive.

According to counsel for the Treasury, the decision in the Port Authority case should settle the question whether a Constitutional amendment is necessary to authorize Congress to tax income derived from State and municipal bonds.

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6-25-41

TREASURY DEPARTMENT
Washington

FOR IMMEDIATE RELEASE
Wednesday, June 25, 1941

Press Release
No. 26-13

The Bureau of Internal Revenue today filed its answer to the petition of the Port of New York Authority in the test case intended ultimately to prove in the courts that the Federal Government has the right under the Constitution to tax the income from State and municipal securities. The answer came within three weeks after a taxpayer had disputed this contention before the Board of Tax Appeals.

The Bureau's first step was taken on March 14, 1941, when notices of deficiency were sent to seven bondholders of the Port Authority who had not included interest from their bonds in their tax returns filed on March 15, 1938.

Six of the seven bondholders paid the deficiency in tax claimed by the Treasury Department. The seventh, Alexander J. Shamberg, a Commissioner of the Port of New York Authority, filed his appeal on June 5, 1941.

In its answer, the Treasury maintains its position that public corporations like the Port of New York Authority are neither States, territories, nor "political subdivisions", and that, therefore, the interest from their securities is subject to the Federal income tax under the Internal Revenue Code, and denies Commissioner Shamberg's assertion that the interest on his bonds is exempt.

TREASURY DEPARTMENT
Washington

FOR IMMEDIATE RELEASE
Wednesday, June 25, 1941

Press Release
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According to counsel for the Treasury, the decision in the Port Authority case should settle the question whether a Constitutional amendment is necessary to authorize Congress to tax income derived from State and municipal bonds.

ALPHA

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Reserve Banks and Branches, following which public announcement will be made by the Secretary of the Treasury of the amount and price range of accepted bids. Those submitting tenders will be advised of the acceptance or rejection thereof. The Secretary of the Treasury expressly reserves the right to accept or reject any or all tenders, in whole or in part, and his action in any such respect shall be final. Payment of accepted tenders at the prices offered must be made or completed at the Federal Reserve Bank in cash or other immediately available funds on July 2, 1941.

~~(b)~~
The income derived from Treasury bills, whether interest or gain from the sale or other disposition of the bills, shall not have any exemption, as such, and loss from the sale or other disposition of Treasury bills shall not have any special treatment, as such, under Federal tax Acts now or hereafter enacted. The bills shall be subject to estate, inheritance, gift, or other excise taxes, whether Federal or State, but shall be exempt from all taxation now or hereafter imposed on the principal or interest thereof by any State, or any of the possessions of the United States, or by any local taxing authority. For purposes of taxation the amount of discount at which Treasury bills are originally sold by the United States shall be considered to be interest.

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

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ALPHAX

TREASURY DEPARTMENT

↑
Washington

FOR RELEASE, MORNING NEWSPAPERS,
Friday, June 27, 1941

The Secretary of the Treasury, by this public notice, invites tenders for \$ 100,000,000, or thereabouts, of 91-day Treasury bills, to be issued on a discount basis under competitive bidding. The bills of this series will be dated July 2, 1941, and will mature October 1, 1941, 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, June 30, 1941. Tenders will not be received at the Treasury Department, Washington. Each tender must be for an even multiple of \$1,000, and 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.

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 10 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

S.M. M.M.
26-14

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TREASURY DEPARTMENT
Washington

FOR RELEASE, MORNING NEWSPAPERS,
Friday, June 27, 1941.

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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 10 percent of the face amount of Treasury bills applied for, unless the tenders are accompanied by an express guaranty of payment by an incorporated bank or trust company.

Immediately after the closing hour, tenders will be opened at the Federal Reserve Banks and Branches, following which public announcement will be made by the Secretary of the Treasury of the amount and price range of accepted bids. Those submitting tenders will be advised of the acceptance or rejection thereof. The Secretary of the Treasury expressly reserves the right to accept or reject any or all tenders, in whole or in part, and his action in any such respect shall be final. Payment of accepted tenders at the prices offered must be made or completed at the Federal Reserve Bank in cash or other immediately available funds on July 2, 1941.

The income derived from Treasury bills, whether interest or gain from the sale or other disposition of the bills, shall not have any exemptions, as such, and loss from the sale or other disposition of Treasury bills shall not have any special treatment,

as such, under Federal tax Acts now or hereafter enacted. The bills shall be subject to estate, inheritance, gift, or other excise taxes, whether Federal or State, but shall be exempt from all taxation now or hereafter imposed on the principal or interest thereof by any State, or any of the possessions of the United States, or by any local taxing authority. For purposes of taxation the amount of discount at which Treasury bills are originally sold by the United States shall be considered to be interest.

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

Date
Submitted June 25, 1941

PRESS SECTION
DEFENSE SAVINGS STAFF

NEWSPAPER RELEASE

Mr. Schwarz:

Attached release - Total sale of bonds
for 1st three weeks of June.

For Release Immediate

MM
VFC
Vincent F. Callahan

Approved *H*

H. N. Graves

Time 10⁴⁵

Date 6/26

EWS 6/25
E. W. Sloan

Harford Powel

3⁰⁰

6/26

TREASURY DEPARTMENT

Washington

FOR IMMEDIATE RELEASE,

Press Service

Thursday, June 26, 1941.

26-15

Sales of Defense Savings Bonds during the three weeks ~~ending~~ ^{ended} June 21 totaled \$185,790,000, Secretary Morgenthau reported today. In addition, \$2,125,000 worth of Defense Savings Stamps were sold.

For June 1 to 21, inclusive,

The report is made up of the following items, with figures rounded to even thousands:

Series E Bonds	\$ 70,899,000
Series F Bonds	15,967,000
Series G Bonds	<u>98,924,000</u>

Total Bond Sales (June 1-21 incl.) \$185,790,000

Sale of the Series E Bonds was divided as follows between banks and post offices:

Banks	\$41,627,000
Post Offices	\$29,272,000

TREASURY DEPARTMENT
Washington

FOR IMMEDIATE RELEASE,
Thursday, June 26, 1941.

Press Service
No. 26-15

Sales of Defense Savings Bonds during the three weeks ended June 21 totaled \$185,790,000, Secretary Morgenthau reported today. In addition, \$2,125,000 worth of Defense Savings Stamps were sold.

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Post Offices	\$29,272,000

TREASURY DEPARTMENT

Washington

FOR IMMEDIATE RELEASE,
Friday, June 27, 1941.

Press Service

No. 26-16

Secretary of the Treasury Morgenthau today announced the subscription figures and the basis of allotment for the offering of 1 percent notes of Series W of the Reconstruction Finance Corporation.

Reports received from the Federal Reserve Banks show that subscriptions aggregate \$5,277,000,000. Of this total, about \$210,000,000 were received from holders of Series N notes of the Corporation who tendered a like par amount of such notes to the Secretary for purchase. Such subscriptions were allotted in full, and all other subscriptions were allotted 7 percent, but not less than \$1,000 on any one subscription.

Further details as to subscriptions and allotments will be announced when final reports are received from the Federal Reserve Banks.

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TREASURY DEPARTMENT
Washington

FOR IMMEDIATE RELEASE
Friday, June 27, 1941.

Press Service
No. 26-16

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- 2 -

A No Treasury attorney, according
~~The Treasury Department is without any information with respect~~
to the Department's records,
~~to any of the allegations made that an attorney in the Department~~

Barlow that the inventor
told ~~Barlow~~ owed \$100,000 in connection with his 1936 income

taxes. The records of the Bureau of Internal Revenue ~~files~~ show

that ~~the Bureau contacted Barlow~~ with respect to any taxes other than
~~and 1940 +~~
those for 1939. All dealings with Barlow^{ow} in so far as his 1939 return

were concerned were conducted by correspondence and ~~Barlow~~^{Barlow} has been

advised there is no question concerning his 1939 tax liability.

With respect to ~~his~~^{His} 1940 income tax, ~~this~~^{return} is now being audited by the

Bureau as a matter of ordinary routine.

A

The Treasury Department is without any information with respect to ~~any of the~~ ^{Mr. Barlow's} allegations ~~made~~ that an attorney in the Department told ~~Bureau~~ ^{Barlow} he owed \$100,000 in connection with his 1936 income

taxes. The records of the Bureau of Internal Revenue fail to show

that the Bureau ~~contacted Barlow~~ ^{approached Barlow} with respect to any taxes other than ^{and 1940.} those for 1939, ^{Barlow} All dealings with ~~Barlow~~ in so far as his 1939 return

were concerned were conducted by correspondence and Barlow ~~has~~ ^{ow} been advised there is no question concerning his 1939 tax liability.

With respect to the 1940 income tax, this is now being audited by the Bureau as a matter of ordinary routine.

~~Dept of Treasury press release~~
~~Barlow matter~~

In a statement ^{today} before the Senate Judiciary Subcommittee ~~to~~ ^{a Justice of the United States} considering the nomination of Attorney General Jackson as Supreme Court Justice, ~~Mr.~~ Lester P. Barlow opposed confirmation of the nomination on the ground that Jackson had issued a ruling holding up payment of a \$300,000 claim to him and that this ruling makes every single Government contract subject to extortion. Mr. Barlow said that he had been subjected to blackmail and extortion in trying to get his money and he inferred that the Treasury had been using its tax-collecting ~~facilities~~ machinery to harass him and delay payment of moneys which he claimed justly due him.

~~The facts do not bear out Mr. Barlow's statement. They are as follows:~~ On September 6, 1940, a bill was enacted providing for the payment of approximately \$592,000 to Mr. Barlow in satisfaction of his claim against the United States for infringement of a patent on a ~~bank~~ ^{bomb} which he had invented many years ago. Three days later, on September 9, before the money appropriated by the bill could be paid to Mr. Barlow, papers were served upon Treasury officials in an action which John F. Clark, a Los Angeles lawyer, had that day brought in the ^{Federal} District Court ~~in~~ ^{for} the District of Columbia against Mr. Barlow, the Secretary of the Treasury, and the Treasurer of the United States. The purpose of ~~the~~ ^{Mr. Clark's} suit was to recover half of the money appropriated to Mr. Barlow. Mr. Clark claimed that about 25 years ago he and Mr. Barlow entered into a contingent legal fee arrangement in connection with the invention.

and to prevent the Treasury from making payment to Barlow pending a court decision in the matter

Mr. Barlow, on the other hand, claimed that he had settled with Mr. Clark in 1924 for the sum of \$12,000. This left the Treasury Department, ^{a disinterested stakeholder} holding moneys ~~which were~~ claimed by two persons, ~~a situation in which the Department not infrequently finds itself.~~ On at least two occasions where the Treasury found itself in this situation and paid one of two rival claimants while litigation was pending, the other claimant went to the Supreme Court of the United States and compelled the Department to pay him as well.

These Treasury Dept and the Department of Justice, in order to protect the interests of the Government as well as those of the rival claimants

at least 20 years ago adopted the policy of withholding payment pending the judgment of the courts in determining the rightful ownership.

In view of these circumstances, ~~it is the unfailing practice of the Treasury in matters of this sort where rival claimants are litigating ownership, to moneys in the Treasury to rely on the payment pending the judgment of the courts in determining the rightful ownership.~~ ^{as to} The Clark-Barlow case is still being litigated and the Treasury Department, while it has paid half of the sum appropriated to Mr. Barlow, pursuant to court order, is holding up ~~the~~ payment of the other half until final judicial determination of the matter. The Treasury Department has kept in close touch with the Department of Justice in connection with each step taken, as is its custom in such matters. The Treasury Department files indicate that Attorney General Jackson has never personally participated in the consideration of this case.

170

26-17

Secretary Morgenthau today made public the Treasury's record with respect to the \$300,000 claim ~~against the Government~~ of Lester P. Barlow, inventor, against the United States. The Secretary said that the facts ~~showed~~ in the case do not bear out the testimony of Mr. Barlow this afternoon before the Senate Judiciary Subcommittee considering the nomination of Attorney General Jackson to be an Associate Justice of the United States Supreme Court.

The record in the Barlow case is as follows:

26-17

TREASURY DEPARTMENT
Washington

FOR IMMEDIATE RELEASE,
Friday, June 27, 1941

Press Service
No. 26-17

Secretary Morgenthau today made public the Treasury's record with respect to the \$300,000 claim of Lester P. Barlow, inventor, against the United States. The Secretary said that the facts in the case do not bear out the testimony of Mr. Barlow this afternoon before the Senate Judiciary Subcommittee considering the nomination of Attorney General Jackson to be an Associate Justice of the United States Supreme Court.

The record in the Barlow case is as follows: On September 6, 1940, a bill was enacted providing for the payment of approximately \$592,000 to Mr. Barlow in satisfaction of his claim against the United States for infringement of a patent on a bomb which he had invented many years ago. Three days later, on September 9, before the money appropriated by the bill could be paid to Mr. Barlow, papers were served upon Treasury officials in an action which John F. Clark, a Los Angeles lawyer, had that day brought in the Federal District Court for the District of Columbia against Mr. Barlow, the Secretary of the Treasury, and the Treasurer of the United States. The purpose of Mr. Clark's

suit was to recover half of the money appropriated to Mr. Barlow and to prevent the Treasury from making payment to Barlow pending a court decision in the matter. Mr. Clark claimed that about 25 years ago he and Mr. Barlow entered into a contingent legal fee arrangement in connection with the invention. Mr. Barlow, on the other hand, claimed that he had settled with Mr. Clark in 1924 for the sum of \$12,000. This left the Treasury Department a disinterested stakeholder holding moneys claimed by two persons. On at least two occasions where the Treasury found itself in this situation and paid one of two rival claimants while litigation was pending, the other claimant went to the Supreme Court of the United States and compelled the Department to pay him as well. In view of these circumstances, the Treasury Department and the Department of Justice, in order to protect the interest of the Government as well as those of the rival claimant, many years ago adopted the policy of withholding payment pending the judgment of the courts as to the rightful ownership. The Clark-Barlow case is still being litigated and the Treasury Department, while it has paid half of the sum appropriated to Mr. Barlow, is, pursuant to court order, holding up payment of the other half

until final judicial determination of the matter. The Treasury Department has kept in close touch with the Department of Justice in connection with each step taken, as is its custom in such matters.

No Treasury attorney, according to the Department's records, told Barlow that the inventor owed \$100,000 in connection with his 1936 income taxes. The records of the Bureau of Internal Revenue show that he was not visited by an agent with respect to any taxes other than those for 1939 and 1940. All dealings with Barlow, insofar as his 1939 return was concerned, were conducted by correspondence and Barlow has been advised there is no question concerning his 1939 tax liability. His 1940 income tax return is now being audited by the Bureau as a matter of ordinary routine.

Date

Submitted June 27, 1941

PRESS SECTION
DEFENSE SAVINGS STAFF

NEWSPAPER RELEASE

MM

Mr. Schwarz:

Attached Release on premiere of "Treasure Hour" CBS program, July 2, from Phila. feature
For Release _____
ing Liberty Bell ringing

Vincent F. Callahan

Approved

[Signature]
H. N. Graves

Time 4:15

Date 6/27

[Signature]
E. W. Sloan

Harford Powel

Date

Submitted June 27, 1941

PRESS SECTION
DEFENSE SAVINGS STAFF

NEWSPAPER RELEASE

Mr. Schwarz:

Acceptance of Gov. Nease
Attached release: of W. Va. as Hon. Chrm

For Release Immediate

VC
Vincent F. Callahan

Approved *[Signature]*

H. N. Graves

Time 10:20

Date 6/27

[Signature]
E. W. Sloan

Harford Powel

TREASURY DEPARTMENT

Washington

FOR IMMEDIATE RELEASE
Friday, June 27, 1941

Press Service

The "Spirit of 1776" and 1941 will blend as one next Wednesday night ~~at 9:00~~ ^{July 2nd} when the famous old Liberty Bell ~~will~~ rings out again from Independence Hall in Philadelphia -- for all the world to hear.

This time the bell will ring for National Defense. It will be one of the features of the first "Treasury Hour - Millions for Defense" program aired by the Columbia Broadcasting System, from 9:00 to 10:00 P.M., EDST., Wednesday night. The program, to be carried ~~at~~ ^{following} ~~this time~~ for the ~~next~~ thirteen weeks, will promote the sales of Defense Savings Bonds and Stamps.

Secretary ~~of the Treasury, Henry~~ Morgenthau ~~will~~ dedicate the program and Mayor R. E. Lambertson, of Philadelphia, will strike the Liberty Bell. The premiere of "Treasury Hour - Millions for Defense" will bring to the network audience an all-star array of many of Hollywood and Broadway's greatest names, all in behalf of the nation's Defense Savings Program.

Fred Allen will be ^{master of Ceremonies} ~~emcee~~ for the initial program, which will include Barry Wood, who will sing Irving Berlin's new song "Any Bonds Today"; Grace Moore; Al Goodman's 25-piece orchestra; Mickey Rooney and Judy Garland; and the entire "Information Please" ^{group} ~~crew~~ Clifton Fadiman, Oscar Levant, John Kieran and Franklin P. Adams. The closing feature will come from Hollywood with Charles Laughton giving his reading of Lincoln's "Gettysburg Address" -- significantly on the anniversary of the battle.

AWB
6/27

TREASURY DEPARTMENT

Washington

FOR IMMEDIATE RELEASE

Press Service

June 27, 1941

(3)

Secretary Morgenthau announced ~~today~~ that Governor Matthew M. Neely of West Virginia has accepted the Honorary Chairmanship of ~~his state's~~ *his state's* committee for organization of the National Defense Savings campaign.

This brings to nineteen the number of Governors serving in the campaign ~~to sell Defense Savings Bonds and Stamps.~~

Governor Neely was ~~reelected~~ ^{re-elected} to the United States Senate in 1936 for the term expiring in 1943, but resigned his seat in the Senate upon being elected Governor of West Virginia for the term beginning January 13, 1940.

~~HA~~

The Treasury also announced details of the first program of "Treasury Hour--Millions for Defense," which will be broadcast over the Columbia network from 8 to 9 p.m., E.S.T., ~~Monday~~ Wednesday evening. Secretary Morgenthau will speak, Mayor R. E. Lambertson of Philadelphia will ring the Liberty Bell, with a microphone picking up the tones for broadcast over the nation, and some of the nation's foremost entertainers will present a variety program.

The cast for the initial hour will include Fred Allen, master of ceremonies; Barry Wood, who will sing Irving Berlin's "Any Bonds Today?"; Mickey Rooney, Judy Garland, Clifton Fadiman, Oscar Levant, John Kieran, and Franklin P. Adams of "Information, Please" and Charles Laughton, who will read Lincoln's Gettysburg Address.

The Treasury Hour will be broadcast each Wednesday evening for thirteen weeks.

more

TREASURY DEPARTMENT
WashingtonFOR RELEASE, MORNING NEWSPAPERS,
Sunday, June 29, 1941.
6/28/41Press Service
No. 26-18

An Army P-39 interceptor pursuit plane, the only single-motored craft of its type mounting a 37-mm shell-firing cannon, will be ~~displayed in the~~ ~~area~~ placed on display near the Treasury this week to stimulate the sale of Defense Savings Bonds and Stamps. ~~the Department announced~~

The speedy Airacobra will be open to inspection by the Capital's residents and visitors at Pennsylvania avenue and 14th street, along with other armaments being manufactured for the United States and Great Britain. Price tags on each weapon will show the direct relationship between purchases of Bonds and Stamps and national defense.

more

TREASURY DEPARTMENT
Washington

FOR RELEASE, MORNING NEWSPAPERS
Sunday, June 29, 1941.

Press Service
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Mayor R. E. Lambertson of Philadelphia will ring the Liberty Bell with a microphone picking up the tones for broadcast over the nation and some of the nation's foremost entertainers will present a variety program.

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The Treasury Hour will be broadcast each Wednesday evening for thirteen weeks.

Company C, 141st Infantry, Thirty-Sixth Division at Camp Bowie, Texas, to the last man, has purchased United States Defense Savings Stamps, the Treasury was informed today.

The men who earn from \$21 to \$30 per month, signed up 100 percent on the invitation of Captain Thomas McClure Williams, company commander who made the purchase voluntary for each man.

Captain Williams, who was confined to a hospital, felt he should be doing something for national defense despite his illness. He worked out the plan for ^{voluntary} stamp purchases and presented it to First Sergeant Elihu L. Venable, who secured the cooperation of postal officers and won the unanimous support of the men. More than 200 Defense Stamp albums were brought to the camp for distribution.

In order to get the 100 percent participation, non-commissioned officers carried out some strange errands. One private bought his stamps just before going under the ether for an appendectomy in a Brownwood, Texas hospital. One member of the company went to Fort Sam Houston, carrying stamps to an officer and an enlisted man there. Two men in the company guardhouse were among the first to buy stamps.

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6/23/41

TREASURY DEPARTMENT
Washington

FOR RELEASE, AFTERNOON PAPERS,
Tuesday, July 1, 1941.

6/30/41

~~For Tuesday pm's~~

Press Service
No. 26-19

One infantry company of the United States Army already has hung up a 100 percent record in the purchase of Defense Savings Stamps, the War Department reported to the Treasury today.

The men, who are paid from \$21 to \$30 a month, are members of Company C, 141st Infantry, Thirty-Sixth Division, at Camp Bowie, Texas. They signed up at the suggestion of Captain Thomas McClure Williams, company commander, who called attention to the campaign.

more



TREASURY DEPARTMENT
Washington

FOR RELEASE, AFTERNOON PAPERS,
Tuesday, July 1, 1941.
6/30/41

Press Service
No. 26-19

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Captain Williams, who was confined to a hospital, felt he should be doing something for national defense despite his illness. He worked out the plan for voluntary stamp purchases and presented it to First Sergeant Elihu L. Venable, who secured the co-operation of postal officers and won the unanimous support of the men. More than 200 Defense Stamp albums were brought to the camp for distribution.

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TREASURY DEPARTMENT
Washington

FOR RELEASE, MORNING NEWSPAPERS,
Tuesday, July 1, 1941.
6/30/41

Press Service
No. 26-20

The Secretary of the Treasury announced last evening that the tenders for \$100,000,000, or thereabouts, of 91-day Treasury bills, to be dated July 2 and to mature October 1, 1941, which were offered on June 27, were opened at the Federal Reserve Banks on June 30.

The details of this issue are as follows:

Total applied for - \$281,145,000
Total accepted - 100,880,000

Range of accepted bids:

High	-	99.990	Equivalent rate approximately	0.040	percent
Low	-	99.975	"	"	"
Average price	-	99.978	"	"	"

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

Sum

TREASURY DEPARTMENT
Washington

FOR RELEASE, MORNING NEWSPAPERS,
Tuesday, July 1, 1941.
6/30/41

Press Service
No. 26-20

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The details of this issue are as follows:

Total applied for - \$281,145,000
Total accepted - 100,880,000

Range of accepted bids:

High - 99.990	Equivalent rate	approximately	0.040	percent
Low - 99.975	"	"	0.099	"
Average price - 99.978	"	"	0.087	"

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

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TREASURY DEPARTMENT
Washington

FOR IMMEDIATE RELEASE,
Tuesday, July 1, 1941.

Press Service
No

With fifty-three privately-owned small carft already assigned to active duty by the United States Coast Guard, Rear Admiral Russell R. Waesche, Commandant, today called for an additional 270 vessels for the Service's volunteer reserve. The Admiral said that his second request for reservists was occasioned by increased duties arising from the present national emergency.

"Small vessels are needed in all sections of the country," the Commandant pointed out. "Any owner who wishes to offer his vessel to the United States Coast Guard should communicate with the District Commander of the Coast Guard District in which his boat is harbored."

2
Headquarters,
U. S. Coast Guard,
Washington, D. C.

PRESS RELEASE

COAST GUARD NEEDS SMALL BOATS

There is a pressing need in the Coast Guard for 270 small boats, to be used in all parts of the United States for the increased duties brought about by the national emergency.

Since the call was first issued for this type of craft, boat owners have offered the Coast Guard 53 boats, which have been accepted and assigned to active duty.

Recent legislation ^{giving} the Congress and approved by the President ~~for~~ the Coast Guard authority for acquiring small boats. This legislation created a Coast Guard Reserve, similar to the Naval Reserve, and reorganized the former voluntary Coast Guard Reserve into the present Coast Guard Auxiliary.

Any boat owner may voluntarily proffer his boat to the Coast Guard, but there is no authority in the law to commandeer it. The owner ^{is not required} ~~is not required~~ to go with his boat, ^{but} though in a majority of the cases ~~of boats being offered to the Coast Guard~~ the owner, a member of the Coast Guard Auxiliary, has elected to accompany his boat. To do this, he ^{has} enlisted, or ^{has been} ~~was~~ appointed a temporary member of the Coast Guard Reserve as a commissioned or warrant officer and called to active duty.

In addition to the 53 boats already commissioned and ^{placed} ~~are~~ in active service, the Coast Guard has on hand a number of other boats which are being conditioned preparatory to ^{commissioning} ~~Coast Guard duties~~.

Because of the special duties ^{in which} these privately-owned boats will engage, the Coast Guard is asking for boats between 40 and 50 feet in length and capable of making an average speed of 12 knots. ★

As soon as the boat-owning public becomes aware of the urgency of this situation, the Coast Guard feels certain that the complement necessary to its needs will be filled

TREASURY DEPARTMENT
Washington

FOR RELEASE, AFTERNOON NEWSPAPERS,
Wednesday, July 2, 1941

Press Service
No. 26-21

7/1/41

With fifty-three privately-owned small craft already assigned to active duty by the United States Coast Guard, Rear Admiral Russell R. Waesche, Commandant, today called for an additional 270 vessels for the Service's volunteer reserve. The Admiral said that his second request for reservists was occasioned by increased duties arising from the present national emergency.

"Small vessels are needed in all sections of the country," the Commandant pointed out. "Any owner who wishes to offer his vessel to the United States Coast Guard should communicate with the District Commander of the Coast Guard District in which his boat is harbored."

Recent legislation giving the Coast Guard authority for acquiring small boats created a Coast Guard Reserve, similar to the Naval Reserve, and reorganized the former voluntary Coast Guard Reserve into the present Coast Guard Auxiliary.

Any boat owner may voluntarily proffer his boat to the Coast Guard, but there is no authority in the law to commandeer it. The owner is not required to go with his boat,

but in a majority of the cases the owner, a member of the Coast Guard Auxiliary, has elected to accompany his boat. To do this, he has enlisted or has been appointed a temporary member of the Coast Guard Reserve as a commissioned or warrant officer and called to active duty.

In addition to the fifty-three boats already commissioned and placed in active service, the Coast Guard has on hand a number of other boats which are being conditioned preparatory to commissioning.

Because of the special duties in which these privately-owned boats will engage, the Coast Guard is asking for boats between 40 and 50 feet in length and capable of making an average speed of 12 knots.

filling up their stamp albums can stop inflation with much greater certainty, than if the job of investing in defense were left only to bankers.

But I want to make it clear that in buying United States Defense Stamps, you not only perform a duty, but also take advantage of privilege. When you put seventy-five stamps, coasting 25 cents each, into an album, - or in other words, when you've invested \$18.75, you've made it certain that by purchasing a United States Defense Bond with this money, and holding on to your investment - you'll have \$25 in ten years. Moreover, you can always cash in your investment without loss.

More important than anything else is the fact that every last one of us wants to do his part in furnishing the power which will keep these United States safe, no matter what may happen overseas.

We all hope the little Treasury House in Washington is a grand success, and that there'll be thousands of them all over the country - and that everyone who has ten cents or twenty-five cents to invest, will take advantage of the opportunity of getting acquainted with Uncle Sam in the little Treasury House in his community. In these houses we shall make the words of the new Treasury Bond song come true - we shall buy so much freedom from the freedom man that the democracies of the world need have no fear as to the final outcome of the struggle which today so disturbs all right-thinking men.

Address of Vice President Henry A. Wallace
at Dedication of Treasury House

From: Press Section
Defense Savings Staff
Treasury Department
NATIONAL 6100
Ext. 2547

For Release 12:15 P. M. today
Tuesday, July 1, 1941

For Release at 12:15 P.M. July 1, 1941

VICE-PRESIDENT HENRY A. WALLACE
SPEECH FOR THE DEDICATORY
BROADCAST OF "THE TREASURY HOUSE"
Tuesday, July 1, 1941 - 12:15 P. M.
(To be carried over NBC, Red Network)

~~(INTRODUCTION BY UNDER SECRETARY OF THE TREASURY, DANIEL W. BELL)~~

~~VICE-PRESIDENT WALLACE:~~

Today for the first time the smallest but perhaps one of the most important government buildings has been opened in the very heart of Washington. This little TREASURY HOUSE is only about 15 X 30 feet, but during the next month it is going to do a lot of business. Men, women and children, who might never go into the big Treasury Building or a bank, will come in here with their stamp albums to buy ten-cent - twenty-five-cent - or perhaps even one-dollar United States Defense Stamps. This little TREASURY HOUSE is a symbol of the easiest plan for safe investment of small savings which has yet been discovered.

We are all hoping that this little house will do so much business, that other little houses will be established not only in the suburbs of Washington but also in every county-seat town, and especially in those cities where the defense program has tremendously increased the population.

Prices of all kinds have gone up faster in the recent months than ever before in history. If this rise continues, wages will not buy what they should. Farmers will be dissatisfied, and everyone except the speculators will be troubled. One of the best ways of stopping a disastrous price rise, which would interfere with defense, is to get millions of people buying United States Defense Stamps - filling up their stamps albums regularly - every week. Workers and farmers

the funds with which to purchase Defense materials but also from the economic standpoint. It is highly essential that this Defense program be financed so far as possible from taxes, ~~and~~ ^{to} the extent that taxes are not sufficient then ~~we~~ ^{we must borrow} the real savings of the American people. Every ~~person~~ ^{American} who saves a dollar and invests it in Government securities is helping his country in two ways - one, by reducing the demand for goods for non-defense purposes to which that dollar might otherwise be applied, and two, by placing that same dollar at the disposal of his Government for defense purposes. In this way your Government can purchase the tanks, the ships, the airplanes, and the other material ^e which we need for the defense of this country without placing any new purchasing power in competition with the Defense production. Every purchase of ~~such securities~~ ^{Stamps or Bonds} strikes a double blow - one against rising costs at home on the economic front, and the other against the enemies of democracy abroad. I am sure that all of you appreciate the importance of this and that ~~the country~~ ^{Your country} can count on ~~your~~ your continued and increased support.

And now, ladies and gentlemen, it is a real privilege and a genuine pleasure to present to you the Vice President of the United States. Mr. Vice President, the first Defense Savings Stamp sold at the Treasury House ~~has been purchased for you and it is a pleasure to present it to you at this time.~~

Here today in Washington we have further tangible evidence of the cooperation which America's industry is giving to the Defense campaign. The Standard Oil Company of New Jersey has erected in a public park in the very center of the Nation's Capitol a novel ^{glass} ~~house~~ ~~made~~ ~~entirely of glass and blocks~~ and has presented it to the Treasury Department to be used to promote the sale of Defense Savings securities. It has ^{been} named ~~the house~~ the "Treasury House" and ^{been this} ~~has designed this~~ appropriate motto: ~~found it~~ "Build for defense - Defend what you build." Here one can secure information concerning our Defense Savings Bond program, purchase Defense Savings Stamps, and view some of the types of military equipment ^{obtained with} ~~purchased from~~ funds which you are daily loaning to your Government through the purchase of these securities.

It is indeed with a feeling of gratification that I accept this ^{Treasury House} ~~house~~ on behalf of the Treasury Department from the Standard Oil Company of New Jersey. In doing so I want to express our sincere thanks and appreciation to this company and its officials for this ^{patriotic} ~~generous~~ gift, and I ^{also} want to take this occasion to thank them ~~also~~ for their efforts in the sale of Defense Savings securities through announcements on their daily programs carried over 34 radio stations ^{from Maine to Louisiana} ~~throughout the country~~. ~~They all are real contributions to the great cause and in erecting this house they have presented a symbol of the unselfish and cooperative spirit of industries throughout our land.~~

~~Every effort must be made to keep this program~~ ^{be kept constantly} before the people ~~and to stress~~ ^{that} its importance ^{be stressed} not only from the standpoint of providing

If I should like to emphasize here and now that the Defense Savings campaign is

Address by Daniel W. Bell Undersecretary of the Treasury
at Dedmore 2nd Treasury House
For Room 12:10 P.M., July 1

~~Mr. Vice President, Mr. Secretary, distinguished guests, ladies and gentlemen~~

The President in his address of May 27th declared that an unlimited National emergency ~~existed~~ in our country. Men and women everywhere throughout the United States ~~have rallied to this cause~~ *are rallying to the* of National Defense. Already a million and a half men are serving in our military forces. Workmen in factories producing war materials have doubled and redoubled their efforts, foregoing their holidays, in order that the ~~strengthening of our~~ Nation's defenses may be speeded up. *Civic and public-spirited agencies* ~~Radio stations, moving picture studios, and newspapers~~ have given ~~of their~~ *assistance* valuable ~~time and space~~ to the promotion and sale of ~~United States~~ Defense Savings Bonds and Stamps, through which every American is given an individual opportunity to participate actively in the Defense campaign.

In many of our nation's leading ~~commercial companies~~ *corporations*, the employees universally have subscribed to Defense Savings securities on a weekly or monthly basis. Young Americans in the Nation's schools are also helping by investing their savings. Banks, insurance companies, savings and loan associations, and many other groups are making every effort to help promote the sale of these securities. This defense of America is a great cooperative movement and cooperation is essential if we are to succeed. In ~~our~~ *this* campaign ~~to sell Defense Savings securities~~ I can truly say that we have had splendid cooperation from every one and we do appreciate it.

More

Vice President Henry A. Wallace will speak ^{at 12:15 pm} ~~this noon~~
at ceremonies opening the new Capital information center for
the National Defense Savings campaign at 14th street and
Pennsylvania avenue , ~~the~~ ~~XXXXXXXXXXXXXXXXXXXX~~

~~Undersecretary~~ Daniel C. Bell ~~Undersecretary of the Treasury~~ will
accept the glass-brick building on behalf of the Treasury
and will introduce the vice president . The Army , Navy and
Marine bands will play .

The house which will be used as a center for ~~the~~
dissemination of information about ~~the~~ United States
Defense Bonds and ~~the sale of Defense Stamps~~ ^{and sale of the latter} ~~XXXXXXXXXXXX~~
will be surrounded by displays of ~~the~~ Army , Navy and
Marine Corps ^{equipment} including a 75 mm. howitzer , a Marine " Iglu"
tanks , an anti-aircraft gun , Naval ^{field} ~~field~~ ~~pieces~~ , torpedos,
mines and an Army P 39 ^g ~~air~~ ~~cobra~~ ~~persuit~~ ~~plane~~ . The
plane is due at the National airport at noon after a flight
from Buffalo . The Army will tow it across the Arlington Memorial
Bridge and up Constitution avenue to the display site .

+

Vice President Henry A. Wallace will speak at 12:15 p.m. today at ceremonies opening the new Capital information center for the National Defense Savings campaign at 14th street and Pennsylvania avenue.

Undersecretary Daniel H. Bell will accept the glass-brick building on behalf of the Treasury and will introduce the vice president. The Army, Navy and Marine bands will play.

The house which will be used as a center for dissemination of information about United States Defense Bonds and Stamps and sale of the latter will be surrounded by displays of Army, Navy and Marine Corps equipment including a 75 mm. howitzer, a Marine "Iglu" tanks, an anti-aircraft gun, Naval field pieces, torpedow, mines and an Army P 39 Airacobra pursuit plane. The plane is due at the National airport at noon after a flight from Buffalo. The Army will tow it across the Arlington Memorial Bridge and up Constitution avenue to the display site.

Immediate

26-22

Vice President Henry A. Wallace will speak at 12:15 p.m. today at ceremonies ^{at 14th street and Pennsylvania Avenue} opening the new Capital information center for the National Defense Savings campaign ~~at 14th street and Pennsylvania Avenue.~~

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TREASURY DEPARTMENT
Washington

FOR IMMEDIATE RELEASE
Tuesday, July 1, 1941.

Press Service
No. 26-22

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Address of Vice-President Henry A. Wallace
at Dedication of Treasury House

For Release at 12:15 p.m., July 1, 1941.

Today for the first time the smallest but perhaps one of the most important government buildings has been opened in the very heart of Washington. This little Treasury House is only about 15x30 ft., but during the next month it is going to do a lot of business. Men, women and children, who might never go into the big Treasury Building or a bank, will come in here with their stamp albums to buy ten cent - twenty-five cent - or perhaps even one-dollar United States Defense Stamps. This little Treasury House is a symbol of the easiest plan for safe investment of small savings which has yet been discovered

We are all hoping that this little house will do so much business, that other little houses will be established not only in the suburbs of Washington, but also in every county-seat town, and especially in those cities where the defense program has tremendously increased the population.

Prices of all kinds have gone up faster in the recent months than ever before in history. If this rise continues, wages will not buy what they should. Farmers will be dissatisfied, and everyone except the speculators will be troubled. One of the best ways of stopping a disastrous price rise, which

would interfere with defense, is to get millions of people buying United States Defense Stamps - filling up their stamp albums regularly - every week. Workers and farmers filling up their stamp albums can stop inflation with much greater certainty, than if the job of investing in defense were left only to bankers.

But I want to make it clear that in buying United States Defense Stamps, you not only perform a duty, but also take advantage of privilege. When you put seventy-five stamps, costing 25 cents each, into an album, - or in other words, when you've invested \$18.75, you've made it certain that by purchasing a United States Defense Bond with this money, and holding on to your investment - you'll have \$25 in ten years. Moreover, you can always cash in your investment without loss.

More important than anything else is the fact that every last one of us wants to do his part in furnishing the power which will keep these United States safe, no matter what may happen overseas.

We all hope the little Treasury House in Washington is a grand success, and that there'll be thousands of them all over the country - and that everyone who has ten cents or twenty-

five cents to invest, will take advantage of the opportunity of getting acquainted with Uncle Sam in the little Treasury House in his community. In these houses we shall make the words of the new Treasury Bond song come true - we shall buy so much freedom from the freedom man that the democracies of the world need have no fear as to the final outcome of the struggle which today so disturbs all right-thinking men.

Address of Daniel W. Bell, Under Secretary of
the Treasury at Dedication of "Treasury House"

For Release 12:15 P.M., July 1, 1941.

The President in his address of May 27 declared an unlimited National Emergency in our country. Men and women everywhere throughout the United States are rallying to the cause of National Defense. Already a million and a half men are serving in our military forces. Workmen in factories producing war materials have doubled and redoubled their effort, foregoing their holidays, in order that the Nation's defenses may be speeded up. Civic and public-spirited agencies have given valuable assistance to the promotion and sale of Defense Savings Bonds and Stamps, through which every American is given an individual opportunity to participate actively in the Defense campaign.

In many of our nation's leading corporations, the employees universally have subscribed to Defense Savings securities on a weekly or monthly basis. Young Americans in the Nation's schools are also helping by investing their savings. Banks, insurance companies, savings and loan associations, and many other groups are making every effort to help promote the sale of these securities. This defense of America is a great cooperative movement and cooperation is essential if we are to succeed. In this campaign I can truly say that we have had splendid cooperation from every one and we do appreciate it.

Here today in Washington we have further tangible evidence of the cooperation which America's industry is giving to the Defense campaign. The Standard Oil Company of New Jersey has erected in a public park in the very center of the Nation's Capitol a novel glass house and has presented it to the Treasury Department to be used to promote the sale of Defense Savings securities. It has been named the "Treasury House" and bears this appropriate motto: "Build for defense - Defend what you build." Here one can secure information concerning our Defense Savings Bond program, purchase Defense Savings Stamps, and view some of the types of military equipment obtained with funds which you are daily loaning to your Government through the purchase of these securities.

It is indeed with a feeling of gratification that I accept this Treasury House on behalf of the Treasury Department from the Standard Oil Company of New Jersey. In doing so I want to express our sincere thanks and appreciation to this company and its officials for this patriotic gift, and I also want to take this occasion to thank them for their efforts in the sale of Defense Savings securities through announcements on their daily programs carried over 34 radio stations from Maine to Louisiana.

I should like to emphasize here and now that the Defense Savings campaign is a continuing effort. Therefore, it is imperative that this program be kept constantly before the people and that its importance be stressed, not only from the standpoint of providing the funds with which to purchase Defense materials but also from the economic standpoint. It is highly essential that this Defense program be financed so far as possible from taxes. To the extent that taxes are not sufficient, then we must borrow the real savings of the American people. Every American who saves a dollar and invests it in Government securities is helping his country in two ways - one, by reducing the demand for goods for non-defense purposes to which that dollar might otherwise be applied, and two, by placing that same dollar at the disposal of his Government for defense purposes. In this way your Government can purchase the tanks, the ships, the airplanes, and the other materiel which we need for the defense of this country without placing any new purchasing power in competition with the Defense production. Every purchase of stamps or bonds strikes a double blow - one against rising costs at home on the economic front, and the other against the enemies of democracy abroad. I am sure that all of you appreciate the importance of this and that your country can count on your continued and increased support.

TREASURY DEPARTMENT
Washington

IMMEDIATE RELEASE

July 1, 1941

Press Service

NO

United States Coast Guard
Coast Guard cutters from Secretary of the Navy took over the operation and maintenance of twenty-two radio direction finder stations located along the ~~Atlantic, Gulf and Pacific~~ coasts of territorial United States.

These stations ~~were~~ ^{are} used to determine the location of any ship - navy, merchant or other - along the coast whose master may not know his exact location. ^{Such vessels} In operation the ship will radio a master station for this information, and the master station ~~will~~ relay the information to stations on either side of it, the three then ~~charting~~ ^{charting the position} the longitude and latitude of the distressed ship and sending it to her.

Every one of these stations has been equipped for this service, and a complement of 130 Coast Guard personnel has been trained ~~to~~ ^{operate} the duty of ~~operating~~ the direction finders.

The stations selected for ~~this~~ ^{the} important work are:

Cape Elizabeth, Maine; ~~outside~~ ^{Portland} Maine
Deer Island, Boston ~~harbor~~ ^{Mass}
Fourth Cliff, Cape Cod, Mass.
North Touro, Cape Cod, ~~Mass~~ ^{Mass}
Surfside, ~~entrance to~~ ^{Boston} harbor ~~Mass~~ ^{Mass}
Fire Island, ~~south side of~~ Long Island,
Manasquan, ~~New Jersey~~ ^{coast}.
Cape May, ~~on southern tip of~~ New Jersey.
Cape Henlopen, ~~Delaware~~ ^{Bay opposite Cape May,}
Bethany Beach, Delaware.
Virginia Beach, ^{Virginia}
Cape Hatteras, North Carolina.
Cape Lookout, North Carolina.
Galveston, Texas.
Point Fermin, California.
Point Hueneme, California.
Point Montara, California.
Point Reyes, ~~San Francisco~~ ^{California}
Empire, Oregon.
Fort Stevens, Oregon.
Klipsan Beach, Washington.
Tattoosh Island, Washington.

Treasury Department
Washington

Commercial Release

July 1 - 1941

Press Release

No 26-23

Operation of twenty-two radio direction-finder stations located on the Atlantic, Pacific and Gulf coasts of the United States, ~~was previously under the direct charge~~ today was ^{taken over by} ~~placed under direct charge~~ ^{as the result of} of the United States Coast Guard, ~~under~~ an agreement between Secretary ~~of the Treasury~~ Morgenthau and Secretary of the Navy Knox. Previously the stations had been operated by the United States Navy.

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TREASURY DEPARTMENT
Washington

FOR IMMEDIATE RELEASE,
Tuesday, July 1, 1941.

Press Service
No. 26-23

Operation of twenty-two radio direction-finder stations on the Atlantic, Pacific and Gulf coasts today was taken over by the United States Coast Guard as the result of an agreement between Secretary Morgenthau and Secretary of the Navy Knox. Previously the stations had been operated by the United States Navy.

These stations are used to determine the location of any ship - Navy, merchant or other - along the coast whose master may not know his exact location. Such vessels radio a master station for this information, and the master station relays the information to stations on either side of it, the three then charting the position of the distressed ship and sending it to her.

Every one of these stations has been equipped for this service, and a complement of 130 Coast Guard personnel has been trained to operate the direction finders.

The stations selected for the work are:

Cape Elizabeth, Maine; Portland, Maine.
Deer Island, Boston, Massachusetts.
Surfside, Boston, Massachusetts.
Fourth Cliff, Cape Cod, Massachusetts.
North Touro, Cape Cod, Massachusetts.
Fire Island, Long Island.

Manasquan, New Jersey.
Cape May, New Jersey.
Cape Henlopen, Delaware.
Bethany Beach, Delaware.
Virginia Beach, Virginia.
Cape Hatteras, North Carolina.
Cape Lookout, North Carolina.
Galveston, Texas.
Point Fermin, California.
Point Hueneme, California.
Point Montara, California.
Point Reyes, San Francisco, California.
Empire, Oregon.
Fort Stevens, Oregon.
Klipsan Beach, Washington.
Tattoosh Island, Washington.

TREASURY DEPARTMENT
Washington

FOR IMMEDIATE RELEASE,
Wednesday, July 2, 1941

Press Service
No. 26 - 24

The following statement is made today by Secretary Morgenthau:

The net results of the financial operations of the Government for the fiscal year 1941 are now available on the basis of the figures appearing in the Daily Treasury Statement for June 30, 1941. Financial operations of the Government for the fiscal year 1941 reflected an increase of \$2,220,000,000 in receipts and an increase of \$3,712,000,000 in expenditures over the preceding year. Total receipts for 1941, excluding Social Security employment taxes of \$661,000,000 appropriated to Federal old-age and survivors insurance trust fund, amounted to \$7,607,000,000 as compared with \$5,387,000,000^{1/} in 1940. Total expenditures, exclusive of debt retirements, were \$12,710,000,000 as compared with \$8,998,000,000^{1/} in 1940. The net deficit (excluding debt retirements) for the fiscal year 1941 was \$5,103,000,000 as compared with a net deficit of \$3,611,000,000 for 1940.

^{1/} In order to put on a comparable basis with 1941, the expenditures made in 1940 under transfers to Federal old-age and survivors insurance trust fund in the amount of \$538,000,000 have been deducted from total receipts and expenditures.

The following table shows (1) receipts and expenditures for the fiscal year 1940; (2) receipts and expenditures for the fiscal year 1941; and (3) the increase or decrease in 1941 receipts and expenditures as compared with the fiscal year 1940:

RECEIPTS AND EXPENDITURES

FISCAL YEARS 1940 AND 1941

(In millions of dollars)

	ACTUAL		
	1940	1941	Increase (+) Decrease (-)
Receipts:			
Internal revenue:			
Income tax	2,125	3,470	+ 1,345
Miscellaneous internal revenue	2,345	2,967	+ 622
Social security taxes	712	788	+ 76
Taxes upon carriers and their employees	121	137	+ 16
Railroad unemployment insurance contributions	5	7	+ 2
Customs	349	392	+ 43
Miscellaneous receipts:			
Return of surplus funds from Governmental corporations	b/ 54	319	+ 265
Other	234	188	- 26
Total receipts	5,925	8,268	+ 2,343
Deduct net appropriations for Federal old-age and survivors insurance trust fund	538	661	+ 123
Net receipts	5,387	7,607	+ 2,220
Expenditures:			
I. General (including recovery and relief):			
Departmental	810	811	+ 1
Department of Agriculture:			
Agricultural adjustment program	1,020	968	- 52
Commodity Credit Corporation - Restoration of capital impairment	120	-	- 120
Farm Credit Administration:			
Capital stock reduction, Banks for cooperatives	-	a/ 60	- 60
Other	4	3	- 1
Federal Farm Mortgage Corporation	7	9	+ 2
Federal land banks:			
Reduction of Capital Stock and Surplus	-	a/ 100	- 100
Other	29	29	-
Farm Security Administration	158	62	- 96
Farm Tenant Act	42	27	- 15
Rural Electrification Administration	38	24	- 14
Forest roads and trails	12	8	- 4
Department of the Interior:			
Reclamation projects	96	86	- 10
Post Office Department (deficiency)	41	30	- 11
Treasury Department:			
Interest on the public debt	1,041	1,111	+ 70
Refunds of taxes and duties	91	90	- 1
District of Columbia (United States share)	6	6	-
Federal Loan Agency:			
Federal Housing Administration	7	10	+ 3
Reconstruction Finance Corporation	6	-	- 6
Other	1	1	-
Federal Security Agency:			
Civilian Conservation Corps	283	257	- 26
National Youth Administration	95	136	+ 41
Social Security Board	364	423	+ 59
Other	57	127	+ 70
Federal Works Agency:			
Public Buildings Administration	75	69	- 6
Public Roads Administration	165	174	+ 9
Public Works Administration	288	103	- 185
United States Housing Authority	2	6	+ 4
Work Projects Administration	1,477	1,285	- 192
Other	8	7	- 1
Railroad Retirement Board	39	51	+ 12
Tennessee Valley Authority	213	219	+ 6
River and harbor work and flood control	25	39	+ 14
Panama Canal	557	553	- 4
Veterans' Administration			
Subtotal	7,177	6,564	- 613
II. National defense:			
War Department	667	3,635	+ 2,968
Navy Department	892	2,217	+ 1,325
National defense funds for the President	-	103	+ 103
Selective Service (administrative expenses)	-	18	+ 18
Emergency ship construction (United States Maritime Commission)	-	12	+ 12
Defense aid (lend-lease)	-	21	+ 21
National defense housing (Federal Works Agency)	-	42	+ 42
Subtotal	1,559	6,048	+ 4,489
III. Revolving funds (net):			
Farm Credit Administration:			
Reduction of Capital Stock of Production Credit Corporation and Federal Intermediate Credit Banks	-	a/ 55	- 55
Other	b/ 5	a/ 4	+ 1
Federal Farm Mortgage Corporation (capital stock reduction, act June 25, 1940)	-	a/ 100	- 100
Public Works Administration	59	23	- 36
Subtotal	54	a/ 136	- 190
IV. Transfers to trust accounts, etc.:			
Railroad retirement account	121	124	+ 3
Railroad unemployment insurance administration fund transfers to unemployment trust fund (act Oct. 10, 1940)	-	7	+ 7
Adjusted service certificate fund	-	10	+ 10
Government employees' retirement funds (United States share)	87	93	+ 6
Subtotal	208	234	+ 26
Total expenditures (exclusive of debt retirements)	8,998	12,710	+ 3,712
Net deficit	3,611	5,103	+ 1,492

a/ Excess of credits, deduct.

b/ Includes \$43,756,731.01 representing repayment of amounts paid to the Commodity Credit Corporation for capital impairment.

c/ (Net). Reflects credit of \$24,500,000 representing return of surplus funds.

Of the total increase in general receipts for the fiscal year 1941 over those for 1940, \$1,345,000,000 was accounted for by an increase in income taxes; \$622,000,000 in miscellaneous internal revenue; \$43,000,000 in customs duties; \$16,000,000 in taxes upon carriers and their employees; \$2,000,000 in Railroad Unemployment Insurance contributions; and \$239,000,000 in miscellaneous receipts. The miscellaneous receipt items include for the fiscal year 1941, \$319,000,000 of deposits in the Treasury on account of the return of capital by various Governmental corporations. A comparable figure for the fiscal year 1940 reflected a deposit of \$44,000,000 on account of the repayment of capital funds previously advanced to the Commodity Credit Corporation for restoration of its capital and \$10,000,000 from Federal Savings and Loan Associations.

In the fiscal year 1941, following recommendations of the President in his Budget Message of January 3, 1940, certain Governmental corporations returned a portion of their surplus funds to the Treasury. The following table shows the amounts returned by each corporation and their effect upon receipts and expenditures for the fiscal year 1941:

Return of Capital Funds by Governmental Corporations

	Budget Estimate (p. XXI, 1942 Budget)	Actual Fiscal Year 1941
<u>Miscellaneous Receipts</u>		
Federal savings and loan associations	\$ 35,000,000	\$10,466,200
Reconstruction Finance Corporation:		
Purchase of stock of federal home loan banks..	124,741,000	124,741,000
Reduction in capital or surplus funds	175,259,000	175,000,000
Purchase of securities from Public Works Admn.	25,500,000	9,000,000
Subtotal	<u>360,500,000</u>	<u>319,207,200</u>
<u>Repayments to Revolving Funds</u>		
Farm Credit Administration:		
Banks for cooperatives	60,000,000	60,000,000
Production credit corporations	15,000,000	15,000,000
Federal intermediate credit banks	40,000,000	40,000,000
Federal Farm Mortgage Corporation	100,000,000	100,000,000
Federal land banks:		
Paid-in surplus	42,517,085	42,517,085
Capital stock	57,482,915	57,482,915
Public Works Administration	24,500,000	14,000,000
Subtotal	<u>339,500,000</u>	<u>329,000,000</u>
Grand total	<u>700,000,000</u>	<u>648,207,200</u>

The net receipts for the fiscal year 1941, which amounted to \$7,607,000,000, were \$594,000,000 more than the estimated receipts for this period of \$7,013,000,000 in the Budget Message of January 3, 1941.

The total expenditures for the fiscal year 1941 (exclusive of debt retirement) amounted to \$12,710,000,000, which were \$492,000,000 less than the estimated expenditures for this period as contained in the Budget Message of January 3, 1941. Total expenditures on a comparable basis were estimated in the Budget Message at \$13,202,000,000.

The general expenditures of the Government amounted to \$6,564,000,000 for the fiscal year 1941 as compared with \$7,177,000,000 for the fiscal year 1940, a decrease of \$613,000,000. Credit for a return of surplus funds of Governmental corporations accounted for \$160,000,000 of this reduction.

The National Defense expenditures amounted to \$6,048,000,000 for the fiscal year 1941 as compared with \$1,559,000,000 for the fiscal year 1940, an increase of \$4,489,000,000. Of the total expenditures for National Defense, \$3,635,000,000 were made by the War Department; \$2,217,000,000 by the Navy Department, \$121,000,000 under the President's National Defense funds and for Selective Service; \$12,000,000 for emergency ship construction (Maritime Commission); \$21,000,000 for defense aid (lend-lease); and \$42,000,000 for national defense housing (Federal Works Agency).

FINANCING NET DEFICIT AND OTHER REQUIREMENTS

The following table shows the sources which provided the funds to finance the net deficit of \$5,103,000,000, the excess of expenditures in trust accounts, etc., of \$148,000,000, and the increase in the general fund balance of \$743,000,000:

(In millions of dollars)

Net deficit, excluding debt retirements			\$5,103
Excess of receipts (-) or expenditures (✓) in			
(a) Trust accounts	\$ - 72		
(b) Checking accounts of governmental agencies	✓225		
(c) Other accounts	<u>- 5</u>	148	
Increase in general fund balance		<u>743</u>	
Total requirements			<u>5,994</u>

Means of financing:

Public debt receipts (net) from

(a) Market issues:

Treasury bills	\$ 324		
U. S. Savings Bonds	1,409		
Other issues	<u>2,916</u>	\$4,649	

(b) Special issues:

Unemployment Trust Fund ..	563		
Federal Old-Age and Survivors Insurance Trust Fund	643		
Other accounts	<u>139</u>	<u>1,345</u>	<u>5,994</u>

THE PUBLIC DEBT

The gross public debt on June 30, 1941, amounted to \$48,961,000,000 as compared with \$42,967,000,000 on June 30, 1940, an increase of \$5,994,000,000. The following statement shows the public debt as of June 30, 1940, and June 30, 1941, classified by character of issues, as between regular issues sold on the market and special issues held for account of Government trust and special funds. It should be noted that, of the net increase of \$5,994,000,000 in the amount of the public debt during the year, \$4,649,000,000 represented an increase in the amount of outstanding issues in the market and \$1,345,000,000 an increase in special issues.

Statement of the Outstanding Public
Debt on June 30, 1940, and June 30, 1941
(In millions of dollars)

	<u>1940</u>	<u>1941</u>	1941 Increase (+) Decrease (-)
<u>Public issues</u>			
Prewar and postal savings bonds ...	196	196	-
Treasury bonds	26,555	30,215	+ 3,660
U.S. Savings bonds	2,905	4,314	+ 1,409
Adjusted service bonds	261	241	- 20
Treasury notes	6,383	5,698	- 685
Treasury bills	1,302	1,603	+ 301
Matured debt on which interest has ceased	204	205	+ 1
Debt bearing no interest	386	369	- 17
Subtotal	38,192	42,841	+ 4,649
<u>Special issues</u>			
Government Life Insurance Fund	525	531	+ 6
National Service Life Insurance Fund	-	3	+ 3
Federal Old-Age and Survivors Insurance Trust Fund	1,738	2,381	+ 643
Railroad Retirement Account	79	74	- 5
Government retirement funds	559	656	+ 97
Adjusted Service Certificate Fund .	11	19	+ 8
Unemployment Trust Fund	1,710	2,273	+ 563
Postal Savings System	97	88	- 9
Federal Deposit Insurance Corporation	56	90	+ 34
Federal Savings & Loan Insurance Corporation	-	5	+ 5
Subtotal	4,775	6,120	+ 1,345
Grand total	42,967	48,961	+ 5,994

The computed rate of interest on the total interest-bearing debt registered slight variations during the year and was 2.518% on June 30, 1941, as compared with 2.583% on June 30, 1940. Interest payments on the public debt increased from \$1,041,000,000 in 1940 to \$1,111,000,000 in 1941.

The following table shows market issues of Treasury Notes, Treasury Bonds, and United States Savings Bonds offered by the Treasury during the fiscal year 1941, including refunding operations:

	Issue Date	Maturity Date	Rate	Face Amounts Issued (In millions)		
				Exchanges	Cash	Total
<u>Treasury Notes</u>						
B-1945	12/18/40	12/15/45	3/4%	--	\$ 530.8	\$ 530.8
D-1944	1/31/41	9/15/44	3/4%	--	635.1	635.1
D-1943	3/15/41 ^{1/}	3/15/43	3/4%	\$ 32.4	--	32.4
D-1943	3/31/41 ^{1/}	3/15/43	3/4%	32.6	--	32.6
D-1943	6/2/41 ^{1/}	3/15/43	3/4%	.9	--	.9
<u>Treasury Bonds</u>						
1954-56	7/22/40	6/15/56	2-1/4%	--	680.7	680.7
1953-55	10/7/40	6/15/55	2%	724.7	--	724.7
1943-50	3/15/41	3/15/50	2%	1,115.4	--	1,115.4
1952-54	3/31/41	3/15/54	2-1/2%	447.4	576.1	1,023.5
1956-58	6/2/41	3/15/58	2-1/2%	786.4	661.7	1,448.1
United States Savings Bonds (net) ^{2/}					1,409.3	1,409.3
Total bonds and notes				3,139.8	4,493.7	7,633.5

^{1/} Additional to 3/15/41 issue.

^{2/} Including discount accrued during the year.

On June 30, 1940, the face amount of bonds, Certificates of Indebtedness, Treasury Bills and Notes authorized to be outstanding at any one time was limited by section 21(a) of the Second Liberty Bond Act, as amended, to \$45,000,000,000,

and in addition under section 21(b) of that Act, Certificates of Indebtedness and Treasury Notes designated "National Defense series" were authorized to be outstanding in the face amount of \$4,000,000,000, less any retirements made from National Defense taxes collected under the Revenue Act of 1940. The unused borrowing authorization as of June 30, 1940, was \$1,781,000,000 under the general limitation and \$4,000,000,000 under the national defense limitation, or a total of \$5,781,000,000.

The Public Debt Act of 1941, approved February 19, 1941, effective March 1, 1941, amended the Second Liberty Bond Act, as amended, by repealing the special National Defense series limitation, and by increasing the limitation on the general borrowing power under the Second Liberty Bond Act, as amended, to \$65,000,000,000. As of June 30, 1941, the unused borrowing authorization under this limitation was \$15,506,411,269 as shown by the following statement:

STATUTORY DEBT LIMITATION AS OF JUNE 30, 1941

Total face amount of bonds, savings bonds, certificates, bills, notes, savings certificates, stamps, etc., which may be outstanding at any one time			\$65,000,000,000
Outstanding as of June 30, 1941:			
Interest-bearing:			
Bonds -			
Treasury	\$30,215,059,200		
Savings (maturity value)*	5,424,014,225		
Adjusted Service	<u>740,720,406</u>	\$36,379,793,831	
Treasury notes	\$ 9,026,068,500		
Certificates of indebtedness	2,292,300,000		
Treasury bills (maturity value)	<u>1,603,196,000</u>	<u>12,921,564,500</u>	
		\$49,301,358,331	
Matured obligations, on which interest has ceased		<u>192,230,400</u>	<u>49,493,588,731</u>
Face amount of obligations issuable under above authority			<u>\$15,506,411,269</u>
<u>Reconcilement with Daily Statement of the United States Treasury</u>			
<u>June 30, 1941</u>			
Total face amount of outstanding public debt obligations issued under authority of the Second Liberty Bond Act, as amended			\$49,493,588,731
Deduct, unearned discount on Savings bonds (difference between current redemption value and maturity value)			<u>1,110,061,173</u>
			\$48,383,527,558
Add other public debt obligations outstanding but not subject to the statutory limitation:			
Interest-bearing (pre-war, etc.)	\$ 196,102,380		
Matured obligations on which interest has ceased		12,769,460	
Bearing no interest		<u>369,044,137</u>	<u>577,915,977</u>
Total gross debt outstanding as of June 30, 1941			<u>\$48,961,443,535</u>

*Approximate maturity value. Principal amount (current redemption value) according to preliminary public debt statement \$4,313,953,052.

THE GUARANTEED DEBT

The contingent liabilities of the Government in the form of guarantees as to principal and interest on outstanding obligations of Governmental corporations and credit agencies amounted to \$6,373,000,000 on June 30, 1941, as compared with \$5,532,000,000 on June 30, 1940, an increase of \$841,000,000. A statement of those items as of June 30, 1940, and June 30, 1941, is as follows:

STATEMENT OF AMOUNT OF OUTSTANDING OBLIGATIONS
AND INTEREST THEREON GUARANTEED BY THE UNITED
STATES AS OF JUNE 30, 1940 AND JUNE 30, 1941 ^{1/}

(In millions of dollars)

	<u>1940</u>	<u>1941</u>	1941	
			Increase (✓)	Decrease (-)
Commodity Credit Corporation	407	696	✓	289
Federal Farm Mortgage Corporation ..	1,271	1,271		-
Federal Housing Administration	7	17	✓	10
Home Owners' Loan Corporation	2,637	2,421	-	216
Reconstruction Finance Corporation	1,096	1,742	✓	646
United States Housing Authority	114	226	✓	112
Total	5,532	6,373	✓	841

^{1/} Does not include obligations held directly by the Treasury.

Market issues of guaranteed obligations offered by the Treasury on behalf of Governmental agencies during the fiscal year 1941, including refunding operations, were as follows:

<u>Agency and Title of Issue</u>	<u>Issue Date</u>	<u>Maturity Date</u>	<u>Rate</u>	<u>Face Amounts Issued (In Millions)</u>
Commodity Credit Corporation Notes:				
Series F	8/1/40	5/1/43	3/4%	\$ 289.5
Reconstruction Finance Corpo- ration Notes:				
Series U	4/17/41	10/15/42	7/8%	319.9
Series V	4/17/41	7/15/43	1-1/8%	324.4
United States Housing Authority Notes:				
Series E	11/1/40	11/1/41	1/4%	<u>112.1</u>
	Total			\$1,045.9

LOANS AND INVESTMENTS

The Government's interest in the net assets (excluding cash on deposit with the Treasurer of the United States) represented by loans and other investments of Governmental corporations and credit agencies amounted to \$3,022,000,000 as of May 31, 1941, as compared with \$3,427,000,000 on May 31, 1940, a net decrease of \$405,000,000.

TREASURY FINANCING OPERATIONS

During the fiscal year 1941 new issues of Treasury Notes, Treasury Bonds, and United States Savings Bonds (including discount accrued during the year) sold to the public aggregated \$7,633,500,000 as compared with \$4,520,000,000 during the fiscal year 1940. The computed rate of interest on all such new issues was 2.14% as compared with the computed rate of 1.832% on similar issues for the fiscal year 1940. Approximately 40% of the securities issued in 1940 were short-term, whereas only 17% of those issued in 1941 were of this character.

The amount of Treasury Bills outstanding increased from \$1,302,000,000 on June 30, 1940, to \$1,603,000,000 on June 30, 1941.

The Treasury refunded three issues of Treasury notes maturing during the fiscal year 1941, an issue of Treasury Bonds which was called for redemption on March 15, 1941, and an issue of Treasury Bonds maturing on August 1, 1941, aggregating in all \$3,297,069,950. Of this aggregate amount of maturing notes and maturing and called bonds, \$3,139,824,150

were exchanged for an equivalent amount of new Treasury Notes and Treasury Bonds. The annual interest charge on the maturing notes and bonds exchanged amounted to \$69,397,969, equivalent to an annual rate of 2.21%; whereas, the annual interest charge on the new issues amounts to \$68,141,008, equivalent to an annual rate of 2.17%. The saving in the annual interest charge of more than \$1,000,000 was accomplished despite the fact that about 60% of the securities refunded into long term bonds were short notes.

Because of the continuation of the disturbed conditions throughout the world during the last fiscal year, the Treasury continued the policy adopted in 1940 with respect to its financing operations. The Treasury's cash offerings of securities were made when market conditions were most favorable. The refunding of Treasury obligations maturing on December 15, 1940, which were the first obligations maturing in the fiscal year, was anticipated by the Treasury on October 7, 1940. The holders of Treasury Notes maturing

March 15, 1941, and Treasury Bonds called for redemption on that date, were given an opportunity to exchange such notes and bonds for new notes and bonds dated March 15, 1941. On March 31, 1941, the Treasury anticipated the June 15, 1941, maturity of Treasury Notes by offering a new bond issue and additional notes of the series issued March 15, 1941, in exchange for such maturing notes. Similarly, on June 2, 1941, the Treasury anticipated the August 1, 1941, maturity of Treasury Bonds by offering a new bond issue and additional notes of the series dated March 15, 1941, in exchange for the maturing bonds. The Treasury also handled three financing operations of agencies authorized to issue obligations guaranteed as to principal and interest by the United States.

The Treasury first issued United States Savings Bonds in March, 1935, and has kept them continuously on sale since that time. The bonds issued prior to April 30, 1941, were sold on a discount basis and matured in 10 years. They yielded about 2.90% if held to maturity but could be redeemed prior to maturity, after 60 days from issue date, at a smaller rate of income. These bonds were limited to \$10,000 maturity

value purchased by any one owner in any calendar year. On April 1, 1940, further sales of such bonds were limited to individuals.

On May 1, 1941, the Treasury offered three new issues of United States Savings Bonds, designated as Defense Savings Bonds of Series E, and Defense Series F and G. Series E, the successor to those issued prior to April 30, 1941, are issued on a discount basis and mature in 10 years. The yield on this series is about 2.90% if held to maturity and at lesser rates if redeemed prior to maturity. Series E bonds are issued only to individuals and the amount which may be purchased by any one owner in any one calendar year is limited to \$5,000 maturity value. The other issues of Savings Bonds mature in 12 years. Series F, issued on a discount basis, yields about 2.53% if held to maturity, and Series G, issued at par and paying income semi-annually, yields 2.50% if held to maturity. Both issues may be redeemed prior to maturity, in which event the rate of income yielded is less. Any person or company may purchase Series F and G Savings Bonds, except commercial banks which accept demand deposits. One owner may not purchase in any one calendar year more than \$50,000, issue price of Series F or G Savings Bonds or of the two series combined.

Receipts and redemptions on account of Savings Bonds during 1941, as compared with prior years, were as follows:

<u>Fiscal Year</u>	<u>Receipts</u>	<u>Redemptions</u>
1941	\$1,557,000,000	\$148,000,000
1940	1,151,000,000	114,000,000
1939	712,000,000	82,000,000
1938	505,000,000	67,000,000
1937	520,000,000	36,000,000
1936	265,000,000	11,000,000
1935	63,000,000	1,000,000

The Treasury announced on May 27, 1941, that provision had been made for a special issue of bonds of the United States, designated 2 per cent depositary bonds, which may be subscribed for at par by depositaries and financial agents of the Treasury. The bonds will bear interest at the rate of 2% per annum, payable on a semiannual basis, from the date payment therefor is received, and will mature 12 years from such date. They may be redeemed at the option of the United States or of the depositaries and financial agents, in whole or in part, at par and accrued interest, at any time, upon not less than 30 nor more than 60 days' notice in writing given by either party to the other. Bonds will be issued in registered form only in the name of the Treasurer of the United States in trust for the

depositories and financial agents to which they are allotted and they will not be transferable. They will be acceptable as collateral to secure deposits of Federal funds with, and the faithful performance of duties by, depositories and financial agents and may not be obtained or used for any other purpose. No depositary bonds were issued prior to June 30, 1941.

TREASURY ISSUES

The financing on July 22, 1940, which was announced on July 11, 1940, consisted of an offering to the public for cash, at par and accrued interest, of \$600,000,000, or thereabouts, of 2-1/4% Treasury Bonds of 1954-56, maturing June 15, 1956. In addition to the public offering, provision was made to sell \$50,000,000 of these bonds to Government investment accounts. For the benefit of small investors, preferential allotment was given to subscriptions for \$5,000 and under, where delivery in registered bonds 90 days after the issue date was specified. A face amount of \$680,692,350 of Treasury Bonds of 1954-56, including \$50,000,000 sold to Government investment accounts and about \$39,000,000 on preferred allotments, was issued.

On September 25, 1940, the holders of \$737,161,600 of 1-1/2% Treasury Notes of Series C-1940, maturing December 15, 1940, were offered the privilege of exchanging such notes for

2% Treasury Bonds of 1953-55, dated October 7, 1940, and maturing June 15, 1955. Exchanges were made par for par, with interest adjustment as of October 7, 1940. Cash subscriptions were not invited. The face amount of Treasury Bonds of 1953-55 issued in exchange for the C-1940 Notes was \$724,677,900.

The December 18, 1940, financing, announced on December 11, consisted of an issue of 3/4% Treasury Notes of Series B-1945, National Defense Series, dated December 18, 1940, maturing December 15, 1945. These notes were offered for cash subscription only and the offering was for \$500,000,000, or thereabouts. A total of \$530,838,700 face amount of this series of notes was issued.

On January 23, 1941, there was announced an offering to the public for cash, at par and accrued interest, of \$600,000,000, or thereabouts, of 3/4% Treasury Notes of Series D-1944, National Defense Series, dated January 31, 1941, due September 15, 1944. There were \$635,064,400 face amount of notes of this series issued.

The financing on March 15, 1941, announced on February 25, 1941, consisted of an issue of 2% Treasury Bonds of 1948-50, maturing March 15, 1950, and 3/4% Treasury Notes of Series D-1943, maturing March 15, 1943, both offered in exchange for the \$544,870,050 of 3-3/8% Treasury Bonds of

1941-43 called for redemption on March 15, 1941, and \$676,707,600 of 1-1/2% Treasury Notes of Series A-1941, maturing March 15, 1941. The amount of Treasury Bonds of 1948-50 issued in exchange for the called 3-3/8% Treasury Bonds of 1941-43 was \$481,656,000, and the face amount of Treasury Notes of Series D-1943 issued in exchange for the called bonds was \$4,886,600, while \$633,712,400 of the maturing 1-1/2% Treasury Notes of Series A-1941 were exchanged for Treasury Bonds of 1948-50 and \$27,513,800 of the maturing notes were exchanged for Treasury Notes of Series D-1943.

A further financing operation was conducted on March 31, 1941, after announcement on March 19, 1941. It consisted of an offering to the public for cash at par and accrued interest of \$500,000,000, or thereabouts, of 2-1/2% Treasury Bonds of 1952-54, maturing March 15, 1954. In addition to the cash offering, the holders of \$503,877,500 outstanding 1-3/8% Treasury Notes of Series B-1941, maturing June 15, 1941, were offered the privilege of exchanging such notes for the 2-1/2% Treasury Bonds of 1952-54 or for an additional amount of the 3/4% Treasury Notes of Series D-1943, dated March 15, 1941, the exchanges in either case to be made par for par, with interest adjustments as of March 31, 1941.

In addition to the cash offering for public subscription, \$50,000,000, or thereabouts, of 2-1/2% Treasury

Bonds of 1952-54 were made available for allotment to Government investment accounts against cash payment. For the benefit of small investors, preferential allotment was given to cash subscriptions for \$5,000 and under where delivery in registered bonds 90 days after issue date was specified. The amount of Treasury Bonds of 1952-54 issued on cash subscriptions, including allotments to Government investment accounts and about \$37,000,000 on preferred allotments, was \$576,141,650. Of the 1-3/8% Treasury Notes of Series B-1941, maturing June 15, 1941, \$447,423,200 were exchanged for 2-1/2% Treasury Bonds of 1952-54, and \$32,639,300 were exchanged for Treasury Notes of Series D-1943.

The financing on June 2, 1941, announced on May 22, 1941, consisted of an offering for cash of \$600,000,000, or thereabouts, at par and accrued interest, of 2-1/2% Treasury Bonds of 1956-58, maturing March 15, 1958. At the same time holders of \$834,453,200 of outstanding 3-1/4% Treasury Bonds of 1941, maturing August 1, 1941, were offered the privilege of exchanging them for the 2-1/2% Treasury Bonds of 1956-58 or for an additional amount of the 3/4% Treasury Notes of Series D-1943, dated March 15, 1941, and maturing March 15, 1943, the exchanges in either case to be made par for par, with interest adjustments as of June 2, 1941. Treasury Bonds of 1956-58 issued for cash amounted to \$661,750,800 and \$786,390,950

of such bonds were issued in exchange for the 3-1/4% bonds of 1941 maturing August 1, 1941. An additional amount of \$924,000 of 3/4% Treasury Notes of Series D-1943, dated March 15, 1941, were issued in exchange for the 3-1/4% Treasury Bonds of 1941.

GUARANTEED ISSUES

Commodity Credit Corporation

On July 24, 1940, the Secretary of the Treasury, on behalf of the Commodity Credit Corporation, announced an offering, for cash at par and accrued interest, of \$250,000,000, or thereabouts, of 3/4% notes of Series F of the Corporation, dated August 1, 1940, and maturing May 1, 1943. A total of \$289,458,000 face amount of this series of notes was issued.

United States Housing Authority

On October 24, 1940, the Secretary of the Treasury, on behalf of the United States Housing Authority, announced an offering, for cash, at par and accrued interest, of \$100,000,000, or thereabouts, of one-year notes of the Authority designated 1/4% Notes of Series E, dated November 1, 1940, due November 1, 1941. A total of \$112,099,000 face amount of notes of this series was issued.

Reconstruction Finance Corporation

On April 9, 1941, the Secretary of the Treasury, on behalf of the Reconstruction Finance Corporation, offered for

cash subscription, at par and accrued interest, two series of notes of the Corporation, in the amount of \$300,000,000, or thereabouts, of each series. A face amount of \$319,895,000 of 7/8% Notes of Series U, dated April 17, 1941, maturing October 15, 1942, was issued, and a face amount of \$324,397,000 of 1-1/8% Notes of Series V, dated April 17, 1941, maturing July 15, 1943, was issued.

In addition to the above operations involving new issues, the following maturing securities during 1941 were redeemed:

Home Owners' Loan Corporation

On May 15, 1941, an issue of 5/8% Series L bonds of the Home Owners' Loan Corporation matured. Provision was made by the Corporation for the cash redemption of these bonds amounting to \$190,837,900.

TREASURY DEPARTMENT

Washington

FOR IMMEDIATE RELEASE,
Wednesday, July 2, 1941.

Press Service
No. 26-75

Secretary of the Treasury Morgenthau today announced the final subscription and allotment figures with respect to the current offering of 1 percent notes of Series W of the Reconstruction Finance Corporation.

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

Federal Reserve District	Total Subscriptions Received from Holders of Series W Notes Tendered for Purchase (Allotted in Full)	Total Other Subscriptions Received	Total Other Subscriptions Allotted	Total Subscriptions Allotted
Boston	\$ 8,444,000	\$ 394,566,000	\$ 27,839,000	\$ 36,283,000
New York	148,437,000	2,315,704,000	162,605,000	311,042,000
Philadelphia	4,224,000	297,375,000	21,010,000	25,234,000
Cleveland	8,270,000	342,518,000	24,295,000	32,565,000
Richmond	1,453,000	156,694,000	11,376,000	12,829,000
Atlanta	1,372,000	241,502,000	21,024,000	22,396,000
Chicago	24,330,000	686,377,000	48,794,000	73,124,000
St. Louis	1,405,000	110,921,000	8,584,000	9,989,000
Minneapolis	1,053,000	97,043,000	6,973,000	8,026,000
Kansas City	4,741,000	73,002,000	5,299,000	10,040,000
Dallas	1,199,000	83,971,000	6,249,000	7,448,000
San Francisco	2,386,000	256,027,000	17,999,000	20,385,000
Treasury	2,647,000	9,250,000	648,000	3,295,000
TOTAL	\$209,961,000	\$5,064,950,000	\$362,695,000	\$572,656,000

\$

TREASURY DEPARTMENT
Washington

FOR IMMEDIATE RELEASE,
Wednesday, July 2, 1941.

Press Service
No. 26-25

Secretary of the Treasury Morgenthau today announced the final subscription and allotment figures with respect to the current offering of 1 percent notes of Series W of the Reconstruction Finance Corporation.

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

Federal Reserve District	Total Subscriptions Received from Holders of Series N Notes Tendered for Purchase (Allotted in Full)	Total Other Subscriptions Received	Total Other Subscriptions Allotted	Total Subscriptions Allotted
Boston	\$ 8,444,000	\$ 394,566,000	\$ 27,339,000	\$ 36,283,000
New York	148,437,000	2,315,704,000	162,605,000	311,042,000
Philadelphia	4,224,000	297,375,000	21,010,000	25,234,000
Cleveland	8,270,000	342,518,000	24,295,000	32,565,000
Richmond	1,453,000	156,694,000	11,376,000	12,829,000
Atlanta	1,372,000	241,502,000	21,024,000	22,396,000
Chicago	24,330,000	636,377,000	48,794,000	73,124,000
St. Louis	1,405,000	110,921,000	8,584,000	9,989,000
Minneapolis	1,053,000	97,043,000	6,973,000	8,026,000
Kansas City	4,741,000	73,002,000	5,299,000	10,040,000
Dallas	1,199,000	83,971,000	6,249,000	7,448,000
San Francisco	2,386,000	256,027,000	17,999,000	20,385,000
Treasury	2,647,000	9,250,000	648,000	3,295,000
TOTAL	<u>\$209,961,000</u>	<u>\$5,064,950,000</u>	<u>\$362,695,000</u>	<u>\$572,656,000</u>

FOR IMMEDIATE RELEASE,
July 2, 1941.

February,

The Treasury today received a \$50,000 check from ~~John L. Lewis~~
~~union~~, the United Mine Workers of America, ^{for investment} ~~invested~~ in Defense Savings
Bonds. The check was signed by Thomas Kennedy, Secretary-Treasurer of the
union, and countersigned by ~~John L. Lewis~~ ^{John L. Lewis, its president}. The check is to be invested in Series
G bonds and represents the limit which any one individual or organization may
buy during one year.

Philip Murray, head of the C. I. O. ^{express the industrial organizations,} of which the United Mine
Workers Union is a ^{members} ~~part~~ visited Secretary Morgenthau several weeks ago and
assured him of the full cooperation of the C. I. O. in the Defense ^{National Savings} ~~program~~
^{campaign} ~~program~~. At that time he not only agreed to endorse Defense Bonds and to
spread information about them throughout the ~~union~~ organization, but
also expressed the hope that individual unions in the C. I. O. would invest
as much as possible in the new Defense securities.

Secretary Morgenthau announced that Governor Eugene Talmadge of
Georgia has accepted the honorary chairmanship of his state committee for
organization of the ~~National Defense~~ ^{National Savings} Savings program. This brings to
twenty the number of Governors who have agreed to serve in the campaign
to sell Defense ~~Bonds~~ Bonds and Stamps.

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TREASURY DEPARTMENT

Washington

FOR RELEASE
Tuesday, July 1, 1941

Press Service

Secretary Morgenthau announced today that Governor Eugene Talmadge of Georgia has accepted the honorary chairmanship of his state committee for organization of the National Defense Savings Program.

This brings to twenty the number of Governors serving in the campaign to sell Defense Savings Bonds and Stamps.

John S. Lewis

Date

Submitted July 1, 1941

PRESS SECTION
DEFENSE SAVINGS STAFF

NEWSPAPER RELEASE

VC 7/1/41
MM

Mr. Schwarz:

Attached Release - Honorary Chairmanship
accepted by Governor of Georgia.

For Release Tuesday, July 1, 1941

Vincent F. Callahan

Approved



Time

10⁰⁰

Date

7/1

H. N. Graves


E. W. Sloan

Harford Powel

July 1, 1941

FOR IMMEDIATE RELEASE

26-26

The Treasury today received a \$50,000 check from John L. Lewis's union, The United Mine Workers of America, to be invested in Defense Savings Bonds. The check was signed by Thomas Kennedy, Secretary-Treasurer of the union, and countersigned by Mr. Lewis. The check is to be invested in Series G bonds and represents the limit which any one individual or organization may buy.

Philip Murray, head of the C.I.O., of which the United Mine Workers Union is a part, visited Secretary Morgenthau several weeks ago and assured him of the full cooperation of the C.I.O. in the Defense Bond program. At that time he not only agreed to endorse Defense Bonds and to spread information about them throughout the C.I.O. organization, but also expressed the hope that individual unions in the C.I.O. would invest as much as possible in the new Defense securities.

its The Treasury Announced that *Gov. Eugene*

TREASURY DEPARTMENT
Washington

FOR IMMEDIATE RELEASE,
Wednesday, July 2, 1941.

Press Service
No. 26-26

The Treasury today received a \$50,000 check from the United Mine Workers of America for investment in Defense Savings Bonds. The check was signed by Thomas Kennedy, secretary-treasurer of the union, and countersigned by John L. Lewis, its president. The check is to be invested in Series G bonds and represents the limit which any one individual or organization may buy during one year.

Philip Murray, head of the Congress of Industrial Organizations, of which the United Mine Workers Union is a member, visited Secretary Morgenthau several weeks ago and assured him of the full cooperation of the C. I. O. in the National Defense Savings campaign. At that time he not only agreed to endorse Defense Bonds and to spread information about them throughout the organization, but also expressed the hope that individual unions in the C. I. O. would invest as much as possible in the new Defense securities.

Secretary Morgenthau announced that Governor Eugene Talmadge of Georgia has accepted the honorary chairmanship of his State committee for organization of the Savings program. This brings to twenty the number of Governors who have agreed to serve in the campaign to sell Defense Bonds and Stamps.

Norway, Sweden and Italy are the only European countries from which imports have ~~decreased~~ practically ~~ceased~~ *ceased*

A surprising shift in the movement of commerce away from Europe and Asia to Latin America has taken place, imports from Central and South America for April being nearly double in value compared to those of ~~the~~ *the* 1940 *fiscal year*.

Export shipments also have shown a tremendous gain. Under the Export Control Act, which became effective in July, 1940, licenses are required to export from the United States any commodities deemed necessary for our national defense.

As in the case of imports, the exports relate directly to war materials, the Customs Bureau reported. The list includes arms, ammunition and implements of war, tin, aluminum, alloys, rubber, wool, certain chemicals, metal-working machinery and tools essential to the manufacture of airplanes, tanks and other war material.

TREASURY DEPARTMENT
Washington

FOR RELEASE, AFTERNOON PAPERS
Thursday, July 3, 1941.
7/2/41.

Press Service
No.

~~The war which has been going on in Europe, Asia and elsewhere has largely increased imports to the United States, Commissioner of Customs William R. Johnson announced today.~~

Customs receipts for the ¹⁹⁴¹ fiscal year ~~ending June 30 last~~ ^{just ended} were \$392,000,000, as contrasted with \$349,000,000 for the preceding fiscal year - an increase of ~~43 percent~~ ^{\$43,000,000}.

Despite shipping losses, a steady stream of imports from Great Britain has been flowing into this country all year, Mr. Johnson said. Wool, woolen goods, undressed furs, cut diamonds, whisky and tin are among the commodities moving from English ports. The only ~~falling off~~ ^{decline} noted in imports from British ~~countries~~ ^{sources} was in rubber coming from British Malaya, ^{which was} due to the large reserve of crude stored here earlier in the year. ~~It~~ ^{not} linen is ^{permitted} to leave England or North ^{Irish} Ireland, where it is manufactured, due to war needs ~~in these~~.

Until ~~Germany declared~~ ^{its declaration of} war on Russia, ~~she~~ ^{British} had shipped goods, ^{Germany} much of which was described as "trifling" by Customs agents, ^{as a "trifling" item} through Russia over the trans-Siberian railroad to Vladivostok, whence it was shipped by boat to San Francisco and other Pacific Coast ports.

Notwithstanding her subjugation by Germany, France has continued shipments to the United States, using a route across the Mediterranean to Oran, in ~~North Africa~~ ^{Algeria}, overland to Casablanca, ~~on the West~~ ^{Morocco}, and thence to Martinique, from which possession shipments come to our Eastern and Southern ports.

(more)

Increased imports to the United States, recorded as reflected

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Treasury Department
Washington

For Release, afternoon papers
Thursday, July 3-1941
7/2/41

Press Service
NO 26-27

Increased imports to the United States recorded during the fiscal year ended June 30, are largely a result of hostilities in Europe, Asia and Africa, as well as National Defense activities of our own government, ~~it was observed today by~~ Commissioner of Customs ^{William R. Johnson,} ~~as the Bureau~~ ^{said today} ~~submitted its fiscal report to Secretary Morgenthau.~~

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INFORMATION TO THE PUBLIC IS HEREBY DENIED



TREASURY DEPARTMENT

WASHINGTON

TREASURY DEPARTMENT
Washington

FOR RELEASE, AFTERNOON PAPERS,
Thursday, July 3, 1941.
7/2/41

Press Service
No. 26-27

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7/2/41

TREASURY DEPARTMENT
Washington

FOR RELEASE, AFTERNOON PAPERS,
Thursday, July 3, 1941.
7/2/41

Press Service
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Until its declaration of war on Russia, Germany had shipped goods, described by Customs agents as a "trifling" amount, through Russia over the trans-Siberian railroad to Vladivostok, whence it was shipped by boat to San Francisco and other Pacific Coast ports.

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DIVIDEND PAYMENTS TO CREDITORS OF INSOLVENT NATIONAL
BANKS AUTHORIZED DURING THE MONTH ENDED
JUNE 30, 1941

<u>Name and Location of Bank</u>	<u>Nature of Dividend</u>	<u>Date Authorized</u>	<u>Number and Percentage of Dividends Authorized</u>		<u>Distribution of Funds by Dividend Authorized</u>	<u>Total Percentage Authorized Dividends to Date</u>	<u>Number of Claimants</u>	<u>Amount Claims Proved</u>
The First Nat'l. Bank of Gary, Indiana	Regular	6-25-41	6th	10%	\$ 168,300	71.5%	7,168	\$ 1,683,200
The National Bank of Defiance, Ohio	Final	6-26-41	6th	8.25%	72,000	86.25%	2,307	873,000
The Alderson Nat'l. Bank Alderson, West Virginia	Final	6-20-41	6th	7.53%	34,400	68.53%	1,240	457,000
The Commercial Nat'l. Bk of Fond du Lac, Wisconsin	Final	6-26-41	6th	4.18%	96,500	96.18%	9,642	2,307,800

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W. J. ...

~~July 3, 1941~~

TREASURY DEPARTMENT
Comptroller of the Currency
Washington

FOR RELEASE, MORNING NEWSPAPERS

Thursday, July 3, 1941

Press Service

26-28

During the month ended June 30, 1941, authorizations were issued to receivers for payments of dividends in four insolvent national banks. Dividends so authorized will effect total distributions of \$371,200 to 20,357 claimants who have proved claims aggregating \$5,321,000, or an average percentage payment of 6.98%. The smallest and largest individual dividend percentages authorized were 4.18% and 10%, respectively, while the smallest and largest receivership distributions were \$34,400, and \$168,300, respectively. Of the four dividends authorized one was for a regular dividend payment, and three were for final dividend payments. Dividend payments so authorized during the month ended June 30, 1941, were as follows:

WPM

W. M. ...
7-1-41

WPM

TREASURY DEPARTMENT
Comptroller of the Currency
Washington

FOR RELEASE, MORNING NEWSPAPERS,
Thursday, July 3, 1941.

Press Service
No. 26 - 28

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JUNE 30, 1941

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TREASURY DEPARTMENT
Washington

FOR IMMEDIATE RELEASE,
Thursday, July 3, 1941.

Press Service
No. 26-29

Sales of Defense Savings Bonds for the month of June amounted to \$268,965,000, the Treasury Department reported today.

In addition, \$2,998,000 worth of Defense Savings Stamps were sold.

The report on Bond sales is made up of the following items, with figures rounded to even thousands:

	Amount (<u>cost price</u>)
Series E	\$ 98,725,000
F	22,965,000
G	<u>147,275,000</u>
	<u>\$268,965,000</u>

This brings the total of Defense Savings Bond sales since the program began on May 1 to \$707,195,000, cost price. The total sales of Defense Savings Stamps during the period from May 1 to June 30 amounted to \$6,473,000.

TAX SERIES - B-1943

Notes of this series will be issued in denominations of \$100, \$500, \$1,000, \$10,000, and \$100,000. The amount of these notes which can be presented in payment of taxes is limited only by the amount of taxes due. The Secretary will, however, reserve the right to reject any and all subscriptions. The notes will provide a return of slightly less than $1/2$ of 1 per cent (about 0.48%) a year, but here, as in Series A, in order to simplify computations, the rate per cent will not be expressed. It will be stated as 4 cents a month for a \$100 denomination, 20 cents for a \$500 denomination, and so on. There will be a schedule of values printed on each note. These notes will be redeemed for cash at the Federal Reserve Bank of issue, after sixty days and upon thirty days' advance notice at the price paid by the taxpayer.

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for purchases of both series of notes can be made through the taxpayer's bank and the bank may credit the proceeds to its War Loan Deposit Account, if it has such an account. Applications can also be made directly to the Federal Reserve Banks or to the Treasurer of the United States.

These notes may be used to pay any Federal income taxes (current and back personal and corporation taxes, and excess-profits taxes). Further details regarding these issues will be contained in the official circular to be released about July 20, 1941.

TAX SERIES - A-1943

Notes of this series will be issued in denominations of \$25, \$50, and \$100. The amount of this series which can be presented in payment of income taxes will be limited to \$1200 in any one tax year by any one taxpayer. The notes will provide a return of about 1.92 per cent a year, but the rate per cent will not be expressed. For a \$25 denomination, it will be expressed at 4 cents a month, \$50 denomination at 8 cents a month, and for the \$100 denomination at 16 cents a month. By following this method it is made simple to compute the cost when the taxpayer purchases the notes and simple both to the taxpayer and the Collector of Internal Revenue to compute the credit that may be applied to the taxes due. There will be a schedule of values printed on each note. These notes will be redeemed for cash at the Federal Reserve Bank of issue at any time at the price paid by the taxpayer.

For Immediate Release

~~July 2, 1941~~

26-30

Secretary Morgenthau today announced a plan to make it easier for taxpayers, large and small, to meet the unprecedented tax bills ~~of the coming year~~ ^{required by the national defense program}. Under this plan, two series of notes would be issued as outlined below, both dated August 1, 1941, and maturing August 1, 1943.

On January 1~~st~~ of each year hereafter, two new series will be provided so that a taxpayer can always purchase notes during the entire year in which he is receiving his income, to be used in payment of his taxes due in the following year. The reason for the two-year note is to permit a taxpayer, if he so desires, to begin saving in January of one year and ~~continue~~ ^{to save} throughout that year for his taxes due in March, June, September, and December of the following year.

All notes are to be sold at par and accrued interest, if any, and will be redeemed at any time after three months from the month of issue, but not before January, 1942, when presented in payment of income taxes at par and accrued interest up to and including the month in which such taxes are paid. Interest will not accrue beyond the maturity of the notes. If not presented in payment of income taxes, they will be redeemed for cash under certain specified conditions at the purchase price paid for the notes. In other words, the taxpayer, in this case, gets back just the amount he paid for the notes and no more. [∟] The notes will not be registered, but will have the purchaser's name and address inscribed thereon so that the Collector of Internal Revenue can compare the purchaser's name with that on his tax return. They will not be transferable; nor can they be used as collateral. Applications

TREASURY DEPARTMENT
Washington

FOR IMMEDIATE RELEASE
Thursday, July 3, 1941.

Press Service
No. 28-30

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Thursday

FOR IMMEDIATE RELEASE,
July 3, 1941.

motion picture exhibitor
in the northwest, as

The appointment of Ted R. Gamble, ~~as Oregon~~ State Administrator
^{for Oregon in} the National Defense Savings ~~program~~ ^{campaign} was announced today by the Treasury
Department.

^{Gamble, whose home is}
Mr. ~~Gamble~~ in Portland, Oregon, ~~and owns a chain of picture~~

~~stores~~ he will cooperate with the Defense Savings Staff of the Treasury
in stimulating the sale of Defense Bonds and Stamps through establishment
of representative, non-partisan state and local committees to develop
community interest in the ~~National~~ Savings program.

^{His}
~~Mr. Gamble~~ duties as State Administrator will begin
^{HR} immediately, ~~is~~ serving in this capacity without compensation. ~~His~~

~~appointment brings the total of State Administrators to 24. The~~

The appointment of Palmet Hoyt, publisher of the Portland
Oregonian as chairman of the State Committee in Oregon, was announced
several days ago.

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TREASURY DEPARTMENT

Washington

FOR IMMEDIATE RELEASE

Press Service

~~July 9, 1941~~

The appointment of Ted R. Gamble as Oregon State Administrator for the National Defense Savings Program was announced today by the Treasury Department.

Mr. Gamble, ~~who~~ lives in Portland, Oregon, will cooperate with the Defense Savings Staff of the Treasury in stimulating the sale of Defense Bonds and Stamps through establishment of representative, non-partisan state and local committees to develop community interest in the National Savings Program.

Mr. Gamble, whose duties as State Administrator will begin immediately, is serving in this capacity without compensation. ~~His~~ ^{His} ~~appointment~~ ^{appointment brings the total of State Admin. to}

owns a chain of picture shows

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He owns a chain of picture shows.

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The appointment of Palmer Hoyt, ~~Gov.~~ Portland Oregonian, as Chairman State Committee was announced several days ago.

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TREASURY DEPARTMENT

INTER OFFICE COMMUNICATION

DATE July 2, 1941

TO Mr. Schwarz

FROM Mr. McCarty

Mr. Graves would like to have copies of this release mailed directly to the leading newspapers in Oregon and Washington. If you will please send over 50 extra copies of the story to us, we will be glad to mail them out here.

Date

Submitted July 2, 1941

PRESS SECTION
DEFENSE SAVINGS STAFF

NEWSPAPER RELEASE

Mr. Schwarz:

MM

Attached release - Appointment of
Ted R. Gamble - Oregon St. Ad

For Release July 3, 1941

Vincent F. Callahan

Approved

Time 4:45

Date 7/2

[Signature]
H. N. Graves

[Signature]
E. W. Sloan

Harford Powel

mitted July 2

SECTION
SAVINGS STAFF

TREASURY DEPARTMENT
Washington

FOR IMMEDIATE RELEASE,
Thursday, July 3, 1941.

Press Service
No. 26-31

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Gamble - 1941
y 3, 1941

The appointment of Ted. R. Gamble, motion picture exhibitor in the northwest, as State Administrator for Oregon in the National Defense Savings campaign was announced today by the Treasury Department.

Vincent P. R.

Time
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Treasury Department
700 Immediate Washington
Thursday, July 3, 1941
PRESS RELEASE

Press Service
No 26-32

The Bureau of Customs announced today preliminary figures for imports of coffee subject to quota limitations under the President's proclamation of the Inter-American Coffee Agreement on April 15, 1941.

The following tabulation lists the coffee quotas which have been filled, and shows import figures for the quotas now under telegraphic control as of June 28, 1941. Total imports under the other coffee quotas are shown as of June 21, 1941.

Quota Period	: Revised ^{1/}	: Entered for Consumption
Country of Production	Quota (lbs.)	: As of (Date) : Pounds
<u>Quota Period - 12 months</u> from October 1, 1940:		
Dominican Republic	16,138,333	(Import quota filled)
Guatemala	71,950,208	" " "
Venezuela	56,484,233	" " "
Colombia	423,632,012	" " "
Brazil	1,250,722,887	June 21, 1941 1,170,531,855
Cuba	10,758,933	" " 5,441,813
El Salvador	80,691,799	" " 62,515,998
Honduras	2,689,700	" " 1,524,159
Mexico	63,880,975	" " 58,361,715
Nicaragua	26,224,775	" " 17,378,235
Costa Rica	26,897,267	June 28, 1941 25,913,733
Ecuador	20,173,016	" " 18,499,388
Haiti	36,983,708	" " 36,599,411
Peru	3,362,191	" " 3,036,582
Non-signatory countries:		
All types of coffee	47,742,641	June 28, 1941 46,113,117 ^{2/}
<u>Quota Period - April 22 to</u> August 31, 1941, incl:		
Non-signatory countries:		
Mocha coffee	2,645,520	June 28, 1941 1,015,996 ^{2/}

^{1/} Quotas increased by Inter-American Coffee Board, as of June 1, 1941.
^{2/} Under the terms of an Executive order, effective June 14, 1941, the increased import quota for non-signatory countries is subject to the allocation of a maximum of 20,000 bags for coffee of the Mocha type which may be entered for consumption from April 21 to August 31, 1941, inclusive.

TREASURY DEPARTMENT
Washington

FOR IMMEDIATE RELEASE,
Thursday, July 3, 1941.

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ALPHA

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Reserve Banks and Branches, following which public announcement will be made by the Secretary of the Treasury of the amount and price range of accepted bids. Those submitting tenders will be advised of the acceptance or rejection thereof. The Secretary of the Treasury expressly reserves the right to accept or reject any or all tenders, in whole or in part, and his action in any such respect shall be final. Payment of accepted tenders at the prices offered must be made or completed at the Federal Reserve Bank in cash or other immediately available funds on July 9, 1941.

~~xxxx~~
The income derived from Treasury bills, whether interest or gain from the sale or other disposition of the bills, shall not have any exemption, as such, and loss from the sale or other disposition of Treasury bills shall not have any special treatment, as such, under Federal tax Acts now or hereafter enacted. The bills shall be subject to estate, inheritance, gift, or other excise taxes, whether Federal or State, but shall be exempt from all taxation now or hereafter imposed on the principal or interest thereof by any State, or any of the possessions of the United States, or by any local taxing authority. For purposes of taxation the amount of discount at which Treasury bills are originally sold by the United States shall be considered to be interest.

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

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TREASURY DEPARTMENT

Washington

FOR RELEASE, MORNING NEWSPAPERS,
Friday, July 4, 1941
~~(1)~~x

The Secretary of the Treasury, by this public notice, invites tenders for \$ 100,000,000, or thereabouts, of 91-day Treasury bills, to be issued on a discount basis under competitive bidding. The bills of this series will be dated July 9, 1941, and will mature October 8, 1941, 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, July 7, 1941. Tenders will not be received at the Treasury Department, Washington. Each tender must be for an even multiple of \$1,000, and 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.

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 10 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

Em 26-33

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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 Secretary of the Treasury of the amount and price range of accepted bids. Those submitting tenders will be advised of the acceptance or rejection thereof. The Secretary of the Treasury expressly reserves the right to accept or reject any or all tenders, in whole or in part, and his action in any such respect shall be final. Payment of accepted tenders at the prices offered must be made or completed at the Federal Reserve Bank in cash or other immediately available funds on July 9, 1941.

The income derived from Treasury bills, whether interest or gain from the sale or other disposition of the bills, shall not have any exemption, as such, and loss from the sale or other disposition of Treasury bills shall not have any special treatment, as such, under Federal tax Acts now or hereafter enacted. The bills shall be subject to estate, inheritance, gift, or other excise taxes, whether Federal or State, but shall

be exempt from all taxation now or hereafter imposed on the principal or interest thereof by any State, or any of the possessions of the United States, or by any local taxing authority. For purposes of taxation the amount of discount at which Treasury bills are originally sold by the United States shall be considered to be interest.

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

TREASURY DEPARTMENT
Washington

FOR RELEASE, MORNING NEWSPAPERS,
Tuesday, July 8, 1941.
7/7/41

Press Service
No. 26-34

The Secretary of the Treasury announced last evening that the tenders for \$100,000,000, or thereabouts, of 91-day Treasury bills, to be dated July 9 and to mature October 8, 1941, which were offered on July 4, were opened at the Federal Reserve Banks on July 7.

The details of this issue are as follows:

Total applied for - \$281,732,000
Total accepted - 100,048,000

Range of accepted bids:

High	- 99.990	Equivalent rate	approximately 0.040
Low	- 99.972	"	"
Average price	- 99.976	"	"

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

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Washington

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Average				
Price	- 99.976	"	"	0.097

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

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~~TOP SECRET~~

Ninety-two percent of the employes of the ^{Treasury's} Procurement Division

have pledged regular purchase of Defense Savings Bonds or Stamps, the

Department reported*

~~Treasury announced today~~ The pledges were made voluntarily by the

employes under a plan which has been offered to other government departments.

In twenty-five Procurement field offices there was 100 percent participation. Among them were the three regional offices in California, Massachusetts and Minnesota, and the field offices in Arkansas, Colorado, Connecticut, Florida, Idaho, Illinois, Indiana, Iowa, Kansas, Kentucky, Mississippi, Missouri, Montana, Nebraska, Nevada, New Jersey, New Mexico, Oklahoma, Oregon, Tennessee, Wyoming, and Puerto Rico.

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Treasury Department
Washington

Press Service
No. 26-35

FOR IMMEDIATE RELEASE,
July 8, 1941.

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"America Preferred," a new radio program in support of the National Defense Savings campaign will be presented on the Mutual network every Sunday ^{morning} for ten weeks beginning July 13, ~~Secretary~~ Morgenthau Department announced today.

The program, which will feature concert and operatic stars of foreign birth, will be broadcast from 11 ~~to~~ to 11:30 a.m., ~~on~~ E x S x T x Pierre Van Paassen, author of "Days of Our Years," and "The Time Is Now" will act as narrator.

Jarmila Novotna, Metropolitan Opera soprano; Louis Adamic, writer of Jugoslavian birth, and Dean Alfage, Greek attorney, will appear on the first program.

Jan Peerce and Martha Ostenso will appear July 20 ~~x~~ Efrem Zimbalist ^{is scheduled for} July 27, ^{on} Ania Dorfmann, August 9 and Mischa Elman ^{on} August 24.

~~more~~

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7/8/41

TREASURY DEPARTMENT
Washington

FOR IMMEDIATE RELEASE,
Wednesday, July 9, 1941.

Press Service
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In twenty-five Procurement field offices there was 100 percent participation. Among them were the three regional offices in California, Massachusetts and Minnesota, and the field offices in Arkansas, Colorado, Connecticut, Florida, Idaho, Illinois, Indiana, Iowa, Kansas, Kentucky, Mississippi, Missouri, Montana, Nebraska, Nevada, New Jersey, New Mexico, Oklahoma, Oregon, Tennessee, Wyoming, and Puerto Rico.

COTTON CARD STRIPS, COMBER WASTE, LAP WASTE, SLIVER WASTE, AND ROVING WASTE, WHETHER OR NOT MANUFACTURED OR OTHERWISE ADVANCED IN VALUE. Annual quotas commencing September 20, by Countries of Origin:

Total quota, provided, however, that not more than 33-1/3 percent of the quotas shall be filled by cotton wastes other than card strips and 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:

(In Pounds)				
Country of Origin	: Established : TOTAL QUOTA :	TOTAL IMPORTS Sept. 20, 1940 to June 28, 1941:	: Established 33-1/3% of Total Quota	Imports Sept. 20, 1940, to June 28, 1941 ^{1/}
United Kingdom	4,323,457	1,441,701	1,441,152	6,430
Canada	239,690	239,345	-	-
France	227,420	-	75,807	-
British India	69,627	68,783	-	-
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	3,500	-	-
Germany	76,329	-	25,443	-
Italy	21,263	-	7,088	-
Total	5,482,509	1,753,329	1,599,886	6,430

^{1/} Included in total imports, column 2.

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FOR IMMEDIATE RELEASE

July 8, 1941

The Bureau of Customs announced today that preliminary reports from the collectors of customs show imports of cotton and cotton waste chargeable to the import quotas established by the President's proclamations of September 5, 1939, and December 19, 1940, as follows, during the period September 20, 1940, to June 28, 1941, inclusive.

COTTON HAVING A STAPLE OF LESS THAN 1-11/16 INCHES (OTHER THAN HARSH OR ROUGH COTTON OF LESS THAN 3/4 INCH IN STAPLE LENGTH AND CHIEFLY USED IN THE MANUFACTURE OF BLANKETS AND BLANKETING, AND OTHER THAN LINTERS). Annual quotas commencing September 20, by Countries of Origin:

		(In Pounds)			
		Staple length less than 1-1/8"		Staple length 1-1/8" or more but less than 1-11/16"	
Country of Origin		Imports Sept. 20, 1940, to June 28, 1941		Imports Sept. 20, 1940, to June 28, 1941	
		Established Quota	Actual	Established Quota	Actual
Egypt and the Anglo-Egyptian Sudan	.....	783,816	-	43,451,566	28,331,550
Peru	.....	247,952	131,682	2,056,299	1,698,997
British India	.....	2,003,483	83,126	64,942	-
China	.....	1,370,791	-	2,626	-
Mexico	.....	8,883,259	4,221,714	-	-
Brazil	.....	618,723	618,723	3,808	204
Union of Soviet Socialist Republics	.	475,124	-	-	-
Argentina	.....	5,203	5,070	435	-
Haiti	.....	237	-	506	164
Ecuador	.....	9,333	9,271	-	-
Honduras	.....	752	-	-	-
Paraguay	.....	871	-	-	-
Colombia	.....	124	2	-	-
Iraq	.....	195	-	-	-
British East Africa	...	2,240	-	29,909	-
Netherlands East Indies	.....	71,388	71,388	-	-
Barbados	.....	-	-	12,554	1,737
Other British West Indies 1/	.....	21,321	-	30,139	-
Nigeria	.....	5,377	-	-	-
Other British West Africa 2/	.....	16,004	-	2,002	-
Algeria and Tunisia	...	-	-	1,634	-
Other French Africa 3/	.....	689	-	-	-
Total		14,516,882	5,140,976	45,656,420	30,032,652

1/ Other than Barbados, Bermuda, Jamaica, Trinidad, and Tobago.

2/ Other than Gold Coast and Nigeria.

3/ Other than Algeria, Tunisia, and Madagascar.

TREASURY DEPARTMENT
Washington

FOR IMMEDIATE RELEASE,
Wednesday, July 9, 1941.

Press Service
No. 26-36

The Bureau of Customs announced today that preliminary reports from the collectors of customs show imports of cotton and cotton waste chargeable to the import quotas established by the President's proclamations of September 5, 1939, and December 19, 1940, as follows, during the period September 20, 1940, to June 28, 1941, inclusive.

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Union of Soviet Socialist Republics .	475,124	-	-	-
Argentina	5,203	5,070	435	-
Haiti	237	-	506	164
Ecuador	9,333	9,271	-	-
Honduras	752	-	-	-
Paraguay	871	-	-	-
Colombia	124	2	-	-
Iraq	195	-	-	-
British East Africa ...	2,240	-	29,909	-
Netherlands East Indies	71,388	71,388	-	-
Barbados	-	-	12,554	1,737
Other British West Indies 1/	21,321	-	30,139	-
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Country of Origin	(In Pounds)			
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Secretary Morgenthau today extended until August 30, ^{1941,} the time

for filing the census reports of all foreign-owned property in the United States.

The census was ordered by the Secretary, with the approval of the President, on June 14 simultaneous with the issuance of the Executive Order freezing the assets of all the countries in ^{continental} Europe not previously frozen. At that time the census reports were ordered to be filed by July 14.

The Secretary called attention to the fact that the census will relate not only to property in the United States belonging to countries and nationals subject to freezing control, but to all other foreign countries and nationals as well.

Treasury officials said that a new form for reporting the census (Form TFR-300) is being drawn up, and indicated that it will be available for distribution in about ten days. Such forms may be obtained from any Federal Reserve bank as well as from the Treasury Department. Other banks also will be in a position to furnish such forms.

~~The~~ ^{Morgenthau} Secretary said that it is expected that this extension will afford ample opportunity for all persons and institutions to report all

foreign-owned property in the United States.

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TREASURY DEPARTMENT
Washington

FOR IMMEDIATE RELEASE,
Wednesday, July 9, 1941.

Press Service
No. 26-37

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Wednesday, July 9, 1941.

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ary 1, 1941 to July 21, 1941 on Series D notes (\$2,93508 per \$1,000) will be paid following acceptance of the notes.

V. GENERAL PROVISIONS

1. As fiscal agents of the United States, Federal Reserve Banks are authorized and requested to receive subscriptions, to make allotments on the basis and up to the amounts indicated by the Secretary of the Treasury to the Federal Reserve Banks of the respective districts, to issue allotment notices, to receive payment for notes allotted, to make delivery of notes on full-paid subscriptions allotted, and they may issue interim receipts pending delivery of the definitive notes.

2. The Secretary of the Treasury may at any time, or from time to time, prescribe supplemental or amendatory rules and regulations governing the offering, which will be communicated promptly to the Federal Reserve Banks.

HENRY MORGENTHAU, JR.,
Secretary of the Treasury.

act as official agencies. Others than banking institutions will not be permitted to enter subscriptions except for their own account. Subscriptions from holders of Series D notes tendered for purchase should be accompanied by such notes to a par amount equal to the par amount of notes of Series G subscribed for. Other subscriptions from banks and trust companies 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 and surplus of the subscribing bank or trust company. Other subscriptions from all others must be accompanied by payment of 10 percent of the amount of notes applied for.

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

IV. PAYMENT

1. Payment at par and accrued interest, if any, for notes allotted hereunder must be made or completed on or before July 21, 1941, or on later allotment. In every case where payment is not so completed, the payment with application up to 10 percent of the amount of notes applied for shall, upon declaration made by the Secretary of the Treasury in his discretion, be forfeited to the United States. Notes of Series D tendered for purchase must have coupons dated August 1, 1941, attached, and payment will be made at par and accrued interest to July 21, 1941. The principal proceeds of the Series D notes will be applied in payment of the Series G notes, and accrued interest from Febru-

2. The notes will be issued under authority of the act approved March 8, 1938 (52 Stat. 107), as amended. The income derived from the notes shall be subject to all Federal taxes, now or hereafter imposed. The notes shall be subject to surtaxes, estate, inheritance, gift or other excise taxes, whether Federal or State, but shall be exempt from all taxation now or hereafter imposed on the principal or interest thereof by any State, municipality, or local taxing authority. These notes shall be lawful investments and may be accepted as security for all fiduciary, trust, and public funds the investment or deposit of which shall be under the authority or control of the United States or any officer or officers thereof.

3. The authorizing act provides that in the event the Commodity Credit Corporation shall be unable to pay upon demand, when due, the principal of, or interest on, notes issued by it, the Secretary of the Treasury shall pay to the holder the amount thereof which is authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, and thereupon to the extent of the amount so paid the Secretary of the Treasury shall succeed to all the rights of the holders of such notes.

4. Bearer notes with interest coupons attached will be issued in denominations of \$1,000, \$5,000, \$10,000 and \$100,000. The notes will not be issued in registered form.

III. SUBSCRIPTION AND ALLOTMENT

1. Subscriptions will be received at the Federal Reserve Banks and Branches and at the Treasury Department, Washington. Subscribers must agree not to sell or otherwise dispose of their subscriptions, or the securities which may be allotted thereon, prior to the closing of the subscription books. Banking institutions generally may submit subscriptions for account of customers, but only the Federal Reserve Banks and the Treasury Department are authorized to

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COMMODITY CREDIT CORPORATION

1-1/8 PERCENT NOTES OF SERIES G, DUE FEBRUARY 15, 1945

Dated and bearing interest from July 21, 1941

FULLY AND UNCONDITIONALLY GUARANTEED BOTH AS TO INTEREST AND PRINCIPAL BY THE UNITED STATES, WHICH GUARANTY IS EXPRESSED ON THE FACE OF EACH NOTE

1941
Department Circular No. 665

TREASURY DEPARTMENT,
Office of the Secretary,
Washington, July 10, 1941.

Fiscal Service
Bureau of the Public Debt

I. OFFERING OF NOTES AND INVITATION FOR TENDERS

1. The Secretary of the Treasury, on behalf of the Commodity Credit Corporation, invites subscriptions, at par and accrued interest, from the people of the United States for notes of the Commodity Credit Corporation, designated 1-1/8 percent notes of Series G. The amount of the offering is \$400,000,000, or thereabouts.

2. The Secretary of the Treasury, on behalf of the Commodity Credit Corporation, offers to purchase on July 21, 1941, at par and accrued interest, the outstanding notes of the Corporation designated Series D, maturing August 1, 1941, to the extent to which the holders thereof subscribe to the issue of Series G notes hereunder. Tenders of Series D notes for that purpose are invited.

II. DESCRIPTION OF NOTES

1. The notes will be dated July 21, 1941, and will bear interest from that date at the rate of 1-1/8 percent per annum, payable on a semiannual basis on February 15 and August 15 in each year until the principal amount becomes payable, the first coupon being dated February 15, 1942. They will mature February 15, 1945, and will not be subject to call for redemption prior to maturity.

Subscriptions will be received at the Federal Reserve Banks and Branches, and at the Treasury Department, Washington; they will not be received at the Commodity Credit Corporation. Banking institutions generally may submit subscriptions for account of customers, but only the Federal Reserve Banks and the Treasury Department are authorized to act as official agencies. Others than banking institutions will not be permitted to enter subscriptions except for their own account. Subscriptions from holders of Series D notes tendered for purchase should be accompanied by such notes to a par amount equal to the par amount of notes of Series G subscribed for. Other subscriptions from banks and trust companies 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 and surplus of the subscribing bank or trust company. Other subscriptions from all others must be accompanied by payment of 10 percent of the amount of notes applied for.

The right is reserved to close the books as to any or all subscriptions at any time without notice. Subject to the reservations set forth in the official circular, subscriptions from holders of Series D notes who tender them for purchase under this offering will be allotted in full. Payment for any notes allotted must be made or completed on or before July 21, 1941, or on later allotment. Series D notes are outstanding in the amount of \$202,553,000.

3 The text of the official circular follows:

TREASURY DEPARTMENT

Washington

FOR RELEASE, MORNING NEWSPAPERS,
Thursday, July 10, 1941.

7/9/41

Press Service

No 26-38

The Secretary of the Treasury, on behalf of the Commodity Credit Corporation, today announced the plan for refinancing the outstanding notes of Series D of the Corporation maturing August 1, 1941, and raising additional funds for the Corporation, through offering for subscription, at par and accrued interest, through the Federal Reserve Banks, notes of the Corporation, designated 1-1/8 percent notes of Series G, in the amount of \$400,000,000, or thereabouts, and at the same time offering to purchase on July 21, 1941, at par and accrued interest, the outstanding notes of Series D to the extent the holders of such maturing notes subscribe for the new notes.

The notes of Series G now offered will be dated July 21, 1941, and will bear interest from that date at the rate of 1-1/8 percent per annum payable on a semiannual basis on February 15 and August 15 in each year, the first coupon being payable on February 15, 1942. They will mature on February 15, 1945, and will not be subject to call for redemption prior to maturity. They will be issued only in bearer form with coupons attached, in denominations of \$1,000, \$5,000, \$10,000 and \$100,000.

The notes will be fully and unconditionally guaranteed both as to interest and principal by the United States. Pursuant to the provisions of the Public Debt Act of 1941, interest upon the notes now offered shall not have any exemption, as such, under Federal Tax Acts now or hereafter enacted. Otherwise the notes will be accorded the same exemptions from taxation as are accorded other issues of Commodity Credit Corporation notes now outstanding. These provisions are specifically set forth in the official circular released today.

TREASURY DEPARTMENT
Washington

FOR RELEASE, MORNING NEWSPAPERS,
Thursday, July 10, 1941.
7/9/41

Press Service
No. 26-38

The Secretary of the Treasury, on behalf of the Commodity Credit Corporation, today announced the plan for refinancing the outstanding notes of Series D of the Corporation maturing August 1, 1941, and raising additional funds for the Corporation, through offering for subscription, at par and accrued interest, through the Federal Reserve Banks, notes of the Corporation, designated 1-1/8 percent notes of Series G, in the amount of \$400,000,000, or thereabouts, and at the same time offering to purchase on July 21, 1941, at par and accrued interest, the outstanding notes of Series D to the extent the holders of such maturing notes subscribe for the new notes.

The notes of Series G now offered will be dated July 21, 1941, and will bear interest from that date at the rate of 1-1/8 percent per annum payable on a semiannual basis on February 15 and August 15 in each year, the first coupon being payable on February 15, 1942. They will mature on February 15, 1945, and will not be subject to call for redemption prior to maturity. They will be issued only in bearer form with coupons attached, in denominations of \$1,000, \$5,000, \$10,000 and \$100,000.

The notes will be fully and unconditionally guaranteed both as to interest and principal by the United States. Pursuant to the provisions of the Public Debt Act of 1941, interest upon the notes now offered shall not have any exemption, as such, under Federal Tax Acts now or hereafter enacted. Otherwise the notes will be accorded the same exemptions from taxation as are accorded other issues of Commodity Credit Corporation notes now outstanding. These provisions are specifically set forth in the official circular released today.

Subscriptions will be received at the Federal Reserve Banks and Branches, and at the Treasury Department, Washington; they will not be received at the Commodity Credit Corporation. Banking institutions generally may submit subscriptions for account of customers, but only the Federal Reserve Banks and the Treasury Department are authorized to act as official agencies. Others than banking institutions will not be permitted to enter subscriptions except for their own account. Subscriptions from holders of Series D notes ~~at~~ ~~ended~~ ~~red~~ for purchase should be accompanied by such notes to a par amount equal to the par amount of notes of Series G subscribed for. Other subscriptions from banks and trust companies 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 and surplus of the subscribing bank or trust company. Other subscriptions from all others must be accompanied by payment of 10 percent of the amount of notes applied for.

The right is reserved to close the books as to any or all subscriptions at any time without notice. Subject to the reservations set forth in the official circular, subscriptions from holders of Series D notes who tender them for purchase under this offering will be allotted in full. Payment for any notes allotted must be made or completed on or before July 21, 1941, or on later allotment. Series D notes are outstanding in the amount of \$202,553,000.

The text of the official circular follows:

COMMODITY CREDIT CORPORATION

1-1/8 PERCENT NOTES OF SERIES G, DUE FEBRUARY 15, 1945

Dated and bearing interest from July 21, 1941

FULLY AND UNCONDITIONALLY GUARANTEED BOTH AS TO INTEREST AND
PRINCIPAL BY THE UNITED STATES, WHICH GUARANTY IS EXPRESSED
ON THE FACE OF EACH NOTE

1941
Department Circular No. 665

TREASURY DEPARTMENT,
Office of the Secretary,
Washington, July 10, 1941.

Fiscal Service
Bureau of the Public Debt

1. OFFERING OF NOTES AND INVITATION FOR TENDERS

1. The Secretary of the Treasury, on behalf of the Commodity Credit Corporation, invites subscriptions, at par and accrued interest, from the people of the United States for notes of the Commodity Credit Corporation, designated 1-1/8 percent notes of Series G. The amount of the offering is \$400,000,000, or thereabouts.

2. The Secretary of the Treasury, on behalf of the Commodity Credit Corporation, offers to purchase on July 21, 1941, at par and accrued interest, the outstanding notes of the Corporation designated Series D, maturing August 1, 1941, to the extent to which the holders thereof subscribe to the issue of Series G notes hereunder. Tenders of Series D notes for that purpose are invited.

II. DESCRIPTION OF NOTES

1. The notes will be dated July 21, 1941, and will bear interest from that date at the rate of 1-1/8 percent per annum, payable on a semiannual basis on February 15 and August 15 in each year until the principal amount becomes payable, the first coupon being dated February 15, 1942. They will mature February 15, 1945, and will not be subject to call for redemption prior to maturity.

2. The notes will be issued under authority of the act approved March 8, 1938 (52 Stat. 107), as amended. The income derived from the notes shall be subject to all Federal taxes, now or hereafter imposed. The notes shall be subject to surtaxes, estate, inheritance, gift or other excise taxes, whether Federal or State, but shall be exempt from all taxation now or hereafter imposed on the principal or interest thereof by any State, municipality, or local taxing authority. These notes shall be lawful investments and may be accepted as security for all fiduciary, trust, and public funds the investment or deposit of which shall be under the authority or control of the United States or any officer or officers thereof.

3. The authorizing act provides that in the event the Commodity Credit Corporation shall be unable to pay upon demand, when due, the principal of, or interest on, notes issued by it, the

Secretary of the Treasury shall pay to the holder the amount thereof which is authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, and thereupon to the extent of the amount so paid the Secretary of the Treasury shall succeed to all the rights of the holders of such notes.

4. Bearer notes with interest coupons attached will be issued in denominations of \$1,000, \$5,000, \$10,000 and \$100,000. The notes will not be issued in registered form.

III. SUBSCRIPTION AND ALLOTMENT

1. Subscriptions will be received at the Federal Reserve Banks and Branches and at the Treasury Department, Washington. Subscribers must agree not to sell or otherwise dispose of their subscriptions, or the securities which may be allotted thereon, prior to the closing of the subscription books. Banking institutions generally may submit subscriptions for account of customers, but only the Federal Reserve Banks and the Treasury Department are authorized to act as official agencies. Others than banking institutions will not be permitted to enter subscriptions except for their own account. Subscriptions from holders of Series D notes tendered for purchase should be accompanied by such notes to a par amount equal to the par amount of notes of Series G subscribed for. Other subscriptions from banks and trust companies

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 and surplus of the subscribing bank or trust company. Other subscriptions from all others must be accompanied by payment of 10 percent of the amount of notes applied for.

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

IV. PAYMENT

1. Payment at par and accrued interest, if any, for notes allotted hereunder must be made or completed on or before July 21, 1941, or on later allotment. In every case where payment is not so completed, the payment with application up to 10 percent of the amount of notes applied for shall, upon declaration made by the Secretary of the Treasury in his discretion, be forfeited to

the United States. Notes of Series D tendered for purchase must have coupons dated August 1, 1941, attached, and payment will be made at par and accrued interest to July 21, 1941. The principal proceeds of the Series D notes will be applied in payment of the Series G notes, and accrued interest from February 1, 1941 to July 21, 1941 on Series D notes (\$2.93508 per \$1,000) will be paid following acceptance of the notes.

V. GENERAL PROVISIONS

1. As fiscal agents of the United States, Federal Reserve Banks are authorized and requested to receive subscriptions, to make allotments on the basis and up to the amounts indicated by the Secretary of the Treasury to the Federal Reserve Banks of the respective districts, to issue allotment notices, to receive payment for notes allotted, to make delivery of notes on full-paid subscriptions allotted, and they may issue interim receipts pending delivery of the definitive notes.

2. The Secretary of the Treasury may at any time, or from time to time, prescribe supplemental or amendatory rules and regulations governing the offering, which will be communicated promptly to the Federal Reserve Banks.

HENRY MORGENTHAU, JR.,
Secretary of the Treasury.

TREASURY DEPARTMENT
Washington

FOR IMMEDIATE RELEASE

Press Service

Uncle Sam has inducted a new army of 32,000 men who will take part in the Defense Program by selling Defense Savings Stamps, it was announced today by the Treasury Department.

This new super-sales force consists of America's 32,000 rural mail carriers. They will sell the Stamps to patrons on their routes, thus providing a simple and convenient way for millions of families in rural communities to participate in the Savings Program which is a vital part of national defense preparations.

~~Smith W. Purdum, Second Assistant Postmaster General, has authorized postmasters to allow rural carriers a credit of \$3 worth of Stamps each day, or more if they are needed.~~

On the purchase of a ^{10¢} ~~ten-cent~~ Stamp, the carrier will give to the purchaser a card on which 25 of these Stamps may be mounted and then exchanged for \$2.50 worth of the larger sizes.

With the purchase of a 25¢ Stamp, a handsome album is provided on which 75 Stamps may be mounted. When filled the album can be exchanged for an \$18.75 Defense Savings Bond, which will increase in value in ten years to \$25.

The 50¢ Stamp album, on which 75 Stamps may be mounted, may be exchanged when filled for a \$37.50 Bond. This Bond will appreciate in 10 years to \$50.

On the purchase of a \$1 Stamp, an album having room for 75 such Stamps is provided with a total value of \$75, the purchase price of a Savings Bond that will be worth \$100 in ten years.

During 1917-1918 rural mail carriers made a fine record selling Liberty Bonds and ^{War} ~~Postal~~ Savings Stamps, it is pointed out by Post Office Department officials.

Date

Submitted July 8, 1941


PRESS SECTION
DEFENSE SAVINGS STAFF

NEWSPAPER RELEASE

Mr. Schwarz: MM

Attached Release - Rural mail carriers
to sell Defense Savings Stamps.
For Release Immediate

VFC
Vincent F. Callahan

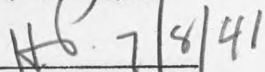
Approved 

H. N. Graves

Time 12:10

Date 7/9


E. W. Sloan


Harford Powell

FOR ~~IMMEDIATE~~ RELEASE,
July 9, 1941.

plus

26-39

10

Thirty-two thousand rural mail carriers are now acting as agents in the sale of Defense Savings Stamps, ~~postal officials~~ *informed the Treasury today* Demand for the stamps in sparsely settled districts caused the Post Office Department to authorize the carriers ~~as~~ *to act* as salesmen.

The stamps range in value from ten cents to five dollars. Purchasers are given albums in which they can be mounted. When filled, the albums may be exchanged for Defense Savings Bonds.

Post Office officials recalled that rural mail carriers acted in similar capacities in 1917 and 1918 selling War Savings Stamps.

~~SECRET~~

JBS

TREASURY DEPARTMENT
Washington

FOR RELEASE, AFTERNOON NEWSPAPERS
Thursday, July 10, 1941.
7/9/41

Press Service
No. 26-39

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Post Office officials recalled that rural mail carriers acted in similar capacities in 1917 and 1918 selling War Savings Stamps.

TREASURY DEPARTMENT
Washington

For IMMEDIATE RELEASE,
Thursday, July 10, 1941.

Press Service
No. 26-40

The Bureau of Customs announced today preliminary figures for imports of coffee subject to quota limitations under the President's proclamation of the Inter-American Coffee Agreement on April 15, 1941.

The following tabulation lists the coffee quotas which have been filled, and shows import figures for the quotas now under telegraphic control as of July 5, 1941. Total imports under the other coffee quotas are shown as of June 28, 1941.

Quota Period	: Revised <u>1/</u>	:	Entered for Consumption
Country of Production:	Quota (lbs.)	:	As of (Date) : Pounds

Quota Period - 12 months
from October 1, 1940:

Dominican Republic	16,138,333		(Import quota filled)
Guatemala	71,950,208		" " "
Venezuela	56,484,233		" " "
Colombia	423,632,012		" " "
Costa Rica	26,897,267		" " "

Cuba	10,758,933	June 28, 1941	5,888,482
El Salvador	80,691,799	"	62,887,387
Honduras	2,689,700	"	1,643,265
Nicaragua	26,224,775	"	17,649,792

Ecuador	20,173,016	July 5, 1941	18,999,227
Haiti	36,983,708	"	36,634,611
Peru	3,362,191	"	3,036,582
Brazil	1,250,722,887	"	1,203,803,572
Mexico	63,880,975	"	59,654,850

Non-signatory countries:
All types of coffee . 47,742,641 July 5, 1941 46,113,117 2/

Quota Period - April 22 to
August 31, 1941, incl:

Non-signatory countries:
Mocha coffee 2,645,520 July 5, 1941 1,015,996 2/

1/ Quotas increased by Inter-American Coffee Board, as of June 1, 1941.

2/ Under the terms of an Executive order, effective June 14, 1941, the increased import quota for non-signatory countries is subject to the allocation of a maximum of 20,000 bags for coffee of the Mocha type which may be entered for consumption from April 21 to August 31, 1941, inclusive.

(Prepared by the Bureau of Customs)

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TREASURY DEPARTMENT
Washington

FOR IMMEDIATE RELEASE,
Thursday, July 10, 1941.

Press Service
No. 26-40

The Bureau of Customs announced today preliminary figures for imports of coffee subject to quota limitations under the President's proclamation of the Inter-American Coffee Agreement on April 15, 1941.

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Country of Production	: Quota (lbs.)	: As of (Date)	: Pounds
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Brazil	1,250,722,887	"	1,203,803,572
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Non-signatory countries:			
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Non-signatory countries:			
Mocha coffee	2,645,520	July 5, 1941	1,015,996 2/

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2/ Under the terms of an Executive order, effective June 14, 1941, the increased import quota for non-signatory countries is subject to the allocation of a maximum of 20,000 bags for coffee of the Mocha type which may be entered for consumption from April 21 to August 31, 1941, inclusive.

INSOLVENT NATIONAL BANKS LIQUIDATED AND FINALLY CLOSED
DURING THE MONTH OF JUNE, 1941

<u>Name and Location of Bank</u>	<u>Date of Failure</u>	<u>Total Disbursements Including Offsets Allowed</u>	<u>Per Cent Dividends Declared to all Claimants</u>	<u>Capital Stock at Date of Failure</u>	<u>Cash, Assets, Uncollected Stock Assessments, etc., Returned to Shareholders</u>
Lee County National Bank Marianna, Arkansas	5-1-34	\$ 698,629	79.25%	\$ 80,000	- 0 -
Aurora National Bank Aurora, Illinois	6-18-34	2,816,264	96.92%	300,000	- 0 -
First National Bank in Aurora, Illinois	7-6-32	2,566,779	83.63%	200,000	- 0 -
Caribou National Bank Caribou, Maine	1-15-34	1,198,292	24.38%	100,000	- 0 -
First National Bank Portland, Maine	11-6-33	6,684,944	99.8%	600,000	- 0 -
First Nat'l. Bk & Tr. Co at Flint, Michigan	2-27-34	7,402,092	95.59%	400,000	- 0 -
Citizens Nat'l. Bk & Tr. Co Hornell, New York	5-10-32	2,185,974	69.00%	125,000	- 0 -
Peoples National Bank Latrobe, Pennsylvania	8-24-31	2,314,770	83.85%	200,000	- 0 -
Moshannon National Bank Philipsburg, Pennsylvania	10-12-31	1,338,192	91.27%	150,000	- 0 -
First National Bank Portage, Pennsylvania	3-25-31	364,330	37.47%	60,000	- 0 -
Second National Bank Morgantown, West Virginia	11-11-31	2,344,203	94.97%	100,000	- 0 -

W. W. [Signature]
7-10-41

TREASURY DEPARTMENT
Comptroller of the Currency
Washington

FOR RELEASE, MORNING NEWSPAPERS

Friday, July 11, 1941.

Press Service

No 26-41

During the month of June, 1941, the liquidation of eleven Insolvent National Banks was completed and the affairs of such receiverships finally closed.

Total disbursements, including offsets allowed, to depositors and other creditors of these eleven receiverships, amounted to \$29,914,469, while dividends paid to unsecured creditors amounted to an average of 87.65 per cent of their claims. Total costs of liquidation of these receiverships averaged 6.68 per cent of total collections from all sources including offsets allowed.

Dividend distributions to all creditors of all active receiverships during the month of June, 1941, amounted to \$1,272,304. Data as to results of liquidation of the receiverships finally closed during the month are as follows:

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7-10-41

TREASURY DEPARTMENT
Comptroller of the Currency
Washington

FOR RELEASE, MORNING NEWSPAPERS
Friday, July 11, 1941.

Press Service
No. 26 - 41

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INSOLVENT NATIONAL BANKS LIQUIDATED AND FINALLY CLOSED
DURING THE MONTH OF JUNE, 1941

<u>Name and Location of Bank</u>	<u>Date of Failure</u>	<u>Total Disbursements Including Offsets Allowed</u>	<u>Per Cent Dividends Declared to all Claimants</u>	<u>Capital Stock at Date of Failure</u>	<u>Cash, Assets, Uncollected Stock Assessments, etc., Returned to Shareholders</u>
Lee County National Bank Marianna, Arkansas	5-1-34	\$ 698,629	79.25%	\$ 80,000	- 0 -
Aurora National Bank Aurora, Illinois	6-18-34	2,816,264	96.92%	300,000	- 0 -
First National Bank in Aurora, Illinois	7-6-32	2,566,779	83.63%	200,000	- 0 -
Caribou National Bank Caribou, Maine	1-15-34	1,198,292	24.38%	100,000	- 0 -
First National Bank Portland, Maine	11-6-33	6,684,944	99.8%	600,000	- 0 -
First Nat'l. Bk & Tr. Co at Flint, Michigan	2-27-34	7,402,092	95.59%	400,000	- 0 -
Citizens Nat'l. Bk. & Tr. Co Hornell, New York	5-10-32	2,185,974	69.00%	125,000	- 0 -
Peoples National Bank Latrobe, Pennsylvania	8-24-31	2,314,770	83.85%	200,000	- 0 -
Moshannon National Bank Philipsburg, Pennsylvania	10-12-31	1,338,192	91.27%	150,000	- 0 -
First National Bank Portage, Pennsylvania	3-25-31	364,330	37.47%	60,000	- 0 -
Second Nation Bank Morgantown, West Virginia	11-11-31	2,344,203	94.97%	100,000	- 0 -

ALPHA

- 2 -

Reserve Banks and Branches, following which public announcement will be made by the Secretary of the Treasury of the amount and price range of accepted bids. Those submitting tenders will be advised of the acceptance or rejection thereof. The Secretary of the Treasury expressly reserves the right to accept or reject any or all tenders, in whole or in part, and his action in any such respect shall be final. Payment of accepted tenders at the prices offered must be made or completed at the Federal Reserve Bank in cash or other immediately available funds on July 16, 1941.

~~(S)~~x

The income derived from Treasury bills, whether interest or gain from the sale or other disposition of the bills, shall not have any exemption, as such, and loss from the sale or other disposition of Treasury bills shall not have any special treatment, as such, under Federal tax Acts now or hereafter enacted. The bills shall be subject to estate, inheritance, gift, or other excise taxes, whether Federal or State, but shall be exempt from all taxation now or hereafter imposed on the principal or interest thereof by any State, or any of the possessions of the United States, or by any local taxing authority. For purposes of taxation the amount of discount at which Treasury bills are originally sold by the United States shall be considered to be interest.

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

ALPHA

TREASURY DEPARTMENT

Washington

FOR RELEASE, MORNING NEWSPAPERS,
Friday, July 11, 1941
~~(1)~~x

The Secretary of the Treasury, by this public notice, invites tenders for \$100,000,000, or thereabouts, of 91-day Treasury bills, to be issued on a discount basis under competitive bidding. The bills of this series will be dated July 16, 1941, and will mature October 15, 1941, 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). *cap?*

Tenders will be received at Federal Reserve Banks and Branches up to the closing hour, two o'clock p. m., Eastern Standard time, Monday, July 14, 1941. Tenders will not be received at the Treasury Department, Washington. Each tender must be for an even multiple of \$1,000, and 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.

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 10 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 Federe

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ALPHAX

TREASURY DEPARTMENT

TREASURY DEPARTMENT

FOR RELEASE, MORNING NEWSPAPERS
Friday, July 11, 1941.

The Secretary of the Treasury, by this public notice, invites tenders for \$ 100,000,000 ^(xx), or thereabouts, of 91 ^(xx)-day Treasury bills, to be issued on a discount basis under competitive bidding. The bills of this series will be dated July 16, 1941 ^(xx), and will mature October 15, 1941 ^(xx), 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). *cop?*

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Ena 26-42

The Secretary of the Treasury, by this public notice, invites tenders for \$100,000,000, or thereabouts, of 91-day Treasury bills, to be issued on a discount basis under competitive bidding. The bills of this series will be dated July 16, 1941, and will mature October 15, 1941, 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, July 14, 1941. Tenders will not be received at the Treasury Department, Washington. Each tender must be for an even multiple of \$1,000, and 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.

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 10 percent of the face amount of Treasury bills applied for, unless the tenders are accompanied by an express guaranty of payment by an incorporated bank or trust company.

Immediately after the closing hour, tenders will be opened at the Federal Reserve Banks and Branches, following which public announcement will be made by the Secretary of the Treasury of the amount and price range of accepted bids. Those submitting tenders will be advised of the acceptance or rejection thereof. The Secretary of the Treasury expressly reserves the right to accept or reject any or all tenders, in whole or in part, and his action in any such respect shall be final. Payment of accepted tenders at the prices offered must be made or completed at the Federal Reserve Bank in cash or other immediately available funds on July 16, 1941.

The income derived from Treasury bills, whether interest or gain from the sale or other disposition of the bills, shall not have any exemption, as such, and loss from the sale or other disposition of Treasury bills shall not have any special treatment, as such, under Federal tax Acts now or hereafter enacted. The bills shall be subject to estate, inheritance, gift, or other excise taxes, whether Federal or State, but shall be exempt from all taxation now or hereafter imposed on the principal or interest thereof by any State, or any of the possessions of the United States, or by any local taxing authority. For purposes of taxation the amount of discount at which Treasury bills are originally sold by the United States shall be considered to be interest.

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

July 1941

SALES OF UNITED STATES SAVINGS BONDS

(In thousands)

Denom- ination	May 1940			May 1941		
	(Series D -- Issue price)			(Series E -- Issue price)		
	Units	Amount	Percent of total	Units	Amount	Percent of total
\$ 25	96.4	\$ 1,807	3.3%	378.7	\$ 7,100	6.2%
50	65.7	2,463	4.4	182.0	6,826	5.9
100	100.1	7,505	13.6	294.6	22,096	19.2
500	22.8	8,541	15.5	60.3	22,615	19.7
1,000	46.6	34,927	63.2	75.0	56,259	49.0
Total	331.5	\$55,243	100.0%	990.6	\$114,895	100.0%

Denom- ination	June 1940			June 1941		
	(Series D -- Issue price)			(Series E -- Issue price)		
	Units	Amount	Percent of total	Units	Amount	Percent of Total
\$ 25	86.9	\$ 1,629	3.4%	417.6	\$ 7,830	7.9%
50	60.4	2,266	4.8	185.2	6,947	7.1
100	92.1	6,904	14.5	285.9	21,446	21.7
500	20.6	7,726	16.2	51.3	19,232	19.5
1,000	38.8	29,072	61.1	57.7	43,270	43.8
Total	298.7	\$47,597	100.0%	997.8	\$98,725	100.0%

Note: Figures have been rounded and will not necessarily add to totals.

TREASURY DEPARTMENT
Washington

FOR RELEASE, MORNING NEWSPAPERS,
Friday, July 11, 1941.

Press Service
No. 26-43

~~For Friday am's~~

Figures comparing the sale by denominations of "Series E" Defense Savings Bonds during May and June with the sale of the old "Series D" Savings Bond for the same two months last year were made public today by the Treasury Department.

The tables show a greater percentage of small-denomination bonds sold this year. The figures also disclose an increase in the percentage of small bonds sold in June over the percentage for May of this year.

The tables for the respective months are as follows:

TREASURY DEPARTMENT
Washington

FOR RELEASE, MORNING NEWSPAPERS,
Friday, July 11, 1941

Press Service
No. 26-43

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The tables show a greater percentage of small-denomination bonds sold this year. The figures also disclose an increase in the percentage of small bonds sold in June over the percentage for May of this year.

The tables for the respective months are as follows:

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(In thousands)

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Total	298.7	\$47,597	100.0%	997.8	\$98,725	100.0%

Note: Figures have been rounded and will not necessarily add to totals.

TREASURY DEPARTMENT

Washington

FOR RELEASE, MORNING NEWSPAPERS,
Friday, July 11, 1941.
7/10/41

Press Service

No 26-44

Secretary of the Treasury Morgenthau announced last night that the subscription books for the current offering of 1-1/8 percent notes of Series G of the Commodity Credit Corporation closed at the close of business Thursday, July 10, except for the receipt of subscriptions from holders of Series D notes of the Corporation who tender them for purchase by the Secretary in a par amount equal to the par amount of notes of Series G subscribed for. The subscription books will be closed for the receipt of subscriptions of the latter class at the close of business Friday, July 11, at which time the offer to purchase Series D notes of the Corporation will terminate.

Subscriptions of either class addressed to a Federal Reserve Bank or Branch, or to the Treasury Department, and placed in the mail before 12 o'clock midnight of the respective closing days, 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 Tuesday, July 15.

TREASURY DEPARTMENT
Washington

FOR RELEASE, MORNING NEWSPAPERS,
Friday, July 11, 1941.
7/10/41

Press Service
No. 26-44

Secretary of the Treasury Morgenthau announced last night that the subscription books for the current offering of 1-1/8 percent notes of Series G of the Commodity Credit Corporation closed at the close of business Thursday, July 10, except for the receipt of subscriptions from holders of Series D notes of the Corporation who tender them for purchase by the Secretary in a par amount equal to the par amount of notes of Series G subscribed for. The subscription books will be closed for the receipt of subscriptions of the latter class at the close of business Friday, July 11, at which time the offer to purchase Series D notes of the Corporation will terminate.

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Announcement of the amount of subscriptions and the basis of allotment will probably be made on Tuesday, July 15.

TREASURY DEPARTMENT
Washington

FOR RELEASE, MORNING NEWSPAPERS,
Saturday, July 12, 1941.
7/11/41

Press Service
No. 26-45

The Bureau of Customs announced today preliminary figures for imports of commodities within quota limitations provided for under trade agreements, from the beginning of the quota periods to June 28, 1941, inclusive, as follows:

Commodity	: Established Quota : Period & Country:	Quantity	: Unit of : Quantity:	: Imports as of : June 28, 1941
Cattle less than 200 pounds each	Calendar year	100,000	Head	71,428
Cattle, 700 pounds or more each (other than dairy cows)	Quarter year from Apr. 1, 1941			
	Canada	51,720	Head	25,554
	Other countries	8,280	"	(Tariff rate quota filled)
Whole milk, fresh or sour	Calendar year	3,000,000	Gallon	2,941
Cream, fresh or sour	Calendar year	1,500,000	Gallon	514
Fish, fresh or frozen filleted, etc., cod, haddock, hake, pollock, cusk and rosefish	Calendar year	15,000,000	Pound	3,644,110
White or Irish potatoes Certified seed	12 months from Sept. 15, 1940	90,000,000	Pound	42,995,331
	Other	12 months from Sept. 15, 1940	60,000,000	Pound	13,656,526
Cuban filler tobacco, unstemmed or stemmed (other than cigarette leaf tobacco), and scrap tobacco	Calendar year	22,000,000	Pound (Unstemmed equivalent)	9,550,955
Red cedar shingles	Calendar year	2,488,359	Square	1,690,554

Service
26-45

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Imports as of
June 28, 1941

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25,554
(Tariff rate
quota filled)

2,941

514

3,644,110

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1,690,554

TREASURY DEPARTMENT
Washington

FOR RELEASE, MORNING NEWSPAPERS,
Saturday, July 12, 1941.

PRESS SERVICE
No. 26 - 45

7/11/41

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	Period & Country	Quantity	Quantity	June 28, 1941
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Cattle, 700 pounds or more each (other than dairy cows)	Quarter year from Apr. 1, 1941			
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Red cedar shingles	Calendar year	2,488,359	Square	1,690,554

Commodity	Established Quota		:Unit of :Imports as of	:Quantity:June 28, 1941
	:Period & Country :	Quantity		
Silver or black foxes, furs, and articles:				
Foxes valued under \$250 ea. and whole furs and skins	12 months from December 1, 1940			
	Canada	70,000	Number	(Import quota filled)
	Other than Canada	30,000	"	(Import quota filled)
Tails	12 months from December 1, 1940	5,000	Piece	(Import quota filled)
Paws, heads, or other separated parts	"	500	Pounds	(Import quota filled)
Piece plates	"	550	Pounds	364
Articles, other than piece plates	"	500	Units	35
Crude petroleum, topped crude petroleum, and fuel oil	Calendar year			
	Venezuela	1,913,049,600	Gallon	970,324,727
	Netherlands	578,806,200	"	340,137,457
	Colombia	86,956,800	"	13,315,494
	Other countries	138,587,400	"	(Tariff rate Quota filled)
Molasses and sugar sirups containing soluble nonsugar solids equal to more than 6% of total soluble solids	Calendar year	1,500,000	Gallon	(Tariff rate quota filled)

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TREASURY DEPARTMENT
Washington 10

FOR RELEASE, MORNING NEWSPAPERS,
Saturday, July 12, 1941.
7/11/41

Press Service
No. 26-476

The Bureau of Customs announced today preliminary figures for imports of commodities within the quota limitations provided for under the Philippine Independence Act, as amended by the act of August 7, 1939, from the beginning of the quota periods to June 28, 1941, inclusive, as follows:

Products of Philippine Islands	Established Quota		Unit of Quantity	Imports as of June 28, 1941
	Period	Quantity		
Coconut oil	Calendar year	425,600,000	Pound	171,494,502
Refined sugars	Calendar year	112,000,000)	Pound	52,800,422
Sugars other than refined	Calendar year	1,792,000,000) ^{1/}	Pound	1,161,213,247
Cordage	Period - May 1 to Dec. 31, 1941	4,000,000	Pound	902,633
Buttons of pearl or shell	Calendar year	807,500	Gross	359,368
Cigars	Calendar year	190,000,000	Number	70,776,956
Scrap tobacco and stemmed and unstemmed filler tobacco	Calendar year	4,275,000	Pound	2,620,357

^{1/} The duty-free quota on Philippine sugars applies to 850,000 long tons, of which not more than 50,000 long tons may be refined sugars.

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(Prepared by the Bureau of Customs)

TREASURY DEPARTMENT
Washington

FOR RELEASE, MORNING NEWSPAPERS,
Saturday, July 12, 1941
7/11/41

PRESS SERVICE
No. 26-46

The Bureau of Customs announced today preliminary figures for imports of commodities within the quota limitations provided for under the Philippine Independence Act, as amended by the Act of August 7, 1939, from the beginning of the quota periods to June 28, 1941, inclusive as follows:

Products of Philippine Islands	: : Period	Established Quota : Quantity	:Unit of : :Quantity:	Imports as of June 28, 1941
Coconut oil	Calendar year	425,600,000	Pound	171,494,502
Refined sugars	Calendar year	112,000,000)	Pound	52,800,422
Sugars other than refined	Calendar year	1,792,000,000) ^{1/}	Pound	1,161,213,247
Cordage	Period - May 1 to Dec.31,1941	4,000,000	Pound	902,633
Buttons of pearl or shell	Calendar year	807,500	Gross	359,368
Cigars	Calendar year	190,000,000	Number	70,776,956
Scrap tobacco and stemmed and unstemmed filler tobacco	Calendar year	4,275,000	Pound	2,620,357

^{1/} The duty-free quota on Philippine sugars applies to 850,000 long tons, of which not more than 50,000 long tons may be refined sugars.

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TREASURY DEPARTMENT
Office of the Secretary
July 11, 1941

GENERAL LICENSE NO. 52,
UNDER EXECUTIVE ORDER NO. 8389, APRIL
10, 1940, AS AMENDED, AND REGULATIONS
ISSUED PURSUANT THERETO, RELATING TO
TRANSACTIONS IN FOREIGN EXCHANGE, ETC.*

(1) A general license is hereby granted licensing any transaction referred to in Section 1 of the Order, if (i) such transaction is by, or on behalf of, or pursuant to the direction of Spain, or any national thereof, or (ii) such transaction involves property in which Spain, or any national thereof, has at any time on or since the effective date of the Order had any interest, provided, that:

- (a) Such transaction is not by, or on behalf of, or pursuant to the direction of any blocked country or any national thereof, other than Spain or any national of Spain; and
- (b) Such transaction does not involve property in which any blocked country or any national thereof, other than Spain or any national of Spain, has at any time on or since the effective date of the Order had any interest; and
- (c) If such transaction is not by, or on behalf of, or pursuant to the direction of the Instituto Espanol de Moneda Extranjera, such transaction shall not be effected until the Instituto Espanol de Moneda Extranjera has certified in writing that the Instituto Espanol de Moneda Extranjera has determined that such transaction complies with the conditions of paragraphs (a) and (b) above.

* Part 131; - Sec. 5(b), 40 Stat. 415 and 966; Sec. 2, 48 Stat. 1; 54 Stat. 179; Ex. Order 8389, April 10, 1940, as amended by Ex. Order 8785, June 14, 1941; Regulations, April 10, 1940, as amended June 14, 1941.

(2) This general license also authorizes any payment or transfer from a blocked account in which any national of Spain has an interest to a blocked account in a domestic bank in the name of the Instituto Espanol de Moneda Extranjera; provided, however, that this authorization shall not be deemed to authorize any payment or transfer from a blocked account in which any national of a blocked country, other than Spain, has an interest, or has had an interest at any time on or since the effective date of the Order.

(3) Except as provided in paragraph (2), this general license shall not be deemed to permit any payment, transfer or withdrawal from any blocked account other than blocked accounts in the name of the Instituto Espanol de Moneda Extranjera, until the Instituto Espanol de Moneda Extranjera has certified, with respect to the transaction, as provided in paragraph (1)(c) above.

(4) This general license shall not apply with respect to any national of Spain who is also a national of any other blocked country.

(5) Banking institutions within the United States engaging in any transactions authorized by this general license shall file promptly with the appropriate Federal Reserve Bank weekly reports setting forth the details of transactions effected by them under this license.

E. H. FOLEY, JR.
Acting Secretary of the Treasury.

26-48

~~under the freezing order~~

The Treasury today issued a general license under the

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~~freezing order~~ relating to Spain and nationals thereof and their assets in this country.

The Spanish general license authorizes any transaction by the Spanish Institute of Foreign Exchange, including any transaction by the Institute for the account of other nationals of Spain, provided that no other blocked country or national thereof is interested in such transaction.

Treasury officials

The department said that Spain has given appropriate assurances to this Government that the general license will not be employed by it or its nationals to evade the purposes of the Executive Order of June 14 which extended freezing control to all countries of continental Europe.

the general license is consistent with the purposes of the Executive Order of June 14,

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TREASURY DEPARTMENT
Washington

FOR IMMEDIATE RELEASE,
Friday, July 11, 1941.

Press Service
No. 26-48

The Treasury today issued a general license under the freezing order relating to Spain and nationals thereof and their assets in this country.

The Spanish general license authorizes any transaction by the Spanish Institute of Foreign Exchange, including any transaction by the Institute for the account of other nationals of Spain, provided that no other blocked country or national thereof is interested in such transaction.

Treasury officials said that Spain has given appropriate assurances to this Government consistent with the general license and the purposes of the Executive Order of June 14, which extended freezing control to all countries of continental Europe.

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TREASURY DEPARTMENT
Office of the Secretary
July 11, 1941

GENERAL LICENSE NO. 52,
UNDER EXECUTIVE ORDER NO. 8389, APRIL
10, 1940, AS AMENDED, AND REGULATIONS
ISSUED PURSUANT THERETO, RELATING TO
TRANSACTIONS IN FOREIGN EXCHANGE, ETC.*

(1) A general license is hereby granted licensing any transaction referred to in Section 1 of the Order, if (i) such transaction is by, or on behalf of, or pursuant to the direction of Spain, or any national thereof, or (ii) such transaction involves property in which Spain, or any national thereof, has at any time on or since the effective date of the Order had any interest, provided, that:

- (a) Such transaction is not by, or on behalf of, or pursuant to the direction of any blocked country or any national thereof, other than Spain or any national of Spain; and
- (b) Such transaction does not involve property in which any blocked country or any national thereof, other than Spain or any national of Spain, has at any time on or since the effective date of the Order had any interest; and
- (c) If such transaction is not by, or on behalf of, or pursuant to the direction of the Instituto Espanol de Moneda Extranjera, such transaction shall not be effected until the Instituto Espanol de Moneda Extranjera has certified in writing that the Instituto Espanol de Moneda Extranjera has determined that such transaction complies with the conditions of paragraphs (a) and (b) above.

* Part 131; - Sec. 5(b), 40 Stat. 415 and 966; Sec. 2, 48 Stat. 1; 54 Stat. 179; Ex. Order 8389, April 10, 1940, as amended by Ex. Order 8785, June 14, 1941; Regulations, April 10, 1940, as amended June 14, 1941.

(2) This general license also authorizes any payment or transfer from a blocked account in which any national of Spain has an interest to a blocked account in a domestic bank in the name of the Instituto Espanol de Moneda Extranjera; provided, however, that this authorization shall not be deemed to authorize any payment or transfer from a blocked account in which any national of a blocked country, other than Spain, has an interest, or has had an interest at any time on or since the effective date of the Order.

(3) Except as provided in paragraph (2), this general license shall not be deemed to permit any payment, transfer or withdrawal from any blocked account other than blocked accounts in the name of the Instituto Espanol de Moneda Extranjera, until the Instituto Espanol de Moneda Extranjera has certified, with respect to the transaction, as provided in paragraph (1)(c) above.

(4) This general license shall not apply with respect to any national of Spain who is also a national of any other blocked country.

(5) Banking institutions within the United States engaging in any transactions authorized by this general license shall file promptly with the appropriate Federal Reserve Bank weekly reports setting forth the details of transactions effected by them under this license.

E. H. FOLEY, JR.
Acting Secretary of the Treasury.

Date

Submitted July 9, 1941

PRESS SECTION
DEFENSE SAVINGS STAFF

NEWSPAPER RELEASE

Mr. Schwarz:

Attached release-Acceptance of Go
Schricker of Indiana as Honora
For Release Immediate Chairman

VR
Vincent F. Callahan

Approved *EN*

H. N. Graves

Time 1040

Date 7/10

EW 7/9
E. W. Sloan

Harford Powel

@ 1230

7/11

TREASURY DEPARTMENT

Washington

FOR IMMEDIATE RELEASE,

Press Service

~~Friday~~
~~Thursday~~, July 12, 1941.

Secretary Morgenthau announced today that Governor Henry F. Schricker of Indiana has accepted Honorary Chairmanship of his State committee for organization of the National Defense Savings campaign.

This brings to (21) the number of Governors serving in the campaign to sell Defense Savings Bonds and Stamps.

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TREASURY DEPARTMENT
Washington

FOR IMMEDIATE RELEASE,
Friday, July 11, 1941.

Press Service
No. 26-49

Secretary Morgenthau announced today that Governor Henry F. Schricker of Indiana has accepted Honorary Chairmanship of his State committee for organization of the National Defense Savings campaign.

This brings to twenty-one the number of Governors serving in the campaign to sell Defense Savings Bonds and Stamps.

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TREASURY DEPARTMENT

Washington

FOR IMMEDIATE RELEASE

Press Service

WASHINGTON, July ___ -- The 756 citizens of Shelbyville, Missouri, lay claim to being "the biggest small town in America" to register 100 per cent in the Treasury Department's Defense Savings Program.

Dan M. Nee, Missouri State Administrator, has informed Secretary Morgenthau that everyone of Shelbyville's 756 citizens has already purchased a Defense Savings Bond or Stamp, according to income ability.

The Treasury has dispatched a letter of congratulations to Shelbyville's citizens. According to Treasury Department records, Shelbyville is America's second "100 per cent" town. The first "100 percenter" was Meddybemps, Maine, whose 99 citizens all purchased either Bonds or Stamps on May 1, the day the Defense Savings Program was inaugurated.

Date

Submitted July 10, 1941

PRESS SECTION
DEFENSE SAVINGS STAFF

NEWSPAPER RELEASE

Mr. Schwarz: *MM*

Attached Release - Shelbyville, Mo
goes 100% for Bonds or Stamps
For Release Immediate

VR
Vincent F. Callahan

Approved *EG*

Time 11:25

Date 7/11

EG
H. N. Graves

EG 7/10
E. W. Sloan

Harford Powel

*Recd
Ecl
7/11/41
12 noon*

TREASURY DEPARTMENT
DEPARTMENTAL STOCK FORM 2

SPECIAL

**It is Important
that this Paper
should be made
Special.**

TREASURY DEPARTMENT
Washington

FOR IMMEDIATE RELEASE

Press Service

Secretary Morgenthau today announced the appointment of seven ^{additional} State Administrators to assume charge of ~~their~~ states' participation in the National Defense Savings Program.

The administrators in the seven states just named to the Treasury Department's Defense Savings Staff are:

William P. Stuart, Phoenix, Arizona; John R. Viley, Boise, Idaho; Steven P. Vidal, Albuquerque, New Mexico; Ralph Nicholas, Denver, Colorado; Robert L. Douglass, Reno, Nevada; Joseph V. Broderick, Providence, Rhode Island; and Frank J. Kuhl, Milwaukee, Wisconsin.

-oOo-

Date

Submitted July 10, 19

PRESS SECTION
DEFENSE SAVINGS STAFF

NEWSPAPER RELEASE

Mr. Schwarz: MM

Attached Release, Seven additional
State Administrators appointed.
For Release Immediate

VR
Vincent F. Callahan

Approved ga

H. N. Graves

Time 11:25

Date 7/11

E. W. Sloan

Harford Powel

Rec'd E
7/11/41
12 noon

(2)

Dan M. Nee, State Administrator ^{for} Missouri, has informed Secretary ^{the} ~~Morganthau~~ that Shelbyville, Missouri, with a population of 756, ~~lays claim~~ ^{is the second town to register} to being "the biggest small town in America" to register 100 per cent in ^{Campaign} the ~~National Defense Savings~~ program. According to Treasury Department ~~records, the ninety-nine inhabitants of Meddybemps, Maine were the first~~ to establish a 100 percent record for their town in the purchase of Defense Savings Bonds or Stamps ^{were the ninety-nine inhabitants of Meddybemps, Maine, who purchased the securities on May 1, the day the program was inaugurated.}

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For Immediate Release

26-57

Secretary Morgenthau today announced the appointment of seven additional State Administrators to assume charge of the National Defense Savings campaign in their ~~own~~ States.

The newly appointed Administrators are all Collectors of Internal Revenue. They are William P. Stuart, Phoenix, Arizona; John R. Viley, Boise, Idaho; Steven P. Vidal, Albuquerque, New Mexico; Ralph Nicholas, Denver, Colorado; Robert L. Douglass, Reno, Nevada; Joseph V. Broderick, Providence, Rhode Island, and Frank J. Kuhl, Milwaukee, Wisconsin.

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TREASURY DEPARTMENT
Washington

FOR IMMEDIATE RELEASE,
Friday, July 11, 1941.

Press Service
No. 26-50

Secretary Morgenthau today announced the appointment of seven additional State Administrators to assume charge of the National Defense Savings campaign in their States.

The newly appointed Administrators are all Collectors of Internal Revenue. They are William P. Stuart, Phoenix, Arizona; John R. Viley, Boise, Idaho; Steven P. Vidal, Albuquerque, New Mexico; Ralph Nicholas, Denver, Colorado; Robert L. Douglass, Reno, Nevada; Joseph V. Broderick, Providence, Rhode Island, and Frank J. Kuhl, Milwaukee, Wisconsin.

Dan M. Nee, State Administrator for Missouri, has informed the Secretary that Shelbyville, Missouri, with a population of 756 is the second town to register 100 per cent in the campaign. First to establish a 100 percent record for their town in the purchase of Defense Savings Bonds or Stamps were the ninety-nine inhabitants of Meddybemps, Maine, who purchased the securities on May 1, the day the program was inaugurated.

TREASURY DEPARTMENT
Washington

FOR RELEASE, MORNING NEWSPAPERS,
Saturday, July 12, 1941.

Press Service
No. 26-51

7/11/41

The Treasury Department today announced plans which will enable more than 1,251,000 Federal employees throughout the United States to participate in the National Defense Savings campaign by periodic investment of part of their earnings in Defense Savings Bonds and Stamps.

Both in Washington and in the field, heads of bureaus, offices and divisions are being named to general departmental committees to bring the campaign to the attention of the Federal employees and to encourage the purchase of Defense Savings securities.

This program was started at the Treasury only a few weeks ago. Already, more than 17,000 of the 19,982 Treasury employees in Washington, or 85 per cent, have pledged to buy \$95,944 in Bonds and Stamps each month. Of the 9,176 Treasury employees in field service, 6,133, or 67 per cent, have pledged to make monthly purchases totaling \$30,265. In all, 23,133, or 79 percent of the total number of Treasury employees, have signed up to buy \$126,209 worth of Bonds and Stamps monthly.

Led by Administrator Jesse H. Jones, the Federal Loan Agency is now busily engaged in adapting the Treasury's plan to its component organizations, which include the Reconstruction Finance

Corporation, Federal Housing Administration, Electric Home and Farm Authority, Federal Home Loan Bank Board, Home Owners' Loan Corporation, Export-Import Bank of Washington, and Federal Savings and Loan Insurance Corporation.

Mr. Jones, who is also Secretary of Commerce, personally purchased Stamps and Bonds of each denomination, starting with the ten-cent Stamp and ending with a \$10,000 Bond.

The Home Owners' Loan Corporation has designated its Federal Credit Union as the issuing agent for the Defense Savings Bonds and Stamps. Its first Bond was purchased by John H. Fahey, chairman of the Home Loan Bank Board.

Secretary of Labor Perkins has named Samuel J. Gompers, chief clerk, as the Department's representative for the employees' purchase plan in that branch of the Government.

Administrator Harry Slattery of the Rural Electrification Administration purchased the first Defense Savings Bond from the credit union of that agency, which he designated as the REA employees' issuing agent for the Bonds and Stamps.

The Securities and Exchange Commission named Albert Carretta, supervisor of the Unlisted Tradings section, to organize and supervise the Treasury's plan for the convenient purchase by its employees of Defense Savings Bonds and Stamps.

In the other Government departments, group agents are being designated to serve as the employees' liaison representatives for

the handling and purchase of Bonds and Stamps, and to act as the employees' agent in consummating the purchase of the securities through the "Voluntary Purchase Plan." Under the plan, Federal employees on each payday will purchase a designated amount of Defense Savings Bonds or Stamps through the means of pledge cards which have been distributed to them.

The damage to the ships' machinery, mainly in the engine rooms, first came to light this spring when more than sixty foreign vessels were boarded by Coast Guardsmen.

Secretary Morgenthau's telegram today ordered Collectors to "take and retain custody" of the vessels, together with their "tackle, apparel, furniture and equipment." At the same time the Coast Guard was ordered to extend cooperation to the Customs officers in carrying out the order.

The Secretary directed that no cargo be removed from the vessels while they remain in the custody of the Collectors, or until specifically authorized by the Treasury.

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DRB

For Immediate Release

Secretary Morgenthau today directed Collectors of Customs to take possession of nineteen Axis vessels, berthed at nine American ports, for violation of the Espionage Act of 1917. The action, affecting eighteen Italian ships and one German vessel, is preliminary to forfeiture proceedings in the courts.

The Departments of State and Justice and the Maritime Commission requested the forfeiture as a penalty for ^{the} sabotage of the ships' machinery, which rendered the craft unseaworthy and made them a hazard to shipping in American harbors.

The Customs districts and the seized vessels in their jurisdiction are:

Mobile, Alabama	IDA Z.O.
Philadelphia, Pennsylvania	ANTONIETTA MAR GLAUCO SANTA ROSA BELVEDERE
Baltimore, Maryland	PIETRO CAMPANELLA EURO
Boston, Massachusetts	PAULINE FRIEDERICH
Galveston, Texas	MONGIOIA
New York, New York	SAN LEONARDO VILLARPEROSA
Norfolk, Virginia	GIUAN GUIDONIA LACONIA VITTORIN SAN GUISEPPE
Portland, Oregon	LEME
New Orleans, Louisiana	ADA O MONFIORE

Portland, Oregon
New Orleans, Louisiana

LEME
ADA Q
~~MONFIORE~~
MONFIORE

The damage to the vessels first came to light ~~through~~ ^{on March 30} when more than sixty foreign vessels were boarded by Coast Guardsmen. ^{The Treasury Department through the Coast Guard has had possession and control of the vessels since that date} Secretary Morgenthau's telegram today directed Collectors to "take and retain custody" of the vessels, together with their "tackle, apparel, furniture and equipment." At the same time the Coast Guard was ordered to extend cooperation to the Customs officers in carrying out the direction.

The Secretary directed that no cargo be removed from the vessels while they remain in the custody of the Collectors until specifically authorized by the Treasury or by the courts.

Only vessels which have been sabotaged are being seized.

~~The Pauline Frederick is of German Registry~~
~~The remainder are Italian~~
~~custody of the Coast Guard since March 30~~

The Pauline Frederick is of German Registry
the remainder are Italian

DM
DRR

26-52

For Immediate Release

Secretary Morgenthau today directed Collectors of Customs to seize eighteen Axis vessels, berthed at nine American ports, for violation of the Espionage Act of 1917. The action, affecting seventeen Italian ships and one German vessel, is preliminary to forfeiture proceedings in the courts because of sabotage to the vessels while lying in American harbors.

The action was taken after the Department of Justice had advised the Secretary of the Treasury that there existed "probable cause" for the seizure of the vessels.

The Customs districts and the seized vessels in their jurisdiction are:

- | | |
|----------------------------|---|
| Mobile, Alabama | IDA Z. O. |
| Philadelphia, Pennsylvania | ANTONIETTA
MAR GLAUCO
SANTA ROSA
BELVEDERE |
| Baltimore, Maryland | PIETRO CAMPANELLA
EURO |
| Boston, Massachusetts | PAULINE FRIEDERICH |
| Galveston, Texas | MONGIOIA |
| New York, New York | SAN LEONARDO
VILLARPEROSA |
| Norfolk, Virginia | GIUAN
GUIDONIA
VITTORIN
SAN GIUSEPPE |

TREASURY DEPARTMENT
Washington

FOR IMMEDIATE RELEASE,
Friday, July 11, 1941.

Press Service
No. 26-52

Secretary Morgenthau today directed Collectors of Customs to seize sixteen Axis vessels, berthed at nine American ports, for violation of the Espionage Act of 1917. The action, affecting fifteen Italian ships and one German vessel, is preliminary to forfeiture proceedings in the courts because of sabotage to the vessels while lying in American harbors.

The action was taken after the Department of Justice had advised the Secretary of the Treasury that there existed "probable cause" for the seizure of the vessels.

The Customs districts and the seized vessels in their jurisdiction are:

Mobile, Alabama	IDA Z.O.
Philadelphia, Pennsylvania	ANTONIETTA MAR GLAUCO SANTA ROSA BELVEDERE
Baltimore, Maryland	PIETRO CAMPANELLA EURO
Boston, Massachusetts	PAULINE FRIEDERICH
Galveston, Texas	MONGIOIA
New York, New York	SAN LEONARDO VILLARPEROSA

Norfolk, Virginia

VITTORIN
SAN GIUSEPPE

Portland, Oregon

LEME

New Orleans, Louisiana

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MONFIORE

The damage to the vessels first came to light on March 30, when more than sixty foreign vessels were boarded by Coast Guardsmen. The Treasury Department, through the Coast Guard, has had possession and control of the vessels since that date.

Secretary Morgenthau's telegram today directed Collectors to "take and retain custody" of the vessels, together with their "tackle, apparel, furniture and equipment." At the same time the Coast Guard was ordered to extend cooperation to the Customs officers in carrying out the direction.

The Secretary directed that no cargo be removed from the vessels while they remain in the custody of the Collectors until specifically authorized by the Treasury or by the courts.

Only vessels which have been sabotaged are being seized.

The Pauline Friederich is of German Registry; the remainder are Italian.

Date

Submitted July 11, 1941

PRESS SECTION
DEFENSE SAVINGS STAFF

NEWSPAPER RELEASE

Mr. Schwarz: MM

Attached Release - "For America We Sing" over NBC-Blue.

For Release Immediate

VC
Vincent F. Callahan

Approved *EA*

EA
H. N. Graves

Time 9:10

Date 7/11

EW Sloan
E. W. Sloan

Harford Powel

TREASURY DEPARTMENT
Washington

FOR IMMEDIATE RELEASE

Press Service

With outstanding stars from the field of concert and opera serving as guest artists, the National Broadcasting Company will inaugurate a nationwide radio series in behalf of the Treasury Department's Defense Savings Program over the NBC-Blue Network beginning Tuesday, July 22, from 7:30 to 8:00 P. M. EST. The program will be heard thereafter at the same time each Tuesday.

Entitled "For America We Sing", the new ~~series~~ of program~~s~~ is designed as a "musical Americana", ~~and will feature leading solo-~~
~~ists in well-known selections, accompanied by a 44-piece NBC orchestra~~
and chorus, under the baton of Frank Black, NBC's musical director. *will carry*
~~Niles Trammell, president of the National Broadcasting Company, made~~
~~arrangements for the Treasury broadcasts.~~ The radio time and the
services of the artists are being donated by NBC as ~~one of the~~
~~network's contributions to National Defense.~~

Dorothy Maynor and Frank Munn will be featured on the first broadcast on Tuesday, July 22. Other stars scheduled for the "For America We Sing" series include Helen Jepson and Frank Parker on July 29, Rose Bampton and Robert Weede on August 5 and Lanny Ross and Gladys Swarthout on August 12. Artists to be heard on succeeding programs will be announced later.

26-53

A new Defense Savings Bond radio program featuring operatic and concert singers will be broadcast every Tuesday evening for a year, beginning July 22, the Treasury Department announced today. The broadcast will go on the air ~~at~~ from 7:30 to 9 p.m. EST over the blue network of the National Broadcasting Company

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TREASURY DEPARTMENT
Washington

FOR RELEASE, MORNING NEWSPAPERS,
Sunday, July 13, 1941.

Press Service
No. 26-53

featuring
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y Departme
from 7:30
Broadcast

A new Defense Savings Bond radio program featuring operatic and concert singers will be broadcast every Tuesday evening for a year, beginning July 22, the Treasury Department announced today. The broadcast will go on the air from 7:30 to 8 p.m., E.S.T. over the blue network of the National Broadcasting Company. Entitled "For America We Sing", the new program is designed as a "musical Americana". A 44-piece NBC orchestra and chorus, under the baton of Frank Black, NBC's musical director, will accompany the artists. The radio time and the services of the artists are being donated by NBC.

Dorothy Maynor and Frank Munn will be features on the first broadcast on Tuesday, July 22. Other stars scheduled for the "For America We Sing" series include Helen Jepson and Frank Parker on July 29, Rose Barpton and Robert Weede on August 5 and Lanny Ross and Gladys Swarthout on August 12. Artists to be heard on succeeding programs will be announced later.

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TREASURY DEPARTMENT
Washington

FOR RELEASE, MORNING NEWSPAPERS,
Tuesday, July 15, 1941.
7/14/41

Press Service
No. 26-54

The Secretary of the Treasury announced last evening that the tenders for \$100,000,000, or thereabouts, of 91-day Treasury bills, to be dated July 16 and to mature October 15, 1941, which were offered on July 11, were opened at the Federal Reserve Banks on July 14.

The details of this issue are as follows:

Total applied for - \$306,089,000
Total accepted - 100,337,000

Range of accepted bids:

High	-	99.990	Equivalent rate	approximately	0.040
Low	-	99.972	"	"	0.111
Average price	-	99.975	"	"	0.097

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

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PRESS RELEASE:

The Bureau of Customs announced today, preliminary figures showing the quantities of wheat and wheat flour entered, or withdrawn from warehouse, for consumption under the import quotas established in the President's Proclamation of May 28, 1941, for the twelve months commencing May 29, 1941, as follows:

Country of Origin	Wheat		Wheat flour, semolina, crushed or cracked wheat, and similar wheat products	
	Established Quota	Imports May 29, 1941 to June 28, 1941	Established Quota	Imports May 29, 1941 to June 28, 1941
	(Bushels)	(Bushels)	(Pounds)	(Pounds)
Canada	795,000	85,438	3,815,000	1,037
China	-	-	24,000	2,500
Hungary	-	-	13,000	-
Hong Kong	-	-	13,000	400
Japan	-	-	8,000	-
United Kingdom	100	-	75,000	-
Australia	-	-	1,000	-
Germany	100	-	5,000	-
Syria	100	-	5,000	-
New Zealand	-	-	1,000	-
Chile	-	-	1,000	-
Netherlands	100	-	1,000	-
Argentina	2,000	-	14,000	-
Italy	100	-	2,000	-
Cuba	-	-	12,000	57
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	-	-	-
Total	800,000	85,438	4,000,000	3,994

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(Prepared by the Bureau of Customs)

TREASURY DEPARTMENT
Washington

FOR IMMEDIATE RELEASE,
Tuesday, July 15, 1941.

Press Service
No. 26-55

The Bureau of Customs announced today, preliminary figures showing the quantities of wheat and wheat flour entered, or withdrawn from warehouse, for consumption under the import quotas established in the President's Proclamation of May 28, 1941, for the twelve months commencing May 29, 1941, as follows:

Country of Origin	Wheat		Wheat flour, semolina, crushed or cracked wheat, and similar wheat products	
	Established Quota	Imports May 29, 1941 to June 28, 1941	Established Quota	Imports May 29, 1941 to June 28, 1941
	(Bushels)	(Bushels)	(Pounds)	(Pounds)
Canada	795,000	85,438	3,815,000	1,037
China	-	-	24,000	2,500
Hungary	-	-	13,000	-
Hong Kong	-	-	13,000	400
Japan	-	-	8,000	-
United Kingdom	100	-	75,000	-
Australia	-	-	1,000	-
Germany	100	-	5,000	-
Syria	100	-	5,000	-
New Zealand	-	-	1,000	-
Chile	-	-	1,000	-
Netherlands	100	-	1,000	-
Argentina	2,000	-	14,000	-
Italy	100	-	2,000	-
Cuba	-	-	12,000	57
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	-	-	-
Total	800,000	85,438	4,000,000	3,994

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(Prepared by the Bureau of Customs)

TREASURY DEPARTMENT
Washington

FOR IMMEDIATE RELEASE,
Tuesday, July 15, 1941.

Press Service
No. 26-55

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Canada	795,000	85,438	3,815,000	1,037
China	-	-	24,000	2,500
Hungary	-	-	13,000	-
Hong Kong	-	-	13,000	400
Japan	-	-	8,000	-
United Kingdom	100	-	75,000	-
Australia	-	-	1,000	-
Germany	100	-	5,000	-
Syria	100	-	5,000	-
New Zealand	-	-	1,000	-
Chile	-	-	1,000	-
Netherlands	100	-	1,000	-
Argentina	2,000	-	14,000	-
Italy	100	-	2,000	-
Cuba	-	-	12,000	87
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	-	-	-
Total	800,000	85,438	4,000,000	3,994

TREASURY DEPARTMENT

Washington

FOR IMMEDIATE RELEASE,
Tuesday, July 15, 1941.

Press Service

No 26-56

Secretary of the Treasury Morgenthau today announced the subscription figures and the basis of allotment for the offering of 1-1/8 percent notes of Series G of the Commodity Credit Corporation.

Reports received from the Federal Reserve Banks show that subscriptions aggregate \$5,357,000,000. Of this total, about \$201,000,000 were received from holders of Series D notes of the Corporation who tendered a like par amount of such notes to the Secretary for purchase. Such subscriptions were allotted in full, and all other subscriptions were allotted 4 percent, but not less than \$1,000 on any one subscription.

Further details as to subscriptions and allotments will be announced when final reports are received from the Federal Reserve Banks.

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TREASURY DEPARTMENT
Washington

FOR IMMEDIATE RELEASE,
Tuesday, July 15, 1941

Press Service
No. 26-56

Secretary of the Treasury Morgenthau today announced the subscription figures and the basis of allotment for the offering of 1-1/8 percent notes of Series G of the Commodity Credit Corporation.

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Further details as to subscriptions and allotments will be announced when final reports are received from the Federal Reserve Banks.

TREASURY DEPARTMENT
Office of the Secretary
July 15, 1941.

AMENDMENT OF GENERAL LICENSE NO. 45,
UNDER EXECUTIVE ORDER NO. 8389, APRIL
10, 1940, AS AMENDED, AND REGULATIONS
ISSUED PURSUANT THERETO, RELATING TO
TRANSACTIONS IN FOREIGN EXCHANGE, ETC.*

General License No. 45 is hereby amended as follows:

(a) Paragraph (1) thereof is amended to read as follows:

"(1) A general license is hereby granted authorizing any banking institution within the United States to make payments from blocked accounts, other than blocked accounts of Norway, Denmark, the Netherlands, Belgium, Luxembourg, France, Latvia, Estonia, Lithuania, Rumania, Bulgaria, Hungary, Yugoslavia, or Greece, or any national thereof, of documentary drafts drawn under irrevocable letters of credit issued or confirmed by a domestic bank prior to June 14, 1941."

(b) Paragraph (4) thereof is amended to read as follows:

"This license shall expire at the close of business on August 15, 1941."

E. H. FOLEY, JR.
Acting Secretary of the Treasury.

* Part 131; - Sec. 5(b), 40 Stat. 415 and 966; Sec. 2, 48 Stat. 1; 54 Stat. 179; Ex. Order 8389, April 10, 1940, as amended by Ex. Order 8785, June 14, 1941; Regulations, April 10, 1940, as amended June 14, 1941.

PRESS RELEASE:

The Bureau of Customs announced today preliminary figures for imports of coffee subject to quota limitations under the President's proclamation of the Inter-American Coffee Agreement on April 15, 1941.

The following tabulation lists the coffee quotas which have been filled, and shows import figures for the quotas now under telegraphic control as of July 12, 1941. Total imports under the other coffee quotas are shown as of July 5, 1941.

Quota Period	: Revised 1/	: Entered for Consumption
Country of Production	: Quota (lbs.)	: As of (Date) : Pounds
Quota Period - 12 months from October 1, 1940:		
Dominican Republic	16,138,333	(Import quota filled)
Guatemala	71,950,208	" " "
Venezuela	56,484,233	" " "
Colombia	423,632,012	" " "
Costa Rica	26,897,267	" " "
Cuba	10,758,933	July 5, 1941 7,065,708
El Salvador	80,691,799	" 65,086,688
Honduras	2,689,700	" 1,896,014
Nicaragua	26,224,775	" 19,736,067
Ecuador	20,173,016	July 12, 1941 19,222,602
Haiti	36,983,708	" 36,696,225
Peru	3,362,191	" 3,037,584
Brazil	1,250,722,887	" 1,219,626,585
Mexico	63,880,975	" 60,240,750
Non-signatory countries:		
All types of coffee	47,742,641	July 12, 1941 46,121,876 2/
Quota Period - April 22 to August 31, 1941, incl:		
Non-signatory countries:		
Mocha coffee	2,645,520	July 12, 1941 1,024,755 2/

1/ Quotas increased by Inter-American Coffee Board, as of June 1, 1941.

2/ Under the terms of an Executive order, effective June 14, 1941, the increased import quota for non-signatory countries is subject to the allocation of a maximum of 20,000 bags for coffee of the Mocha type which may be entered for consumption from April 21 to August 31, 1941, inclusive.

(Prepared by the Bureau of Customs)

U.S. TREASURY DEPARTMENT
Washington

FOR IMMEDIATE RELEASE,
Wednesday, July 16, 1941.

Press Service
No. 26-58

The Bureau of Customs announced today preliminary figures for imports of coffee subject to quota limitations under the President's proclamation of the Inter-American Coffee Agreement on April 15, 1941.

The following tabulation lists the coffee quotas which have been filled, and shows import figures for the quotas now under telegraphic control as of July 12, 1941. Total imports under the other coffee quotas are shown as of July 5, 1941.

Quota Period	: Revised 1/	:	Entered for Consumption
Country of Production	: Quota (lbs.)	: As of (Date)	: Pounds
Quota Period - 12 months from October 1, 1940:			
Dominican Republic	16,138,333		(Import quota filled)
Guatemala	71,950,208		" " "
Venezuela	56,484,233		" " "
Colombia	423,632,012		" " "
Costa Rica	26,897,267		" " "
Cuba	10,758,933	July 5, 1941	7,065,708
El Salvador	80,691,799	"	65,086,688
Honduras	2,689,700	"	1,896,014
Nicaragua	26,224,775	"	19,736,067
Ecuador	20,173,016	July 12, 1941	19,222,602
Haiti	36,983,708	"	36,696,225
Peru	3,362,191	"	3,037,584
Brazil	1,250,722,887	"	1,219,626,585
Mexico	63,880,975	"	60,240,750
Non-signatory countries:			
All types of coffee	47,742,641	July 12, 1941	46,121,876 2/
Quota Period - April 22 to August 31, 1941, incl:			
Non-signatory countries:			
Mocha coffee	2,645,520	July 12, 1941	1,024,755 2/

1/ Quotas increased by Inter-American Coffee Board, as of June 1, 1941.

2/ Under the terms of an Executive order, effective June 14, 1941, the increased import quota for non-signatory countries is subject to the allocation of a maximum of 20,000 bags for coffee of the Mocha type which may be entered for consumption from April 21 to August 31, 1941, inclusive.

(Prepared by the Bureau of Customs)

TREASURY DEPARTMENT
Washington

FOR IMMEDIATE RELEASE,
Wednesday, July 16, 1941.

Press Service
No. 26-58

The Bureau of Customs announced today preliminary figures for imports of coffee subject to quota limitations under the President's proclamation of the Inter-American Coffee Agreement on April 15, 1941.

The following tabulation lists the coffee quotas which have been filled, and shows import figures for the quotas now under telegraphic control as of July 12, 1941. Total imports under the other coffee quotas are shown as of July 5, 1941.

Quota Period	: Revised 1/	:	Entered for Consumption
Country of Production	: Quota (lbs)	: As of (Date)	: Pounds
Quota Period - 12 months from October 1, 1940:			
Dominican Republic	16,138,333		(Import quota filled)
Guatemala	71,950,208		" " "
Venezuela	56,484,233		" " "
Colombia	423,632,012		" " "
Costa Rica	26,897,267		" " "
Cuba	10,758,933	July 5, 1941	7,065,708
El Salvador	80,691,799	"	65,086,688
Honduras	2,689,700	"	1,896,014
Nicaragua	26,224,775	"	19,736,067
Ecuador	20,173,016	July 12, 1941	19,222,602
Haiti	36,983,708	"	36,696,225
Peru	3,362,191	"	3,037,584
Brazil	1,250,722,887	"	1,219,626,585
Mexico	63,880,975	"	60,240,750
Non-signatory countries:			
All types of coffee	47,742,641	July 12, 1941	46,121,876 <u>2/</u>
Quota Period - April 22 to August 31, 1941, incl:			
Non-signatory countries:			
Mocha coffee	2,645,520	July 12, 1941	1,024,755 <u>2/</u>

1/ Quotas increased by Inter-American Coffee Board, as of June 1, 1941.

2/ Under the terms of an Executive order, effective June 14, 1941, the increased import quota for non-signatory countries is subject to the allocation of a maximum of 20,000 bags for coffee of the Mocha type which may be entered for consumption from April 21 to August 31, 1941, inclusive.

ALPHA

- 2 -

Reserve Banks and Branches, following which public announcement will be made by the Secretary of the Treasury of the amount and price range of accepted bids. Those submitting tenders will be advised of the acceptance or rejection thereof. The Secretary of the Treasury expressly reserves the right to accept or reject any or all tenders, in whole or in part, and his action in any such respect shall be final. Payment of accepted tenders at the prices offered must be made or completed at the Federal Reserve Bank in cash or other immediately available funds on July 23, 1941.

~~(2)~~
The income derived from Treasury bills, whether interest or gain from the sale or other disposition of the bills, shall not have any exemption, as such, and loss from the sale or other disposition of Treasury bills shall not have any special treatment, as such, under Federal tax Acts now or hereafter enacted. The bills shall be subject to estate, inheritance, gift, or other excise taxes, whether Federal or State, but shall be exempt from all taxation now or hereafter imposed on the principal or interest thereof by any State, or any of the possessions of the United States, or by any local taxing authority. For purposes of taxation the amount of discount at which Treasury bills are originally sold by the United States shall be considered to be interest.

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

~~ALPHA~~

TREASURY DEPARTMENT

Washington

FOR RELEASE, MORNING NEWSPAPERS,
Friday, July 18, 1941
~~(11)~~

The Secretary of the Treasury, by this public notice, invites tenders for \$100,000,000⁽²⁾, or thereabouts, of 91⁽³⁾-day Treasury bills, to be issued on a discount basis under competitive bidding. The bills of this series will be dated July 23, 1941⁽⁴⁾, and will mature October 22, 1941⁽⁵⁾, 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, July 21, 1941⁽⁶⁾. Tenders will not be received at the Treasury Department, Washington. Each tender must be for an even multiple of \$1,000, and 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.

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 10 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

Em
26-59

TREASURY DEPARTMENT

FOR RELEASE, MORNING NEWSPAPERS,
Friday, July 18, 1941.

TREASURY DEPARTMENT

Washington

FOR RELEASE, MORNING NEWSPAPERS,
Friday, July 18, 1941
~~(1)~~

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Em 26-59

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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 10 percent of the face amount of Treasury bills, applied for, unless the tenders are accompanied by an express guaranty of payment by an incorporated bank or trust company.

Immediately after the closing hour, tenders will be opened at the Federal Reserve Banks and Branches, following which public announcement will be made by the Secretary of the Treasury of the amount and price range of accepted bids. Those submitting tenders will be advised of the acceptance or rejection thereof. The Secretary of the Treasury expressly reserves the right to accept or reject any or all tenders, in whole or in part, and his action in any such respect shall be final. Payment of accepted tenders at the prices offered must be made or completed at the Federal Reserve Bank in cash or other immediately available funds on July 23, 1941.

The income derived from Treasury bills, whether interest or gain from the sale or other disposition of the bills, shall not have any exemption, as such, and loss from the sale or other disposition of Treasury bills shall not have any special treatment, as such, under Federal tax Acts nor or hereafter enacted. The bills shall be subject to estate, inheritance, gift, or other excise taxes, whether Federal or State, but shall be exempt from all taxation now or hereafter imposed on the principal or interest thereof by any State, or any of the possessions of the United States, or by any local taxing authority. For purposes of taxation the amount of discount at which Treasury bills are originally sold by the United States shall be considered to be interest.

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

TREASURY DEPARTMENT

Washington

FOR IMMEDIATE RELEASE,
Friday, July 18, 1941.

Press Service
No 26-60

Secretary of the Treasury Morgenthau today announced the final subscription and allotment figures with respect to the current offering of 1-1/8 percent notes of Series G of the Commodity Credit Corporation.

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

Federal Reserve District	Total Subscriptions Received from Holders of Series D Notes Tendered for Purchase (Allotted in Full)	Total Other Subscriptions Received	Total Other Subscriptions Allotted	Total Subscription Allotted
Boston	\$ 7,883,000	\$ 438,500,000	\$ 17,688,000	\$ 25,571,000
New York	120,796,000	2,374,014,000	95,250,000	216,046,000
Philadelphia	5,433,000	282,515,000	11,417,000	16,850,000
Cleveland	10,262,000	347,533,000	14,189,000	24,451,000
Richmond	4,614,000	158,612,000	6,690,000	11,304,000
Atlanta	4,058,000	226,291,000	9,919,000	13,977,000
Chicago	24,527,000	686,296,000	28,086,000	52,613,000
St. Louis	2,228,000	124,770,000	5,915,000	8,143,000
Minneapolis	1,029,000	99,129,000	4,121,000	5,150,000
Kansas City	12,914,000	76,930,000	3,233,000	16,147,000
Dallas	1,891,000	84,783,000	3,941,000	5,832,000
San Francisco	5,328,000	252,358,000	10,135,000	15,463,000
Treasury	90,000	4,805,000	193,000	283,000
TOTAL	\$201,053,000	\$5,156,536,000	\$210,777,000	\$411,830,000

June

TREASURY DEPARTMENT
Washington

FOR IMMEDIATE RELEASE,
Friday, July 13, 1941.

Press Service
No. 26-60

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TOTAL	\$201,053,000	\$5,156,536,000	\$210,777,000	\$411,830,000

In addition to the preparation of Emergency Specifications, the Division is intensifying its effort to bring into agreement specifications for items necessary to the defense program which now are covered by conflicting specifications of two or more Government agencies.

A list of items which should be covered by Federal Specifications is being prepared for the Division by the Office of Production Management and the War and Navy Departments.

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Treasury Department
Washington

Press Service
No 26-61

For Release Tomorrow, Manufactures,
Sunday, July 20, 1941.

Emergency alternate specifications to existing standard Federal specifications are being prepared by the Procurement Division in an effort to conserve certain materials in which acute shortages exist, Director Clifton E. Mack disclosed today.

The emergency alternate specifications, drawn in collaboration with the Office of Production Management, are for those non-military items in general Federal use in which one or more strategic materials are utilized.

By means of the alternate specifications, the Division plans to minimize, and in some cases entirely eliminate these scarce materials which now appear in many non-defense items.

Already promulgated are twenty-six emergency alternate specifications designed to conserve zinc, chromium, bronze, cork, nickel, brass, aluminum and steel alloys.

The amended specifications cover such items as corrugated ~~sheet iron containers~~, sheet iron containers, laundry appliances, chain-link or welded fencing, etc.

Under the standard Federal Specifications, for example, zinc is used as a galvanizer for ~~pails, tubs and~~ pails, tubs and cans. The Emergency Specification eliminates the use of zinc and substitutes metallic, painted, lacquered or enameled corrosion protective coating. In another Emergency specification, use of zinc is minimized by providing for a thinner coat of the metal through use of electroplating rather than hot dipping.

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TREASURY DEPARTMENT
Washington

FOR RELEASE, MORNING NEWSPAPERS,
Sunday, July 20, 1941.

7/18/41

stock
Press Service
No. 26-~~62~~

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TREASURY DEPARTMENT
Washington

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In addition to the preparation of Emergency Specifications, the Division is intensifying its effort to bring into agreement specifications for items necessary to the defense program which now are covered by conflicting specifications of two or more Government agencies.

A list of items which should be covered by Federal Specifications is being prepared for the Division by the Office of Production Management and the War and Navy Departments.

TREASURY DEPARTMENT
Washington

FOR IMMEDIATE RELEASE,
Friday, July 18, 1941.

Press Service
No. 26-62

At the request of Mayor LaGuardia of New York, Director of Civilian Defense, the Treasury Department, through the Procurement Division, has agreed to take charge of the disposition of the donated scrap aluminum now being collected throughout the United States by the Office of Civilian Defense.

This scrap aluminum will be sold to smelters engaged in defense contracts. The aluminum will be used for national defense purposes and the proceeds of the sales will be deposited in the General Fund of the Treasury of the United States, subject to disposition of the Congress.

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from taxation, and (3) to begin the taxation of future issues.

Assuming that Congress carries out these recommendations, no holders of Triborough Bridge Authority and similar obligations have any reason to fear the imposition of taxes on obligations now outstanding, Treasury attorneys said.

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President Roosevelt thereupon recommended on January 19, 1939, that Congress correct the situation. The silence of Congress since then, in the opinion of Treasury officials, has left the Department no alternative. In his message, the President said:

"Unless the Congress passes some legislation dealing with this situation prior to March 15th, I am informed by the Secretary of the Treasury that he will be obliged to collect back taxes for at least 3 years upon the employes of many State agencies and upon the security holders of many State corporate instrumentalities, who mistakenly but in good faith believed they were tax exempt. The assessment and collection of these taxes will doubtlessly in many cases produce great hardship.

"Accordingly, I recommend legislation to correct the existing inequitable situation, and at the same time to make private income from all Government salaries hereafter earned and from all Government securities hereafter issued subject to the general income-tax laws of the Nation and of the several States. It is difficult for almost all citizens to understand why a constitutional provision permitting taxes on 'income from whatever source derived' does not mean 'from whatever source derived.'"

Congress partially followed this recommendation by abating back taxes on public employes through the enactment of the Public Salary Tax Act of 1939, but has ~~not yet~~ taken ^{no} ~~any~~ action to relieve from tax liability the holders of outstanding securities of public corporations.

Should the Supreme Court now uphold the Treasury's position, the Treasury intends to renew its recommendation to Congress (1) to abate the payment of back taxes, (2) to exempt outstanding issues

Commissioner Shamberg's assertion that the interest on his bonds was exempt.

The present action represents no change in the Administration's policy of seeking to tax only ~~the~~ future issues of State and municipal securities. Secretary Morgenthau has consistently voiced opposition to proposals which would subject the interest on outstanding State and municipal securities to Federal taxes.

Treasury officials believe, however, that the importance of the issue warrants having more than one bondholder and one Authority before the courts. In order to avoid putting a large class of taxpayers to unnecessary expense, the Bureau of Internal Revenue will proceed only against two of the many Triborough Bridge Authority bondholders.

According to Treasury attorneys, the Bureau of Internal Revenue had once ruled that the interest on Triborough Bridge Authority bonds was tax exempt, but that in the light of the trend of recent judicial decisions the Department had to enforce the income tax law as declared in those decisions. They pointed out that Secretary Morgenthau had called President Roosevelt's attention to the urgent need of legislation to remove ~~the~~ uncertainties created by the Supreme Court's decision in the Port Authority salary case [304 U.S. 405; 305 U.S. 669].

TREASURY DEPARTMENT
Washington

FOR RELEASE AFTERNOON PAPERS,
Saturday, July 19, 1941,

Press Service
No. 26-63

The Bureau of Internal Revenue today instituted another test case intended ultimately to prove in the courts that the Federal Government has the right under the Constitution to tax the income from State and municipal securities.

~~Its~~ Action consisted in sending notices of deficiency to two bondholders of the Triborough Bridge Authority who had not included interest from their bonds in their tax returns.

The Bureau's first step was taken on March 14, 1941, when notices of deficiency were sent to seven bondholders of the Port of New York Authority who had not included interest from their bonds in their tax returns filed on March 15, 1938.

Six of the seven bondholders subsequently paid the deficiency in tax claimed by the Treasury Department. The seventh, Alexander J. Shamberg, a Commissioner of the Port of New York Authority, filed his appeal on June 5, 1941. Within three weeks the Bureau of Internal Revenue filed its answer, which maintained its position that public corporations like the Port of New York Authority are neither States, territories, nor "political subdivisions", and that, therefore, the interest from their securities is subject to the Federal income tax under the Internal Revenue Code, and denied

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Should the Supreme Court now uphold the Treasury's position, the Treasury intends to renew its recommendation to Congress (1) to abate the payment of back taxes, (2) to exempt outstanding

issues from taxation, and (3) to begin the taxation of future issues.

Assuming that Congress carries out these recommendations, no holders of Triborough Bridge Authority and similar obligations have any reason to fear the imposition of taxes on obligations now outstanding, Treasury attorneys said.

7/21/41
26-64

PRESS RELEASE:

The Bureau of Customs announced today that preliminary reports from the collectors of customs show that the tariff rate quota for the third quarter of the calendar year 1941 on imports of cattle weighing 700 pounds or more each, other than dairy cows, the produce of countries other than Canada, was filled during the period July 1 to July 5, 1941, inclusive.

The President's proclamation dated November 30, 1940, provides that not more than 8,280 head of this class of cattle the produce of countries other than Canada may be entered, or withdrawn from warehouse, for consumption in any calendar quarter year during 1941 at the reduced rate of duty provided in the trade agreement with Canada.



(Prepared by the Bureau of Customs)

TREASURY DEPARTMENT
Washington

FOR IMMEDIATE RELEASE,
Monday, July 21, 1941.

Press Service
No. 28-64

The Bureau of Customs announced today that preliminary reports from the collectors of customs show that the tariff rate quota for the third quarter of the calendar year 1941 on imports of cattle weighing 700 pounds or more each, other than dairy cows, the produce of countries other than Canada, was filled during the period July 1 to July 5, inclusive.

The President's proclamation dated November 30, 1940, provides that not more than 3,280 head of this class of cattle the produce of countries other than Canada may be entered, or withdrawn from warehouse, for consumption in any calendar quarter year during 1941 at the reduced rate of duty provided in the trade agreement with Canada.

TREASURY DEPARTMENT
Washington

FOR IMMEDIATE RELEASE,
Monday, July 21, 1941.

Press Service
No. 26-65

Market transactions in Government securities for Treasury investment accounts in June, 1941, resulted in net purchases of \$447,000, Secretary Morgenthau announced today.

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TREASURY DEPARTMENT
Washington

FOR IMMEDIATE RELEASE;
Monday, July 21, 1941.

Press Service
No. 26-66

A general sixty-day extension of the period for filing capital stock tax returns was announced today by Secretary Morgenthau.

The extension makes September 29 the final day for filing such returns. Without extension, the deadline would have been July 31.

The Treasury said that interest will not be chargeable on unpaid capital stock taxes until after September 29, whereas ordinarily interest would be charged on such taxes unpaid after July 31.

Treasury officials explained that the extension was granted because of the uncertainty that exists as a consequence of the fact that the Congress is presently considering changes in the revenue laws. Until the changes under consideration are definitely determined, it is difficult for corporations to calculate the valuations that must be declared for capital stock tax purposes.

The extension was prompted also by the fact that the Ways and Means Committee's recommendation to increase the capital stock tax from \$1.10 to \$1.25 per \$1,000 is intended to apply to the taxable year recently concluded, for which returns would have been due July 31.

Any corporation which has already filed its return, under the assumption that no general extension of time would be granted, has the privilege under the law and regulations of amending the valuation declared in such return by filing an amended return, provided such amended return is received by the Collector of Internal Revenue on or before September 29, 1941.

TREASURY DEPARTMENT
Washington

FOR RELEASE, MORNING NEWSPAPERS,
Tuesday, July 22, 1941.
7/21/41

Press Service
No. 26-67

The Secretary of the Treasury announced last evening that the tenders for \$100,000,000, or thereabouts, of 91-day Treasury bills, to be dated July 23 and to mature October 22, 1941, which were offered on July 18, were opened at the Federal Reserve Banks on July 21.

The details of this issue are as follows:

Total applied for - \$292,758,000
Total accepted - 100,127,000

Range of accepted bids: (Excepting two tenders aggregating \$250,000)

High - 99.982	Equivalent rate approximately	0.071	<i>percent</i>
Low - 99.974	" " "	0.103	"
Average			
Price - 99.975	" " "	0.098	"

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

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TREASURY DEPARTMENT
Washington

FOR RELEASE, MORNING NEWSPAPERS,
Tuesday, July 22, 1941.
7/21/41

Press Service
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Average					
Price	- 99.975	"	"	0.098	

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

NEW YORK

Frank Barnett,
45-33 Zion Street,
Little Neck, Long Island,
[REDACTED]

Joseph S. Berliner,
2116 Norris Avenue,
New York

Ronald T. Bow,
[REDACTED]
Congers

Route
Peter S. Branson,
c/o Mr. Fred Vaughn,
[REDACTED]
Lake George

Bernard S. Brown,
1474 Flatbush Avenue,
Brooklyn

John D. Callahan,
42 Townsend Avenue,
Newburgh

John M. Dempsey, Jr.,
135 75th Street,
Brooklyn

Harley E. Dilcher
Chapel Street,
Elba

Louis R. Ford, Jr.,
1223 Avenue L,
Brooklyn

Herbert R. Harris,
45-65 172 Street,
Flushing

Lawrence M. Hecker,
91 Pilot Street,
City Island

b
Archibald B. How,
40 Orient Avenue,
Douglaston, [REDACTED]

NEW YORK (continued)

John D. McCann,
42-17 Judge Street,
Elmhurst, Long Island,
[REDACTED]

William Emmet Murphy,
170 Lake Avenue,
Tuckehee

Alfred Owre, Jr.,
421 East 52nd Street,
New York

Edward Roger Ralph,
Coast Guard Receiving Station,
Ellis Island [REDACTED]

Paul Thomas Ryan,
155 Lexington Avenue,
Rochester

Robert Roy Schaefer,
58 Gansevoort Blvd.,
Port Richmond, Staten Island,
[REDACTED]

Wesley Matthew Thorsson,
36 Sidney Place,
Brooklyn

William Jay Werther,
210-29 29 Avenue,
Bayside

George Henry Wittler, Jr.,
18 Amity Street,
Patchogue

PENNSYLVANIA

John A. Ballantine,
1320 Carlisle Street,
Tarentum

Mahlon D. Clements, Jr.,
202 Taylor Avenue,
Easton

Robert M. Speck,
249 N. 23rd St.,
'Camp Hill' [REDACTED]

James H. Durfee,
1125 Morgan Avenue,
Drexel Hill

MASSACHUSETTS (continued)

George Alfred Warren,
105 Pilgrim Road,
North Weymouth

MARYLAND

James W. Carroll,
2721 Beryl Avenue,
Baltimore,

Kenneth Hugh Meidling,
3608 Hamilton Avenue,
Baltimore

Robert C. Phillips,
2733 Edmondson Avenue,
Baltimore

Robert A. Schnebly,
650 Summit Avenue,
Hagerstown

MICHIGAN

Caleb R. Crandall, Jr.,
c/o Lt. Comdr. C. R. Crandall,
625 Federal Building,
Detroit

MISSOURI

Donald Henry Tollert,
2203 E. Meyer Blvd.,
Kansas City

Clarence R. Easter,
2542 Scott Avenue,
Independence

MONTANA

Roger J. Alke,
Montana School of Mines,
Butte

Alfred W. Brass, Jr.,
Route A,
Helena

OHIO

Jay H. Bramson,
2837 East Overlook Road,
Cleveland Heights

Philip S. Hofmann,
115 Charles Court,
Elyria

OKLAHOMA

Worley Berry Lynn,
[Redacted]
Madill

~~Howard Wesley Frier
615 East Warner,
Guthrie~~

Virgil Nourse Woolfork, Jr.,
3207 South Robinson Street,
Oklahoma City

NEBRASKA

Frederick J. Kroll,
3850 Arbor Street,
Omaha

Don Richard Rodgers,
1409 Que Street,
Lindoln

NEW HAMPSHIRE

Part Robert C. Boardman,
~~[Redacted]~~ #1,
Milford

NEW JERSEY

Robert J. Donovan,
234 Newark Avenue,
Bloomfield

Robert D. Johnson,
32 North Clinton Street,
East Orange

Raymond Grant Parks,
57 Howard Avenue,
Passaic

Robert B. Waddington,
260 E. Second Avenue,
Roselle

IDAHO

George Francis Thometz, Jr.,
Route 1,
Twin Falls

ILLINOIS

Milan A. Broderick,
1638 W. Garfield Blvd.,
Chicago

John J. Fehrenbacher,
408 Hunter Avenue,
Joliet

Curtis William Sphar,
206 West Washington,
Benton

John Bellyard Wade,
North Hall,
Carthage

IOWA

John N. Austin,
432 North Booth,
Dubuque

Bernise Clarence Lowman,
509 N. 5th Street,
Clear Lake

KANSAS

Harold L. Davison,
622 Chestnut Street,
Leavenworth

Neilus Andrew Speare,
1727 South Valley,
Kansas City

LOUISIANA

Andrew Wakefield Wofford,
Louisiana Polytechnic Institute,
Ruston

MAINE

Richard W. Goode,
Route 3,
Houlton,

MASSACHUSETTS

Gilbert N. Bell,
18 Howitt Road,
West Roxbury

John A. Devlin,
7 Sherman Street,
Matick

Sumner E. Dolber,
23 Washington Ave.,
Waltham

Arthur A. Fontaine,
508 Brock Avenue
New Bedford

Robert J. Healy
27 Kensington Street
Feeding Hills

Robert F. Henderson
240 West Street,
Reading

John B. Lape, Jr.,
7 Dartmouth Street,
East Lynn
William Merryman Page, Jr.,
1 Page Road,
Marblehead

Robert Donald Parkhurst,
6 Arbutus Road,
Swampscott

Lilbourn Amos Pharris, Jr.,
128 Forest Street,
Medford

Theodore Charles Rapalus,
103 Cottage Street,
Easthampton

Stanley Theodore Siegel,
15 Short Street,
Brookline

George Warren Wagner,
386 Riverway,
Boston

Gordon A. Tyne,
4 Springfield St.,
Gloucester, Mass.



Route

CONNECTICUT

Homer G. Anderson,
48 Prospect Street,
New Britain

Parker O. Chapman,
Admiral Billard Academy,
New London

John N. Dorsey,
57 Pacific Street,
New London

Walter R. Goldhammer,
Coast Guard Academy,
New London

Frederick W. Hermes,
Admiral Billard Academy,
New London

Andrew Mazzotta,
131 Brook Street,
Hartford

Albert J. McCullough,
Coast Guard Academy,
New London

Edward Duncan Middleton, Jr.,
358 Ocean Avenue,
New London

James Edward Murphy,
25 Edgerton Street,
Manchester

William Francis Powell, III,
20 Woodmere Road,
West Hartford

Revel Floyd Stratton,
Collinsville

DISTRICT OF COLUMBIA

Richard L. Bailey Jr.,
5130 Seventh Street, N. W.,
Washington

William H. Boswell,
425 D Street, S. W.,
Washington

Henry C. Crawford, Jr.,
1457 Park road, N. W.,
Washington

DISTRICT OF COLUMBIA (continued)

John B. Freeman,
1542 44th Street, N. W.,
Washington

William E. Fuller, Jr.,
1923 N Street, N. W.,
Washington

Dimitry George Leslie,
1613 30th Street, N. W.,
Washington

Richard S. Lodge,
1510 Van Buren Street, N. W.,
Washington

James E. Maher,
3718 Huntington Street, N. W.,
Washington

Kendall Crenin McCallum,
3024 Wisconsin Avenue, N. W.,
Washington

FLORIDA

Harold K. Goodbread,
1218 Ninth Avenue,
St. Petersburg

William L. Martin,
2108 Marjorie Avenue,
Tampa

Octavius Hopkins Smith, III,
919 North 12th Avenue,
Pensacola

George Earnest Williams,
410 Iowa Street,
Bartow

GEORGIA

Harrison Ballard Smith,
118 St. Louis Place, N. E.,
Atlanta

Selwyn Lee Willey,
2254 Beecher Road,
Atlanta

Robson H. C. Wright,
112 E. Princeton Avenue,
College Park

ALASKA

James A. Hodgman,
309 George Street,
Ketchikan

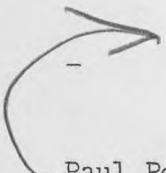
David Anderson Webb,
U. S. Coast Guard Cutter HAIDA,
Juneau

ARIZONA

William Hamilton Wallace,
Arizona State Teachers College,
Tempe

CALIFORNIA

Conald B. Crews,
1136 Holt Avenue,
Los Angeles


Paul Powers Perez,
1211 Horn Avenue,
W. Hollywood

Gordon F. Hempton,
2601 3rd Avenue,
Sacramento

James L. Harrison,
930 Brazil Street,
Compton

Julian Johansen,
2231 64th Avenue,
Oakland

Kenneth Howard Langenbeck,
1306 South Van Ness Avenue,
Santa Ana

Elmer Maurice Lipsey,
443 S. Cochran,
Los Angeles

Bill Llewellyn, Jr.,
Route 3,
Anaheim

CALIFORNIA (continued)

James O. Lyon,
4216 East Second Street,
Long Beach

James Thomas Maher,
311 D Street,
San Rafael

Milton Lee McGregor,
2164 Oregon Street,
Berkeley

Mobley Meadows Milam,
413 1/2 San Emidio,
Taft

Gustavus Simmons Miller, Jr.,
735 N. California Street,
Stockton

Earl A. Parker, Jr.,
2013 West 74th Street,
Los Angeles

Marion G. Shrode, Jr.,
735 Geary Street,
San Francisco

Raymond B. Starbuck,
834 N. Woods,
Fullerton

Benjamin N. Ward, Jr.,
230 Marquita Avenue,
San Clemente

George Herbert Weller,
2710 W. Jefferson Blvd.,
Los Angeles

Mark Allen Yorston,
315 W. Palmer Avenue,
Compton

COLORADO

Paul Reed Peak, Jr.,
982 South Emerson,
Denver

TREASURY DEPARTMENT
Washington.

FOR [REDACTED] RELEASE

Afternoon papers,

Press Service
No. 26 ~~68~~ 68

Thursday, July 24, 1941

[Rear Admiral R. R. Waesche, Commandant of the United States Coast Guard, today announced the names of one hundred and forty-four new cadets who have [REDACTED] been selected for training at the Coast Guard Academy at New London, Conn.

[This class represents the top contestants, physically and mentally, among the large group of young men who took the ~~examinations~~-open competitive examinations for admission to the Academy. They come from ²⁹ [REDACTED] States and Alaska and the District of Columbia, as follows:

Alaska

[Large scribbled-out area]

FOR RELEASE
Thursday, J
Rear A
Coast Guard
new ca
Acade
This c
mentally, a
competitive
come from
follows:
James A. Ho
Mc George
Vehilkan.
David Ander
U. S. Coast
Gureau.
William Ha
Arizona St
Tempe.
Donald B.
186 Holt
Los Angel
Paul Powe
2211 Horn
W. Hollyw

TREASURY DEPARTMENT
Washington

FOR RELEASE, AFTERNOON PAPERS,
Thursday, July 24, 1941.

Press Service
No. 26-68

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Arizona State Teachers College,
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James L. Harrison,
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Robson H. C. Wright,
112 E. Princeton Avenue,
College Park.

IDAHO

George Francis Thometz, Jr.,
Route 1,
Twin Falls.

ILLINOIS

Milan A. Broderick,
1638 W. Garfield Boulevard,
Chicago.

John J. Fehrenbacher,
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William Merryman Page, Jr.,
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6 Arbutus Road,
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MASSACHUSETTS (continued)

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128 Forest Street,
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Theodore Charles Rapalus,
103 Cottage Street,
Easthampton.

Stanley Theodore Siegel,
15 Short Street,
Brookline.

George Warren Wagner,
386 Riverway,
Boston.

Gordon A. Tyne,
4 Springfield Street,
Gloucester.

George Alfred Warren,
105 Pilgrim Road,
North Weymouth.

MARYLAND

James W. Carroll,
2721 Beryl Avenue,
Baltimore.

Kenneth Hugh Meidling,
3608 Hamilton Avenue,
Baltimore.

Robert C. Phillips,
2733 Edmondson Avenue,
Baltimore.

Robert A. Schnebly,
650 Summit Avenue,
Hagerstown.

MICHIGAN

Caleb R. Crandall, Jr.,
c/o Lt. Comdr. C. R. Crandall,
625 Federal Building,
Detroit.

MISSOURI

Clarence R. Easter,
2542 Scott Avenue,
Independence.

Donald Henry Rollert,
2203 E. Meyer Boulevard,
Kansas City.

MONTANA

Roger J. Alke,
Montana School of Mines,
Butte.

Alfred W. Brass, Jr.,
Route A,
Helena.

NEBRASKA

Frederick J. Kroll,
3850 Arbor Street,
Omaha.

Don Richard Rodgers,
1409 Que Street,
Lincoln.

NEW HAMPSHIRE

Robert C. Boardman,
Route 1;
Milford.

NEW JERSEY

Robert J. Donovan,
234 Newark Avenue,
Bloomfield.

Robert D. Johnson,
32 North Clinton Street,
East Orange.

Raymond Grant Parks,
57 Howard Avenue,
Passaic.

Robert B. Waddington,
260 E. Second Avenue,
Roselle.

NEW YORK

Frank Barnett,
45-33 Zion Street,
Little Neck, Long Island.

Joseph S. Berliner,
2116 Norris Avenue,
New York.

Ronald T. Bow,
Congers.

Peter S. Branson,
c/o Mr. Fred Vaughn,
Route 1,
Lake George.

Bernard S. Brown,
1474 Flatbush Avenue,
Brooklyn.

John D. Callahan,
42 Townsend Avenue,
Newburgh.

NEW YORK (continued)

John M. Dempsey, Jr.,
135 75th Street,
Brooklyn.

Harley E. Dilcher,
Chapel Street,
Elba.

Louis R. Ford, Jr.,
1223 Avenue L,
Brooklyn.

Herbert R. Harris,
45-65 172 Street,
Flushing.

Lawrence M. Hecker,
91 Pilot Street,
City Island.

Archibald B. How,
40 Orient Avenue,
Douglaston.

John D. McCann,
42-17 Judge Street,
Elmhurst, Long Island.

William Emmet Murphy,
170 Lake Avenue,
Tuckehoe.

Alfred Owre, Jr.,
421 East 52nd Street,
New York.

Edward Roger Ralph,
Coast Guard Receiving Station,
Ellis Island.

Paul Thomas Ryan,
155 Lexington Avenue,
Rochester.

NEW YORK (continued)

Robert Roy Schaefer,
58 Gansevoort Boulevard,
Port Richmond, Staten Island.

Wesley Matthew Thorsson,
36 Sidney Place,
Brooklyn.

William Jay Werther,
210-29 29 Avenue,
Bayside.

George Henry Wittler, Jr.,
18 Amity Street,
Patchogue.

OHIO

Jay H. Bramson,
2837 East Overlook Road,
Cleveland Heights.

Philip S. Hofmann,
115 Charles Court,
Elyria.

OKLAHOMA

Worley Berry Lynn,
Madill.

Virgil Nourse Woolfork, Jr.,
3207 South Robinson Street,
Oklahoma City.

PENNSYLVANIA

John A. Ballintine,
1320 Carlisle Street,
Tarentum.

Mahlon D. Clements, Jr.,
202 Taylor Avenue,
Easton.

James H. Durfee,
1125 Morgan Avenue,
Drexel Hill.

Paul Alan Lutz,
19 Bell Avenue,
Crafton.

Herbert J. Lynch,
564 Pine Street,
Headville.

Richard S. Strickler,
1530 Second Avenue,
Elmwood, York.

James Henry Vaules,
2420 Greenhill Road,
Lanedowne.

Henry Redwood Wharton, III,
Glenmary Road,
St. Davids.

Robert M. Speck,
249 N. 23rd Street,
Camp Hill.

RHODE ISLAND

Arthur E. Briggs,
8 Francis Street,
Anthony.

TEXAS

Robert F. Bierly,
Battery H 260th C. A.,
Fort Bliss.

William H. Brinkmeyer,
601 Lamont Avenue,
San Antonio.

Vance King Randle, Jr.,
226 E. St. Louis Street,
Gonzales.

David Harold Rasmussen,
Seadrift.

Jeremiah Milton Stark,
Denton.

UTAH

Joseph K. Everton,
518 North Main Street,
Logan.

VIRGINIA

Carl Blanchett,
606 South Barton Street,
Arlington.

Clyde C. Coffindaffer,
Naval Operating Base,
Norfolk.

Harry N. Jones, II,
2600 West Avenue,
Newport News.

George John Kelley, Jr.,
117½ 10th Street,
Richmond.

Raymond R. McHenry, Jr.,
U. S. Marine Hospital,
Norfolk.

Joseph Anthony Montagna,
1215 DeBree Avenue,
Norfolk.

WASHINGTON


Richard P. Arlander,
1232 20th Avenue, North,
Seattle.

Robert O. Bunce,
4023 42nd Avenue, S. W.,
Seattle.

Garth D. Clizbe,
Co. "C" 103 Antitank Battalion,
Fort Lewis.

Curran D. Dempsey,
18 West 25th Street,
Spokane.

Mrs. Ross reported that the ^{three} Mints were required to work ~~at~~
twenty-four hours ^{daily} seven days a week in order to keep up with the
demand. She attributed the unusually high demand for coins to the
sharp expansion in general business activity arising mainly from the
development and progress of the National Defense Program.



add Mint

Nellie Tayloe Ross, Director of the Mint, disclosed today that a new production record was established by the Mints during the fiscal year 1941 when the total of coins struck was more than twice as great as any previous year. A total of 1,770,021,507 coins was struck off by the three Mints during this period. The nearest approach to this production was 803,785,830 in the fiscal year 1940.

COIN PRODUCTION

(Pieces)

	<u>1939</u>	<u>1940</u>	<u>1941</u>
Domestic Coinage	255,566,260	768,090,830	1,599,349,007
Coinage for Foreign Countries	<u>48,187,200</u>	<u>35,695,000</u>	<u>170,672,500</u>
Total	303,753,460	803,785,830	1,770,021,507

The value of the 1941 domestic output was \$74,987,420.07, for 1940, \$39,994,684.05, and for 1939, \$15,538,378.14. The production of each denomination exceeded that of any previous year in the history of the Mint.

Production during the past three fiscal years by denominations and pieces was:

	<u>1939</u>	<u>1940</u>	<u>1941</u>
Halves	3,620,037	13,677,280	23,182,094
Quarters	16,865,748	40,965,907	77,807,861
Dimes	50,026,021	97,275,543	181,685,402
Nickels	66,469,400	175,632,300	315,228,278
Cents	118,585,054	440,539,800	1,001,445,372

Expressed in terms of weight, the coins manufactured during the fiscal year 1941 was 7,063 tons, of which 536 tons were for foreign countries. It would have required 2,355 three-ton trucks to have hauled the coins from the Mint.

more

Friday, Aug

26-69

Production of the United States Mint reached an ~~new~~ all-time record during the fiscal year ended June 30 with a total of 1,770,021,507 coins struck off in the twelve-month period, Nellie Tayloe Ross, Director of the Mint, reported today. The previous high was noted in the 1940 fiscal year when 803,785,830 coins were produced.

The value of the 1941 domestic output ~~was~~ ^{is} \$74,987,420.07 as compared with \$39,994,684.05 in the 1940 fiscal year and \$15,538,378.14 for the 1939 fiscal year.

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~~Because of price fluctuations, it is impossible to value the value of coins delivered to foreign governments in terms of U.S. dollars.~~ ^{in the exchange rate} ~~is impracticable.~~ ^{express} ~~in terms~~

foreign coins in U.S. \$

TREASURY DEPARTMENT
Washington

FOR RELEASE, MORNING NEWSPAPERS,
Friday, July 25, 1941.
7/23/41

Press Service
No. 26-69

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Nickels.....	66,469,400	175,632,300	315,228,273
Cents.....	118,585,054	440,539,800	1,001,445,372

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Mrs. Ross reported that the three mints were required to work twenty-four hours daily seven days a week in order to keep up with the demand. She attributed the unusually high demand for coins to the sharp expansion in general business activity arising mainly from the development and progress of the National Defense program.

Machinery ^{to facilitate} ~~the~~ program ~~through~~ ~~which~~ has been set up in the Procurement Division. Two units have been created; ~~one~~ ^{one} to record purchases made by Federal agencies in which the major commodities are classified, ~~the~~ ^{the other} an analysis section where buying techniques for specific commodities will be determined.

The Division's Specification Section ~~is~~ ^{used} will be ~~used~~ ^{used} to augment the work of the analysis section by revising specifications for commodities so as to effect their more efficient purchase.

From the information obtained ~~after recording and~~ ~~analyzing~~, it will be possible for the Division to estimate requirements in terms of dollar volume and volume of specific commodities for an advanced period. The Division then will be able to determine what commodities should be carried in stock in its warehouse; whether a commodity should be handled as a term contract (one which runs for a definite period) which would be made available to all Federal agencies and under which indefinite quantities of a commodity would be purchased; or whether a commodity should be grouped ^{with} ~~a~~ consolidated purchase.

~~Through consolidation of orders, the Government will be able to reap the benefits of large scale buying-quantity discounts and will save on transportation and handling charges.~~

Mr. Mack said the program will be of especial value for the duration of the present emergency.

#

Handwritten signature and initials

T. D. [initials]

Proc Service
No 26-70

For Release, morning newspaper,
Friday, July 25, 1941 X

The Procurement Division has launched a program to place Federal purchasing of non-military items on a planned basis, Director Clifton E. Mack announced today.

First step toward establishment of ~~the long needed~~ ^{the} program was taken more than a month ago after Congress provided funds to establish units for gathering and analyzing data on Federal purchasing. At that time, Federal departments and agencies, and their field offices, were requested to submit to the Division complete data on their purchases. The reports ~~were~~ ^{will} be submitted monthly.

On July 10, the first of these reports ~~were~~ ^{were} received by the Division and now ~~are~~ ^{is} undergoing analysis.

~~Now~~ ^{Now}, for the first time in history, comprehensive data on Government non-defense purchases will be centralized.

The information ~~will~~ will enable the Division better to determine policies and methods for Federal purchasing officers. It should increase the efficiency of buying while effecting substantial economies in overall Government purchasing.

In announcing the program, Mr. Mack said: "Its long range value lies in the fact that the Division will ~~in the future~~ be able to estimate in advance the needs of the Government for a specific period. ~~Where~~ ^{Where} possible, the Government will place orders during slack seasons ~~to take advantage of better prices.~~ to take advantage of better prices. In this way ~~industry and the Government will benefit~~ industry because of elimination of lags in production and no disruption ~~to~~ ^{to} regular commercial trade. It will ~~enable~~ enable purchasing officers to ~~regular~~ ^{regular} orders properly and will give ~~freedom of choice~~ freedom of choice in determining the market in which to buy."

more

TREASURY DEPARTMENT
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7/23/41

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Machinery to facilitate the program has been set up in the Procurement Division. Two units have been created; one to record purchases made by Federal agencies in which the major commodities are classified, the other an analysis section where buying techniques for specific commodities will be determined.

The Division's Specification Section will be used to augment the work of the analysis section by revising specifications for commodities so as to effect their more efficient purchase.

From the information obtained it will be possible for the Division to estimate requirements in terms of dollar volume and volume of specific commodities for an advanced period. The Division then will be able to determine what commodities should be carried in stock in its warehouse; whether a commodity should be handled as a term contract (one which runs for a definite period) which would be made available to all Federal agencies and under which indefinite quantities of a commodity would be purchased; or whether a commodity should be grouped with a consolidated purchase.

PRESS RELEASE:

The Bureau of Customs announced today preliminary figures for imports of coffee subject to quota limitations under the President's proclamation of the Inter-American Coffee Agreement on April 15, 1941.

The following tabulation lists the coffee quotas which have been filled, and shows import figures for the quotas now under telegraphic control as of July 19, 1941. Total imports under the other coffee quotas are shown as of July 12, 1941.

Quota Period	: Revised ^{1/}	:	Entered for Consumption
Country of Production	: Quota (lbs)	:	As of (Date) : Pounds
Quota Period - 12 months from October 1, 1940:			
Dominican Republic	16,138,333		(Import quota filled)
Guatemala	71,950,208		" " "
Venezuela	56,484,233		" " "
Colombia	423,632,012		" " "
Costa Rica	26,897,267		" " "
Brazil	1,250,722,887		" " "
El Salvador	80,691,799	July 12, 1941	68,241,010
Honduras	2,689,700	"	1,937,078
Nicaragua	26,224,775	"	22,257,278
Cuba	10,758,933	July 19, 1941	8,383,972
Ecuador	20,173,016	"	19,469,437
Haiti	36,983,708	"	36,696,002
Peru	3,362,191	"	3,037,588
Mexico	63,880,975	"	60,387,143
Non-signatory countries:			
All types of coffee	47,742,641	July 19, 1941	46,585,949 ^{2/}
Quota Period - April 22 to August 31, 1941, incl:			
Non-signatory countries:			
Mocha coffee	2,645,520	July 19, 1941	1,488,828 ^{2/}

^{1/} Quotas increased by Inter-American Coffee Board, as of June 1, 1941.

^{2/} Under the terms of an Executive order, effective June 14, 1941, the increased import quota for non-signatory countries is subject to the allocation of a maximum of 20,000 bags for coffee of the Mocha type which may be entered for consumption from April 21 to August 31, 1941, inclusive.

Mr. Board

TREASURY DEPARTMENT
Washington

26-71

FOR IMMEDIATE RELEASE, *7/23/41*
Wednesday, September 24, 1941.

Press Service
No. 26-71

PRESS RELEASE

The Bureau of Customs announced today that the quota of 795,000 bushels for wheat (other than wheat unfit for human consumption), the produce of Canada, which may be entered for consumption or withdrawn from warehouse for consumption during the twelve months commencing May 29, 1941, established by the President's Proclamation issued on May 28, 1941, was exhausted during the week ended September 20.

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(Prepared - Appeals and Protests (Quota Unit),
Bureau of Customs)

W. Henry

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TREASURY DEPARTMENT
Washington

FOR IMMEDIATE RELEASE,
Wednesday, July 23, 1941.

Press Service
No. 26-71

The Bureau of Customs announced today preliminary figures for imports of coffee subject to quota limitations under the President's proclamation of the Inter-American Coffee Agreement on April 15, 1941.

The following tabulation lists the coffee quotas which have been filled, and shows import figures for the quotas now under telegraphic control as of July 91, 1941. Total imports under the other coffee quotas are shown as of July 12, 1941.

Quota Period	: Revised ^{1/}	:	Entered for Consumption
Country of Production	: Quota (lbs)	: As of (Date)	: Pounds
Quota Period - 12 months from October 1, 1940:			
Dominican Republic	16,138,333		(Import quota filled)
Guatemala	71,950,208		" " "
Venezuela	56,484,233		" " "
Colombia	423,632,012		" " "
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Peru	3,362,191	"	5,037,588
Mexico	63,880,975	"	60,387,143
Non-signatory countries:			
All types of coffee	47,742,641	July 19, 1941	46,585,949 <u>2/</u>
Quota Period - April 22 to August 31, 1941, incl:			
Non-signatory countries:			
Mocha coffee	2,645,520	July 19, 1941	1,488,828 <u>2/</u>

^{1/} Quotas increased by Inter-American Coffee Board, as of June 1, 1941.
^{2/} Under the terms of an Executive order, effective June 14, 1941, the increased import quota for non-signatory countries is subject to the allocation of a maximum of 20,000 bags for coffee of the Mocha type which may be entered for consumption from April 21 to August 31, 1941, inclusive.

ADPHX

- 2 -

Reserve Banks and Branches, following which public announcement will be made by the Secretary of the Treasury of the amount and price range of accepted bids. Those submitting tenders will be advised of the acceptance or rejection thereof. The Secretary of the Treasury expressly reserves the right to accept or reject any or all tenders, in whole or in part, and his action in any such respect shall be final. Payment of accepted tenders at the prices offered must be made or completed at the Federal Reserve Bank in cash or other immediately available funds on July 30, 1941.

~~(xxx)~~

The income derived from Treasury bills, whether interest or gain from the sale or other disposition of the bills, shall not have any exemption, as such, and loss from the sale or other disposition of Treasury bills shall not have any special treatment, as such, under Federal tax Acts now or hereafter enacted. The bills shall be subject to estate, inheritance, gift, or other excise taxes, whether Federal or State, but shall be exempt from all taxation now or hereafter imposed on the principal or interest thereof by any State, or any of the possessions of the United States, or by any local taxing authority. For purposes of taxation the amount of discount at which Treasury bills are originally sold by the United States shall be considered to be interest.

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

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TREASURY DEPARTMENT

Washington

FOR RELEASE, MORNING NEWSPAPERS,
Friday, July 25, 1941
~~(1)~~

The Secretary of the Treasury, by this public notice, invites tenders for ~~(2)~~ \$100,000,000, or thereabouts, of ~~(3)~~ 91-day Treasury bills, to be issued on a discount basis under competitive bidding. The bills of this series will be dated July 30, 1941, and will mature October 29, 1941, 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, July 28, 1941. Tenders will not be received at the Treasury Department, Washington. Each tender must be for an even multiple of \$1,000, and 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.

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 10 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

Jan 26-72

TREASURY DEPARTMENT

FOR RELEASE, MORNING PAPERS,
Friday, July 25, 1941.

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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 Secretary of the Treasury of the amount and price range of accepted bids. Those submitting tenders will be advised of the acceptance or rejection thereof. The Secretary of the Treasury expressly reserves the right to accept or reject any or all tenders, in whole or in part, and his action in any such respect shall be final. Payment of accepted tenders at the prices offered must be made or completed at the Federal Reserve Bank in cash or other immediately available funds on July 30, 1941.

The income derived from Treasury bills, whether interest or gain from the sale or other disposition of the bills, shall not have any exemption, as such, and loss from the sale or other disposition of Treasury bills shall not have any special treatment, as such, under Federal tax Acts now or hereafter enacted. The bills shall be subject to estate, inheritance, gift, or other excise taxes, whether Federal or State, but shall be exempt from all taxation now or hereafter imposed on the principal or interest thereof by any State, or any of the possessions of the United States, or by any local taxing authority. For purposes of taxation the amount of discount at which Treasury bills are originally sold by the United States shall be considered to be interest.

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

NAME OF CORPORATION AND OFFICERS OR EMPLOYEES	CALENDAR OR FISCAL YEAR ENDED	SALARY	COMMISSION	BONUS	OTHER COMPEN- SATION	TOTAL
<u>VERMONT</u>						
CHICAGO STOCK YARDS COMPANY Prince, Frederick H.	12/31/39	100,000.00				100,000.00
<u>VIRGINIA</u>						
UNIVERSAL LEAF TOBACCO COMPANY, INC. Edwards, K. R.	12/31/39				87,420.65	87,420.65
<u>WEST VIRGINIA</u>						
STERLING PRODUCTS (INCORPORATED) Diebold, A. H.	12/31/39	125,000.00			100.00	125,100.00
Weiss, W. E.		125,000.00			100.00	125,100.00
WEIRTON STEEL COMPANY Weir, Ernest, T.	12/31/39	43,750.00	32,800.00			76,550.00
<u>WISCONSIN</u>						
KIMBERLY-CLARK CORPORATION Sensenbrenner, F. J.	12/31/39	75,735.00				75,735.00

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NAME OF CORPORATION AND OFFICERS OR EMPLOYEES	CALENDAR OR FISCAL YEAR ENDED	SALARY	COMMISSION	BONUS	OTHER COMPEN- SATION	TOTAL
<u>PENNSYLVANIA (Con.)</u>						
UNITED STATES STEEL CORPORATION OF DELAWARE	12/31/39					
Fairless, B. F.		99,999.96				99,999.96
JOHN WANAMAKER PHILADELPHIA	1/31/40					
Shipley, C. R.		60,000.00		33,808.21		93,808.21
WESTINGHOUSE ELECTRIC & MANU- FACTURING COMPANY	12/31/39					
Bucher, George H.		70,110.80		25,911.00	1,750.00	97,771.80
Robertson, A. W.		101,283.30		34,548.00	1,600.00	137,431.30
<u>RHODE ISLAND</u>						
CARR-FULFLEX, INC.	7/31/40					
Carr, Arthur H.			79,189.60			79,189.60
<u>TENNESSEE</u>						
COCA-COLA BOTTLING COMPANY (THOMAS) INC.	12/31/39					
Hunter, George T.		91,120.05				91,120.05
<u>TEXAS</u>						
ANDERSON, CLAYTON & COMPANY	7/31/40					
Schmid, T. O.			172,156.50			172,156.50
POLLOCK PAPER & BOX COMPANY	12/31/39					
Jacobs, L. L.		50,000.00		55,627.91		105,627.91
WEST PRODUCTION COMPANY	12/31/39					
West, J. M.		75,000.00		6,250.00		81,250.00

NAME OF CORPORATION AND OFFICERS OR EMPLOYEES	CALENDAR OR FISCAL YEAR ENDED	SALARY	COMMISSION	BONUS	OTHER COMPEN- SATION	TOTAL
<u>PENNSYLVANIA (Con.)</u>						
McKEESPORT TIN PLATE CORPORATION Parkins, G. V.	12/31/39	75,833.42				75,833.42
THE MIDVALE COMPANY Frevert, Harry L.	12/31/39	30,000.00		45,000.00	240.00	75,240.00
G. C. MURPHY COMPANY Mack, J. S.	12/31/39	30,000.00		70,435.03		100,435.03
NATIONAL STEEL CORPORATION Fink, George R.	12/31/39	50,000.00	37,500.00		500.00	88,000.00
THE PENNSYLVANIA RAILROAD COMPANY Clement, M. W.	12/31/39	100,000.00			605.00	100,605.00
THE PHILADELPHIA NATIONAL BANK Wayne, Joseph Jr.	12/31/39	100,008.00			8,334.00	108,342.00
PHILADELPHIA STORAGE BATTERY COMPANY Buckley, James T.	12/31/39	23,000.00		52,432.60		75,432.60
PITTSBURGH PLATE GLASS COMPANY Brown, Clarence M.	12/31/39					93,331.28
Clause, Robert L.						84,698.49
Higgins, Harry B.						84,704.41
Wherrett, Harry S.						115,804.17
J. J. POCOCK, INC. Pocock, J. J.	12/31/39	16,000.08		62,644.33	220.00	78,864.41
JACOB SIEGEL COMPANY Siegel, Jacob	1/31/40	90,000.00		10,000.00		100,000.00
SMITH, KLINE & FRENCH LABORATORIES Kline, C. Mahlon	12/31/39	30,000.00		52,200.00		82,200.00
SOUTHWEST SUPPLY COMPANY Bell, John A., Jr.	12/31/39	77,062.00				77,062.00
TASTY BAKING COMPANY Baur, Phil J.	12/31/39	86,576.61				86,576.61
Morris, H. C.		86,576.61				86,576.61
THE UNITED GAS IMPROVEMENT COMPANY Zimmerman, John E.	12/31/39	90,000.00				90,000.00

NAME OF CORPORATION AND OFFICERS OR EMPLOYEES	CALENDAR OR FISCAL YEAR ENDED	SALARY	COMMISSION	BONUS	OTHER COMPEN- SATION	TOTAL
<u>PENNSYLVANIA</u>						
ALUMINUM COMPANY OF AMERICA Davis, Arthur V.	12/31/39	112,650.00				112,650.00
ARMSTRONG CORK COMPANY Prentis, H. W.	12/31/39	100,000.00				100,000.00
BETHLEHEM STEEL CORPORATION Schwab, C. M.	12/31/39	135,000.00				135,000.00
BETHLEHEM STEEL COMPANY (DELAWARE) Mackall, Paul	12/31/39	90,000.00		27,364.00		117,364.00
BETHLEHEM STEEL COMPANY (PENNSYLVANIA) Bent, Q.	12/31/39	90,000.00		27,364.00		117,364.00
Buck, C. A.		90,000.00		27,364.00		117,364.00
Grace, E. G.		180,000.00		91,224.00		271,224.00
McMath, R. E.		60,000.00		24,332.00		84,332.00
Shick, F. A.		60,000.00		24,332.00		84,332.00
Wakeman, S. W.		80,000.00		28,858.00		108,858.00
CARNEGIE-ILLINOIS STEEL CORPORATION Perry, J. L.	12/31/39	77,909.58			130.00	78,039.58
COPPERWELD STEEL COMPANY Bramer, S. E.	12/31/39	25,000.00		71,340.53		96,340.53
FELS & COMPANY Robson, A. Roy	12/31/39	30,000.00		101,684.76		131,684.76
GREAT LAKES STEEL CORPORATION Fink, George R.	12/31/39	50,000.00	37,500.00			87,500.00
HERSHEY CHOCOLATE CORPORATION Murrie, Wm. F. R.	12/31/39	91,550.00				91,550.00
HUBBARD AND COMPANY Hubbard, John W.	12/31/39	100,000.00				100,000.00
JONES & LAUGHLIN STEEL CORPORATION Lewis, H. E.	12/31/39	118,125.00				118,125.00
McCLOSKEY AND COMPANY (DELAWARE) McCloskey, M. H., Jr.	12/31/39	104,000.00				104,000.00

NAME OF CORPORATION AND OFFICERS OR EMPLOYEES	CALENDAR OR FISCAL YEAR ENDED	SALARY	COMMISSION	BONUS	OTHER COMPEN- SATION	TOTAL
<u>OHIO (Con.)</u>						
THE KROGER GROCERY & BAKING COMPANY	12/31/39					
Bracy, Harry W.		25,000.00				196,993.46
Morrill, Albert H.		83,397.43		171,993.46		83,397.43
THE F. AND R. LAZARUS AND COMPANY	1/31/40					
Lazarus, Fred, Jr.		100,000.00				100,000.00
Lazarus, Simon		100,000.00				100,000.00
THE MIDLAND STEEL PRODUCTS COMPANY	12/31/39					
Kulas, E. J.		96,261.75				96,261.75
THE NATIONAL CASH REGISTER COMPANY	12/31/39					
Deeds, Edward A.		75,000.00			25,000.00	100,000.00
OWENS-ILLINOIS GLASS COMPANY	12/31/39					
Levis, Wm. E.		125,000.08			25,000.00	150,000.08
THE PLAIN DEALER PUBLISHING COMPANY	5/31/40					
McCarrens, John S.		60,000.00			111,276.25	171,276.25
THE PROCTER & GAMBLE COMPANY	6/30/40					
Deupree, R. R.		100,000.00		50,000.00		150,000.00
French, H. G.		60,000.00		25,000.00		85,000.00
THE STANDARD OIL COMPANY (OHIO)	12/31/39					
Holliday, W. T.		81,000.00				81,000.00
THE YOUGHIOGHENY & OHIO COAL COMPANY	12/31/39					
Brown, Robert Y.					88,030.94	88,030.94
<u>OKLAHOMA</u>						
E. H. MOORE, INC.	12/31/39					
Moore, E. H.		100,000.00				100,000.00
PHILLIPS PETROLEUM COMPANY	12/31/39					
Phillips, Frank		100,000.00				100,000.00
WARREN PETROLEUM CORPORATION	6/30/40					
Warren, W. K.		81,800.00				81,800.00

NAME OF CORPORATION AND OFFICERS OR EMPLOYEES	CALENDAR OR FISCAL YEAR ENDED	SALARY	COMMISSION	BONUS	OTHER COMPEN- SATION	TOTAL
<u>NEW YORK (Con.)</u>						
WARNER BROS. CIRCUIT MANAGEMENT CORPORATION	8/31/40					
Bernhard, Joseph		98,900.00		26,500.00		125,400.00
WESTERN ELECTRIC COMPANY, INC.	12/31/39					
Bloom, Edgar S.		90,000.00			480.00	90,480.00
THE WESTERN UNION TELEGRAPH COMPANY	12/31/39					
White, R. B.		85,000.00			2,015.00	87,015.00
F. W. WOOLWORTH COMPANY	12/31/39					
Deyo, C. W.			194,687.07			194,687.07
Weber, R. W.			82,187.80			82,187.80
<u>NORTH CAROLINA</u>						
R. J. REYNOLDS TOBACCO COMPANY	12/31/39					
Williams, S. Clay		100,000.00				100,000.00
<u>OHIO</u>						
CHAMPION SPARK PLUG COMPANY	12/31/39					
Stranahan, Frank D.		120,000.00				120,000.00
Stranahan, Robert A.		170,000.00				170,000.00
CLOPAY CORPORATION	12/31/39					
Johnson, Sam J.		15,000.00		77,953.36		92,953.36
EATON MANUFACTURING COMPANY	12/31/39					
Eaton, J. O.		45,000.00		53,500.00		98,500.00
THE ELECTRIC AUTO-LITE COMPANY	12/31/39					
Martin, Royce G.		100,000.08			300.00	100,300.08
THE GLIDDEN COMPANY	10/31/40					
Joyce, Adrian D.		96,000.00			40.00	96,040.00
THE GOODYEAR TIRE & RUBBER COMPANY	12/31/39					
Litchfield, P. W.		87,500.00				87,500.00

NAME OF CORPORATION AND OFFICERS OR EMPLOYEES	CALENDAR OR FISCAL YEAR ENDED	SALARY	COMMISSION	BONUS	OTHER COMPEN- SATION	TOTAL
<u>NEW YORK (Con.)</u>						
WARNER BROS. PICTURES, INC.						
Blanke, Henry		92,750.00				92,750.00
Boyer, Charles		100,000.00				100,000.00
Brent, George		110,833.33				110,833.33
Cagney, James		368,333.33				368,333.33
Curtiz, Michael		183,900.00				183,900.00
Davis, Bette		129,750.00				129,750.00
Dieterle, Wilhelm		78,500.00				78,500.00
Flynn, Errol		213,333.33				213,333.33
Forbstein, Leo		79,500.00				79,500.00
Foy, Bryan		138,750.00				138,750.00
Hellinger, Mark		80,625.00				80,625.00
Hopkins, Miriam		102,500.00				102,500.00
Keighley, William		117,083.34				117,083.34
Litvak, Anatole		150,000.00				150,000.00
Lord, Robert		140,450.00				140,450.00
Oberon, Merle		85,000.00				85,000.00
O'Brien, Pat		164,666.67				164,666.67
Raft, George		138,000.00				138,000.00
Rains, Claude		95,000.00				95,000.00
Robinson, Casey		99,833.33				99,833.33
Robinson, Edward G.		255,000.00				255,000.00
Steiner, Max		79,500.00				79,500.00
Wallis, H. B.		265,000.00				265,000.00
Warner, Albert		92,750.00		13,250.00		106,000.00
Warner, H. M.		132,500.00		26,500.00		159,000.00
Warner, J. L.		159,000.00		26,500.00		185,500.00
VITAGRAPH, INC.						
Einfield, S. C.	8/31/40	85,650.00		13,250.00		98,900.00
Sears, Gradwell L.		85,650.00		13,250.00		98,900.00

NAME OF CORPORATION AND OFFICERS OR EMPLOYEES	CALENDAR OR FISCAL YEAR ENDED	SALARY	COMMISSION	BONUS	OTHER COMPEN- SATION	TOTAL
<u>NEW YORK (Con.)</u>						
TWENTIETH CENTURY-FOX FILM CORP.						
Tugend, Harry		76,500.00				76,500.00
Wurtzel, Sol		178,500.00				178,500.00
Zanuck, Darryl F.		255,000.00				255,000.00
UNDERWOOD ELLIOTT FISHER COMPANY, DELAWARE	12/31/39					
Wagoner, P. D.		108,000.00			480.00	108,480.00
UNITED ARTISTS CORPORATION	12/31/39					
Silverstone, Maurice		145,500.00				145,500.00
UNITED STATES RUBBER COMPANY	12/31/39					
Adamson, Percy		9,000.00	97,211.72			106,211.72
Adamson, Percy (Trustee)			97,319.55			97,319.55
Coughlin, E. J.		36,000.00		82,618.75	180.00	118,798.75
Davis, F. B. Jr.		150,000.00			220.00	150,220.00
Humphreys, H. E. Jr.		36,000.00		59,400.00	220.00	95,620.00
Needham, T. J.		36,000.00		82,618.75	220.00	118,838.75
Roberts, Elmer		36,000.00		82,618.75	220.00	118,838.75
Smith, Herbert E.		48,000.00		99,142.50	220.00	147,362.50
Tompkins, L. D.		48,000.00		99,142.50	200.00	147,342.50
UNITED STATES STEEL CORPORATION (NEW JERSEY)	12/31/39					
Stettinius, E. R., Jr.		100,000.00			5,600.00	105,600.00
Taylor, Myron C.		96,000.00			2,100.00	98,100.00
Voorhees, E. M.		100,000.00			5,600.00	105,600.00
R. T. VANDERBILT COMPANY, INC.	12/31/39					
Somerville, A. A.			278,486.11			278,486.11
Vanderbilt, R. T.		200,000.00				200,000.00
WALLERSTEIN COMPANY, INC.	12/31/39					
Graf, William		81,000.00				81,000.00
Wallerstein, Leo		94,000.00				94,000.00
WARNER BROS. PICTURES, INC.	8/31/40					
Bacon, Lloyd		196,000.00				196,000.00

NAME OF CORPORATION AND OFFICERS OR EMPLOYEES	CALENDAR OR FISCAL YEAR ENDED	SALARY	COMMISSION	BONUS	OTHER COMPEN- SATION	TOTAL
<u>NEW YORK (Con.)</u>						
TWENTIETH CENTURY-FOX FILM CORP.	12/31/39					
Ameche, Don		128,583.33				128,583.33
Baxter, Warner		101,923.06				101,923.06
Brown, Harry Joe		127,500.00				127,500.00
Colbert, Claudette		150,079.50				150,079.50
Cummings, Irving		137,708.33				137,708.33
Day, Richard M.		76,500.00				76,500.00
Del Ruth, Roy		110,490.94				110,490.94
Dwan, Allan		109,125.00				109,125.00
Faye, Alice		140,291.66				140,291.66
Fonda, Henry		103,246.17				103,246.17
Ford, John		235,000.00				235,000.00
Goetz, William		102,000.00				102,000.00
Griffith, Raymond		104,625.00				104,625.00
Henie, Sonja		244,166.67			5,000.00	249,166.67
Johnson, Nunally		85,833.33				85,833.33
Jolson, Al		128,125.00				128,125.00
Kent, S. R.		179,370.00				179,370.00
King, Henry		155,833.33				155,833.33
Koenig, William		76,500.00				76,500.00
Lanfield, Sidney		112,875.00				112,875.00
Lang, Walter		77,083.34				77,083.34
Mac Gowan, Kenneth		102,000.00				102,000.00
Markey, Gene		97,875.00				97,875.00
Mc Guire, Wm. Anthony		96,708.33				96,708.33
Power, Tyrone		151,250.00			15,000.00	166,250.00
Ratoff, Gregory		109,375.00				109,375.00
Schenck, Joseph M.		113,833.33				113,833.33
Scott, Randolph		80,208.33				80,208.33
Seiter, William		119,000.00				119,000.00
Stone, John		76,500.00				76,500.00
Temple, Shirley Jane		116,570.50				116,570.50

NAME OF CORPORATION AND OFFICERS OR EMPLOYEES	CALENDAR OR FISCAL YEAR ENDED	SALARY	COMMISSION	BONUS	OTHER COMPEN- SATION	TOTAL
<u>NEW YORK (Con.)</u>						
RKO RADIO PICTURES, INC.						
Haight, George		90,500.00				90,500.00
Krasna, Norman		82,500.00				82,500.00
La Cava, Gregory		175,000.00				175,000.00
Laughton, Charles		116,170.15				116,170.15
Lombard, Carole		211,111.08				211,111.08
McCarey, Leo		127,500.00				127,500.00
Menjou, Adolphe		74,999.99				74,999.99
O'Brien, George		120,400.00				120,400.00
Rogers, Ginger		219,500.02				219,500.02
Stevens, George		139,833.34				139,833.34
ROCKEFELLER CENTER, INC.	12/31/39					
Robertson, Hugh S.		80,000.00				80,000.00
SOCONY-VACUUM OIL COMPANY, INC.	12/31/39					
Brown, John A.		120,000.00				120,000.00
Corwin, Arthur F.		75,100.00				75,100.00
STANDARD BRANDS, INC.	12/31/39					
Smith, Thomas L.		75,000.00			600.00	75,600.00
Wilshire, Joseph		100,000.00			500.00	100,500.00
STANDARD OIL COMPANY OF NEW JERSEY	12/31/39					
Sadler, E. J.		90,000.00				90,000.00
STATES MARINE CORPORATION	12/31/39					
Mercer, H. D.		105,000.00				105,000.00
STERN BROTHERS	1/31/40					
Riordan, William O.		50,000.00		25,000.00	160.00	75,160.00
THE TEXAS COMPANY (DEL.)	12/31/39					
Klein, H. T.		91,000.00				91,000.00
Rieber, T.		123,000.00				123,000.00
Rodgers, W. S. S.		123,000.00				123,000.00
J. WALTER THOMPSON COMPANY	12/31/39					
Resor, Stanley		81,000.00				81,000.00

NAME OF CORPORATION AND OFFICERS OR EMPLOYEES	CALENDAR OR FISCAL YEAR ENDED	SALARY	COMMISSION	BONUS	OTHER COMPEN- SATION	TOTAL
<u>NEW YORK (Con.)</u>						
PARAMOUNT PICTURES, INC.						
MacMurray, Fred		240,333.33				240,333.33
Ruggles, Charles Sherman		79,666.67				79,666.67
Ruggles, Wesley		83,333.30				83,333.30
Sandrich, Mark		81,500.00				81,500.00
Stanwyck, Barbara		92,500.00				92,500.00
Sturges, Preston		143,000.00				143,000.00
Thompson, Harlan		83,166.66				83,166.66
Van Every, Dale		78,000.00				78,000.00
Wellman, William A.		148,354.68				148,354.68
Zukor, Adolph		104,000.00			200.00	104,200.00
PERIODICAL PUBLISHERS' SERVICE						
BUREAU, INC.	12/31/39					
Bull, H. G.			86,283.41			86,283.41
Dymond, O. L.			80,588.67			80,588.67
Lockard, C. A.			77,677.21			77,677.21
Ory, L. E.			96,381.89			96,381.89
PHELPS DODGE CORPORATION						
Cates, Louis S.	12/31/39	100,000.00				100,000.00
RADIO CORPORATION OF AMERICA						
Sarnoff, David	12/31/39	100,000.00			240.00	100,240.00
THE READER'S DIGEST ASSOCIATION, INC.						
Payne, Kenneth W.	12/31/39	36,000.00		63,500.00		99,500.00
REMINGTON RAND, INC.						
Rand, J. H. Jr.	3/31/40	84,999.96		5,636.85	2,145.00	92,781.81
RKO RADIO PICTURES, INC.						
Aherene, Brian	12/31/39	82,500.00				82,500.00
Berman, Pandro S.		161,868.35				161,868.35
Cromwell, John		144,166.66				144,166.66
Dieterle, William		103,333.33				103,333.33
Grant, Cary		93,750.00				93,750.00

NAME OF CORPORATION AND OFFICERS OR EMPLOYEES	CALENDAR OR FISCAL YEAR ENDED	SALARY	COMMISSION	BONUS	OTHER COMPEN- SATION	TOTAL
<u>NEW YORK (Con.)</u>						
NESTLE'S MILK PRODUCTS, INC. Norton, D. F.	12/31/39	50,000.00		33,744.20		83,744.20
THE NEW JERSEY ZINC COMPANY Hayes, J. E.	12/31/39	75,000.00			3,056.79	78,056.79
NEW YORK LIFE INSURANCE COMPANY Buckner, T. A.	12/31/39	99,999.84				99,999.84
NEW YORK TELEPHONE COMPANY Kilpatrick, J.L.	12/31/39	86,333.33			1,840.00	88,173.33
THE NEW YORK TRUST COMPANY Buckner, Mortimer N.	12/31/39	90,000.00			5,000.00	95,000.00
Gates, Artemus L.		75,000.00			4,700.00	79,700.00
PARAMOUNT PICTURES, INC. Benny, Jack	12/31/39	125,000.00			2,500.00	127,500.00
Binyon, Claude Howard		76,958.33				76,958.33
Burns, Robert (Bob Burns)		77,380.95				77,380.95
Carroll, Madeline		127,166.67				127,166.67
Colman, Ronald		150,000.00			44,747.04	194,747.04
Cooper, Gary		179,000.00			8,713.55	187,713.55
Crosby, Harry L., Jr. (Bing Crosby)		250,000.00				250,000.00
Del Ruth, Roy		84,166.67				84,166.67
Fairbanks, Douglas, Jr.		161,718.75				161,718.75
Freeman, Y. Frank		104,000.00			100.00	104,100.00
Griffith, Edward H.		100,000.00				100,000.00
Hathaway, Henry		128,500.00				128,500.00
Hope, Bob		77,847.17				77,847.17
Hornblow, Arthur, Jr.		156,000.00				156,000.00
Hurley, Harold H.		116,355.00				116,355.00
LeBaron, William		182,000.00			1,378.25	183,378.25
Leisen, James Mitchell		98,000.00			93.63	98,093.63
Lewin, Albert Parsons		92,375.00				92,375.00
Lloyd, Frank		108,500.00				108,500.00

NAME OF CORPORATION AND OFFICERS OR EMPLOYEES	CALENDAR OR FISCAL YEAR ENDED	SALARY	COMMISSION	BONUS	OTHER COMPEN- SATION	TOTAL
NEW YORK (Con.)						
MANUFACTURERS TRUST COMPANY Gibson, Harvey D.	12/31/39	135,000.00			1,964.50	136,964.50
MARCUS LOEW BOOKING AGENCY Friedman, Leopold	8/31/40	83,200.00				83,200.00
Moskowitz, Charles C.		87,100.00			16,900.00	104,000.00
THE MATHIESON ALKALI WORKS (INC.) Allen, E. M.	12/31/39	91,200.00				91,200.00
McCALL CORPORATION Warner, Wm. B.	12/31/39	75,000.00		38,022.50	370.42	113,392.92
METROPOLITAN LIFE INSURANCE COMPANY Lincoln, Leroy A.	12/31/39	125,000.00				125,000.00
MORGAN STANLEY & COMPANY, INC. Stanley, Harold	8/31/40	75,000.00			1,840.00	76,840.00
PHILIP MORRIS & COMPANY, LTD. INC. Chalkley, O. H.	3/31/40	25,000.00		52,500.00		77,500.00
Lyon, A. E.		25,000.00		52,500.00		77,500.00
THE MUTUAL LIFE INSURANCE COMPANY OF NEW YORK Houston, D. F.	12/31/39	125,000.00				125,000.00
NATIONAL BISCUIT COMPANY Tomlinson, R. E.	12/31/39	96,000.00			500.00	96,500.00
THE NATIONAL CITY BANK OF NEW YORK Perkins, James H.	12/31/39	92,499.84			1,240.00	93,739.84
Rentschler, Gordon S.		94,999.92			3,560.00	98,559.92
NATIONAL DAIRY PRODUCTS CORPORATION McInnerney, Thos. H.	12/31/39	150,000.00			480.00	150,480.00
NATIONAL DISTILLERS PRODUCTS CORPORATION Jones, Charles L.	12/31/39	87,500.00		35,000.00		122,500.00
Porter, Seton		100,000.00		65,000.00		165,000.00
NATIONAL THEATRES AMUSEMENT CO., INC. Skouras, Charles P.	12/31/39				150,000.00	150,000.00
Skouras, Spyros P.		78,000.00			150,000.00	228,000.00

NAME OF CORPORATION AND OFFICERS OR EMPLOYEES	CALENDAR OR FISCAL YEAR ENDED	SALARY	COMMISSION	BONUS	OTHER COMPEN- SATION	TOTAL
<u>NEW YORK (Con.)</u>						
HEARST MAGAZINES, INC. Berlin, R. E.	12/31/39	49,999.92				
HUOK ATTRACTIONS, INC. Anderson, Marian	12/31/39	95,816.39		51,847.17		101,847.09
INGERSOLL-RAND COMPANY Doubleday, George	12/31/39	78,000.00				95,816.39
INTERNATIONAL BUSINESS MACHINES CORPORATION Nichol, Frederick W. Watson, Thomas J.	12/31/39	60,000.00 100,000.00		25,000.00		85,000.00
JOHNSON & HIGGINS Coe, Geo. V. Davey, W. N. LaBoyteaux, W. H. Lowe, H. W.	12/31/39	87,425.04 87,425.04 133,323.18 87,425.04			342,560.17	442,560.17
JOHNS-MANVILLE CORPORATION Brown, Lewis H.	12/31/39	68,061.62				
KENNECOTT COPPER CORPORATION Birch, Stephen Stannard, E. T.	12/31/39	75,000.00 100,000.00		9,000.00	1,350.00	78,411.62
KING FEATURES SYNDICATE, INC. McManus, George Ripley, R. L.	12/31/39				99,960.85 143,098.40	100,220.00
THE LANDER COMPANY, INC. Oestreich, Charles H.	12/31/39	2,600.00				99,960.85
LENNEN AND MITCHELL, INC. Lennen, Philip W.	12/31/39	80,000.00		85,197.35		143,098.40
M. LOWENSTEIN & SONS, INC. Veit, Howard	12/31/39	24,999.96				87,797.35
R. H. MACY & COMPANY, INC. Marks, Edwin I. Straus, Percy S.	1/31/40	65,000.00 99,999.98			80,351.31	80,000.00
				14,441.44	280.00 180.00	105,351.27
						79,721.44 100,179.98

NAME OF CORPORATION AND OFFICERS OR EMPLOYEES	CALENDAR OR FISCAL YEAR ENDED	SALARY	COMMISSION	BONUS	OTHER COMPEN- SATION	TOTAL
<u>NEW YORK (Con.)</u>						
GENERAL ELECTRIC COMPANY	12/31/39					
Swope, Gerard		104,987.52		60,000.00		164,987.52
Wilson, Charles E.		57,487.49		40,000.00		97,487.49
Young, Owen D.		104,987.52		60,000.00		164,987.52
GENERAL FOODS CORPORATION	12/31/39					
Chester, Colby M.		84,000.00		57,000.00		141,000.00
Francis, Clarence		69,999.96		57,000.00		126,999.96
Igleheart, Austin S.		55,833.30		48,000.00		103,833.30
Metcalf, Charles W.		49,862.80		43,298.00		93,160.80
Prescott, John S.		45,000.00		37,500.00		82,500.00
Young, Udell C.		39,999.96		37,500.00		77,499.96
GENERAL MOTORS ACCEPTANCE CORPORATION	12/31/39					
Schumann, John J., Jr.		65,000.00		84,802.00	275.00	150,077.00
GIMBEL BROTHERS, INC.	1/31/40					
Gimbel, Bernard F.		75,600.00				75,600.00
W. R. GRACE & COMPANY	12/31/39					
Garni, A.		45,000.00			68,400.00	113,400.00
Holloway, W. G.		45,000.00			53,200.00	98,200.00
Iglehart, D. S.		48,000.00			121,600.00	169,600.00
Roig, H. J.		45,000.00			53,200.00	98,200.00
THE GREAT ATLANTIC & PACIFIC TEA COMPANY (NEW JERSEY)	2/24/40					
Adams, O. C.		100,000.00			20.00	100,020.00
Brooks, C. A.		100,000.00				100,000.00
Byrnes, W. M.		100,000.00			60.00	100,060.00
Smith, R. B.		100,000.00			20.00	100,020.00
GUARANTY TRUST COMPANY OF NEW YORK	12/31/39					
Conway, W. P.		100,000.00			7,284.91	107,284.91
Potter, W. C.		100,000.00			6,134.03	106,134.03
Stetson, E. W.		75,000.00			10,911.76	85,911.76
HEARST ENTERPRISES INCORPORATED	12/31/39					
Brookes, John S., Jr.		85,050.00				85,050.00

NAME OF CORPORATION AND OFFICERS OR EMPLOYEES	CALENDAR OR FISCAL YEAR ENDED	SALARY	COMMISSION	BONUS	OTHER COMPEN- SATION	TOTAL
<u>NEW YORK (Con.)</u>						
CONSOLIDATED OIL CORPORATION	12/31/39					
Gallagher, H. R.		110,000.00			910.00	110,910.00
Sinclair, E. W.		100,000.00			910.00	100,910.00
Sinclair, H. F.		200,000.00			290.00	200,290.00
CORN EXCHANGE BANK TRUST COMPANY	12/31/39					
Frew, Walter E.		75,000.00			740.00	75,740.00
Sherer, Dunham B.		75,000.00			980.00	75,980.00
THE CROWELL-COLLIER PUBLISHING CO.	12/31/39					
Beck, Thomas H.		75,000.00			240.00	75,240.00
CRUCIBLE STEEL COMPANY OF AMERICA	12/31/39					
Hufnagel, F. B.		135,000.00				135,000.00
DAILY MIRROR, INC.	12/31/39					
Kling, Kenneth		3,604.98	64,282.41		8,888.31	76,775.70
THE DELAWARE, LACKAWANNA AND WESTERN RAILROAD COMPANY	12/31/39					
Davis, J. M.		75,000.00			2,950.00	77,950.00
THE DIAMOND MATCH COMPANY	12/31/39					
Fairburn, W. A.		100,000.00				100,000.00
DONAHUE & COE, INC.	12/31/39					
Churchill, E. J.						129,400.00
EASTMAN KODAK COMPANY	12/31/39					
Lovejoy, Frank W.		150,000.00			11,647.60	161,647.60
ELECTROLUX CORPORATION	12/31/39					
Groff, Chas. G.						100,000.00
ETHYL GASOLINE CORPORATION	12/31/39					
Webb, Earle W.		80,000.00		44,707.48	2,635.75	127,343.23
THE FIRST NATIONAL BANK OF THE CITY OF NEW YORK	12/31/39					
Fraser, Leon		75,000.00			800.00	75,800.00
Welldon, Samuel A.		75,000.00			1,000.00	76,000.00
GENERAL ANILINE & FILM CORPORATION	12/31/39					
Schmitz, D. A.		78,333.31			550.00	78,883.31

NAME OF CORPORATION AND OFFICERS OR EMPLOYEES	CALENDAR OR FISCAL YEAR ENDED	SALARY	COMMISSION	BONUS	OTHER COMPEN- SATION	TOTAL
<u>NEW YORK (Con.)</u>						
AMERICAN WATER WORKS AND ELECTRIC COMPANY, INC. Porter, H. Hobart	12/31/39	75,020.00			240.00	75,260.00
ASIATIC PETROLEUM CORPORATION Wilkinson, H.	12/31/39	40,000.00		40,000.00		80,000.00
BANKERS TRUST COMPANY Colt, S. Sloan	12/31/39	75,000.00			5,570.00	80,570.00
Prosser, Seward		75,000.00			3,360.00	78,360.00
BATTEN, BARTON, DURSTINE & OSBORN, INC. Johns, Wm. H.	12/31/39	87,575.72				87,575.72
BEST & COMPANY, INC. Le Boutillier, Philip	1/31/40	66,000.00		41,115.00	180.00	107,295.00
CELANESE CORPORATION OF AMERICA Dreyfus, Dr. Camille	12/31/39					111,574.00
Dreyfus, Dr. Henry						111,573.98
CENTRAL HANOVER BANK AND TRUST CO. Gray, Wm. S., Jr.	12/31/39	100,159.60				100,159.60
CERRO DE PASCO COPPER CORPORATION Clark, Edward H.	12/31/39	75,000.00	303.32			75,303.32
Kingsmill, Harold		75,000.00	764.15			75,764.15
THE CHASE NATIONAL BANK OF THE CITY OF NEW YORK Aldrich, Winthrop W.	12/31/39	175,000.00			6,180.00	181,180.00
Campbell, H. Donald		100,000.00			7,580.00	107,580.00
CHEMICAL BANK & TRUST COMPANY Houston, Frank K.	12/31/39	75,000.00		1,500.00		76,500.00
Johnston, Percy H.		100,000.00		2,000.00		102,000.00
COLUMBIA BROADCASTING SYSTEM, INC. Klauber, Edward	12/31/39					94,484.76
Paley, William S.						204,270.35
COMMERCIAL INVESTMENT TRUST, INC. Dietz, Arthur O.	12/31/39	91,250.00			110.00	91,360.00
Ittleeson, Henry		100,000.00			80.00	100,080.00

NAME OF CORPORATION AND OFFICERS OR EMPLOYEES	CALENDAR OR FISCAL YEAR ENDED	SALARY	COMMISSION	BONUS	OTHER COMPEN- SATION	TOTAL
<u>NEW JERSEY (Con.)</u>						
THE PRUDENTIAL INSURANCE COMPANY OF AMERICA D'Olier, Franklin	12/31/39	100,000.00				100,000.00
THE SINGER MANUFACTURING COMPANY Alexander, Sir Douglas, Baronet	12/31/39	100,000.00		100,000.00		200,000.00
UNITED STATES PIPE AND FOUNDRY CO. Russell, N. F. S.	12/31/39	60,000.00		32,567.00	114.40	92,681.40
<u>NEW YORK</u>						
ALLIED CHEMICAL & DYE CORPORATION Atherton, H. F.	12/31/39	125,000.00				125,000.00
ALLIED STORES CORPORATION Puckett, B. Earl	1/31/40	50,000.00		68,732.40	180.00	118,912.40
B. ALTMAN & COMPANY Burke, John S.	1/31/40	75,000.00		15,000.00	100.00	90,100.00
AMERICAN CAN COMPANY Baker, Herbert A.	12/31/39	78,750.00			1,800.00	80,550.00
Phelps, Henry W.		150,000.00			1,550.00	151,550.00
AMERICAN CYANAMID COMPANY Bell, W. B.	12/31/39	70,620.84		144,893.21		215,514.05
AMERICAN SMELTING AND REFINING CO. Brownell, Francis H.	12/31/39	77,250.00				77,250.00
Guess, H. A.		77,250.00				77,250.00
AMERICAN TELEPHONE AND TELEGRAPH CO. Cooper, C. P.	12/31/39	99,999.96			2,200.00	102,199.96
Gifford, W. S.		206,250.00			3,300.00	209,550.00
THE AMERICAN TOBACCO COMPANY Hahn, Paul M.	12/31/39	50,000.00		180,179.75		230,179.75
Hill, George W.		120,000.00		300,299.58		420,299.58
Hill, George W., Jr.		50,000.00		180,179.74		230,179.74
Neiley, Charles F.		50,000.00		180,179.74		230,179.74
Riggio, Vincent		50,000.00		180,179.75		230,179.75

NAME OF CORPORATION AND OFFICERS OR EMPLOYEES	CALENDAR OR FISCAL YEAR ENDED	SALARY	COMMISSION	BONUS	OTHER COMPEN- SATION	TOTAL
MISSOURI (Con.)						
THE MAY DEPARTMENT STORES COMPANY Dauby, N. L. May, Morton J.	1/31/40			146,748.32		146,748.32
THE PULITZER PUBLISHING COMPANY Pulitzer, Joseph	12/31/39	100,000.04			125.00	100,125.04
		74,999.60	46,754.27	75,000.00		196,753.87
<u>NEW JERSEY</u>						
ATLAS CORPORATION Odlum, Floyd B.	12/31/39					
P. BALLANTINE & SONS Badenhausen, Carl W. Badenhausen, Otto A.	3/31/40	100,000.00		100,000.00		200,000.00
BENGUE, INC. Seltzer, Theodore	12/31/39	40,000.00 38,000.00			75,000.00 75,000.00	115,000.00 113,000.00
BESSEMER INVESTMENT COMPANY Layman, David T., Jr.	12/31/39	8,000.00	79,192.95			87,192.95
CAMPBELL SOUP COMPANY Dorrance, Arthur C.	7/31/40	80,000.00				80,000.00
CONGOLEUM-NAIRN, INC. Hawkes, Albert W.	12/31/39	91,500.00				91,500.00
HENRY L. DOHERTY & COMPANY, INC. Doherty, Henry L.	12/31/39	80,000.00				80,000.00
HARMON COLOR WORKS, INC. Chartrand, Victor J.	12/31/39	100,000.00				100,000.00
HOFFMANN-LAROCHE, INC. Bobst, E. H.	12/31/39	17,100.00	30,965.14		28,638.35	76,703.49
INTERNATIONAL CIGAR MACHINERY CORP. Patterson, R. L.	12/31/39	77,000.00				77,000.00
LEHN & FINK PRODUCTS CORPORATION Plaut, Edward	12/31/39			147,151.81		147,151.81
		90,000.00			180.00	90,180.00

NAME OF CORPORATION AND OFFICERS OR EMPLOYEES	CALENDAR OR FISCAL YEAR ENDED	SALARY	COMMISSION	BONUS	OTHER COMPEN- SATION	TOTAL
<u>MICHIGAN (Con.)</u>						
NATIONAL BANK OF DETROIT McLucas, W. S.	12/31/39	50,000.00			38,100.00	88,100.00
NATIONAL ELECTRIC WELDING MACHINES CO. Brueckner, Julius R.	10/31/40		104,163.03			104,163.03
RINSHED-MASON COMPANY Ellis, Robert	12/31/39		141,573.49			141,573.49
SENIOR INVESTMENT CORPORATION Fisher, Fred J.	12/31/39	144,000.00				144,000.00
UNIVERSAL CREDIT CORPORATION Kanzler, Ernest	12/31/39	90,000.00				90,000.00
YELLOW TRUCK & COACH MANUFACTURING CO. Babcock, Irving B.	12/31/39	49,999.92		29,511.46	60.00	79,571.38
<u>MISSOURI</u>						
ANHEUSER-BUSCH, INC. Busch, Adolphus	12/31/39	75,000.00		35,000.00		110,000.00
D'ARCY ADVERTISING COMPANY Lee, A. L.	12/31/39	134,102.00				134,102.00
JAMES R. KEARNEY CORPORATION Kearney, James R., Sr.	12/31/39	75,000.00		20,717.20		95,717.20
LAWTON-BYRNE-BRUNER INSURANCE AGENCY COMPANY Lawton, Carl S.	12/31/39		132,267.18			132,267.18
LIGGETT & MYERS TOBACCO COMPANY Andrews, J. W.	12/31/39	35,000.00		52,173.06		87,173.06
Carmichael, W. D.		25,000.00		52,173.06		77,173.06
Carroll, Ben		25,000.00		52,173.06		77,173.06
Few, B. F.		25,000.00		52,173.06		77,173.06
Thurston, E. H.		25,000.00		52,173.06		77,173.06
Whitaker, G. W.		25,000.00		52,173.06		77,173.06

NAME OF CORPORATION AND OFFICERS OR EMPLOYEES	CALENDAR OR FISCAL YEAR ENDED	SALARY	COMMISSION	BONUS	OTHER COMPEN- SATION	TOTAL
<u>MICHIGAN (Con.)</u>						
GENERAL MOTORS CORPORATION						
Howard, Graeme K.		45,000.00		48,069.00	4,359.25	97,428.25
Hunt, Ormond E.		75,000.00	250.00	107,637.50	9,032.50	191,920.00
Kettering, Charles F.		100,000.00	200.00	138,702.50	11,503.75	250,406.25
Klingler, Harry J.		60,000.00		56,242.00	4,250.75	120,492.75
Knudsen, William S.		150,000.00	400.00	205,192.50	16,773.75	372,366.25
Kroeger, Frederick C.		30,000.00		48,886.50	3,993.00	82,879.50
Kunkle, Bayard D.		35,000.00		58,315.00	4,864.25	98,179.25
McCuen, Charles L.		60,000.00		54,827.00	3,753.75	118,580.75
Mooney, James D.		75,000.00	150.00	101,860.50	8,661.50	185,672.00
Prentis, Meyer L.		35,000.00		46,270.50	3,859.50	85,130.00
Sloan, Alfred P., Jr.		200,000.00	450.00			200,450.00
Smith, John T.		100,000.00	450.00	108,073.50	9,484.50	218,008.00
Tanner, Floyd O.		36,000.00		46,924.50	3,742.50	86,667.00
Weatherald, Charles E.		49,999.92		69,705.50	5,803.50	125,508.92
Wilson, Charles E.		100,000.00	350.00	125,622.50	10,611.50	236,584.00
GENERAL MOTORS SALES CORPORATION	12/31/39					
Holler, William E.		60,000.00		76,790.50		136,790.50
THE J. L. HUDSON COMPANY	1/31/40					
Webber, Richard H.		52,166.67		55,000.00		107,166.67
Webber, Oscar		26,083.33		129,000.00		155,083.33
Webber, James B.		26,083.33		65,000.00		91,083.33
HUDSON MOTOR CAR COMPANY	12/31/39					
Barit, A. E.		81,000.00				81,000.00
S. S. KRESGE COMPANY	12/31/39					
Tuttle, C. B.			89,250.00			89,250.00
Williams, R. R.			89,250.00			89,250.00
METAL MOULDINGS CORPORATION	12/31/39					
Chamberlin, C. P.		24,000.00	52,440.62			76,440.62
NASH-KELVINATOR CORPORATION	9/30/40					
Mason, George W.		125,000.00			550.00	125,550.00

NAME OF CORPORATION AND OFFICERS OR EMPLOYEES	CALENDAR OR FISCAL YEAR ENDED	SALARY	COMMISSION	BONUS	OTHER COMPEN- SATION	TOTAL
<u>MICHIGAN</u>						
BURROUGHS ADDING MACHINE COMPANY	12/31/39					
Backus, Standish		85,000.00			150.00	85,150.00
Doughty, A. J.		80,000.00			150.00	80,150.00
CHRYSLER CORPORATION	12/31/39					
Chrysler, W. P.		200,000.16				200,000.16
Hutchinson, B. E.		90,000.00			500.00	90,500.00
Keller, K. T.		100,000.08			450.00	100,450.08
Zeder, Fred M.		85,000.08			200.00	85,200.08
THE DETROIT EDISON COMPANY	12/31/39					
Dow, Alex		88,167.80			320.00	88,487.80
FORD MOTOR COMPANY	12/31/39					
Craig, B. J.		103,999.92				103,999.92
Ford, Edsel B.		142,999.92				142,999.92
Martin, P. E.		168,999.96				168,999.96
Sorensen, Chas. E.		168,999.96				168,999.96
Wibel, A. M.		78,000.00				78,000.00
GENERAL MOTORS CORPORATION	12/31/39					
Archer, Thomas P.		40,000.00		36,896.50	2,752.50	79,649.00
Biechler, Elmer G.		47,083.30		37,005.50	3,416.00	87,504.80
Bradley, Albert		100,000.00	450.00	125,622.50	10,611.50	236,684.00
Brown, Donaldson		100,000.00	350.00	108,073.50	9,484.50	217,908.00
Coyle, Marvin E.		100,000.00	250.00	120,390.50	9,632.75	230,273.25
Crawford, James M.		36,000.00		55,699.00	4,629.75	96,328.75
Curtice, Harlow H.		75,000.00		95,647.50	8,025.75	178,673.25
Dreystadt, Nicholas		45,000.00		43,545.50	3,444.00	91,989.50
Earl, Harley J.		50,000.00		47,578.50	3,774.00	101,352.50
Evans, Ronald K.		50,000.00		53,301.00	4,542.25	107,843.25
Fisher, Alfred J.		75,000.00		27,250.00	2,694.25	104,944.25
Fisher, Edward F.		75,000.00		68,016.00	6,076.25	149,092.25
Fisher, Lawrence P.		75,000.00	300.00	90,088.50	7,905.50	173,294.00
Fisher, William A.		75,000.00	100.00	16,023.00	1,414.25	92,537.25
Grant, Richard H.		75,000.00	250.00	102,024.00	8,672.00	185,946.00

NAME OF CORPORATION AND OFFICERS OR EMPLOYEES	CALENDAR OR FISCAL YEAR ENDED	SALARY	COMMISSION	BONUS	OTHER COMPEN- SATION	TOTAL
<u>MARYLAND (Con.)</u>						
COMMERCIAL CREDIT COMPANY Duncan, A. E.	12/31/39	85,000.08				85,000.08
CONSOLIDATED GAS ELECTRIC LIGHT AND POWER COMPANY OF BALTIMORE Wagner, Herbert A.	12/31/39	75,000.00			417.11	75,417.11
CROWN CORK & SEAL COMPANY, INC. McManus, Charles E.	12/31/39	100,000.00				100,000.00
THE HECHT COMPANY Dulcan, C. B., Sr.	1/31/40	50,000.00		57,137.83		107,137.83
<u>MASSACHUSETTS</u>						
DRAPER & COMPANY, INC. Draper, Paul A.	11/30/40	30,000.00		46,750.00		76,750.00
WM. FILENE'S SONS COMPANY Filene, Lincoln	1/31/40	80,000.00				80,000.00
Frost, Edward J.		80,000.00				80,000.00
Kirstein, Louis E.		80,000.00				80,000.00
HUNT SPILLER MANUFACTURING CORP. Ellet, Victor W.	12/31/39		78,986.32			78,986.32
LEVER BROTHERS COMPANY Countway, F. A.	6/30/40	30,000.00		353,210.92		383,210.92
UNITED SHOE MACHINERY CORPORATION Winslow, Sidney W., Jr.	2/29/40	90,000.00				90,000.00
U. S. BRANCH OF THE EMPLOYERS' LIABILITY ASSURANCE CORP., LTD. Stone, Edward C.	12/31/39	81,000.00			191,336.35	272,336.35
Palmer, Sydney H.		40,000.08			44,075.17	84,075.25

NAME OF CORPORATION AND OFFICERS OR EMPLOYEES	CALENDAR OR FISCAL YEAR ENDED	SALARY	COMMISSION	BONUS	OTHER COMPEN- SATION	TOTAL
<u>ILLINOIS (Con.)</u>						
STANDARD RAILWAY EQUIPMENT COMPANY	12/31/39					
Frank, A. A.		37,000.00		100,000.00		137,000.00
Arnold, D. R.		26,666.67		75,000.00		101,666.67
TRIBUNE COMPANY	12/31/39					
Rose, L. H.						100,000.00
Macfarlane, W. E.						111,419.79
<u>INDIANA</u>						
BALL BROTHERS COMPANY	12/31/39					
Ball, Frank C.		75,000.00		5.00		75,005.00
SERVEL, INC.	10/31/40					
Ruthenburg, Louis		60,000.00		27,500.00	1,200.00	88,700.00
<u>KENTUCKY</u>						
FRANKFORT DISTILLERIES, INC.	6/30/40					
Jones, Lawrence		95,000.00				95,000.00
Brownlee, J. F.		125,000.08				125,000.08
<u>LOUISIANA</u>						
LOUISIANA COCA-COLA BOTTLING CO., LTD.	12/31/39					
Freeman, A. B.		6,000.00		71,352.46		77,352.46
LOUISIANA MATERIALS COMPANY, INC.	2/29/40					
Stevens, W. L.		24,000.00	36,259.42	18,000.00	15,570.00	93,829.42
<u>MARYLAND</u>						
ACACIA MUTUAL LIFE INSURANCE COMPANY	12/31/39					
Montgomery, William		75,000.00			150.00	75,150.00

NAME OF CORPORATION AND OFFICERS OR EMPLOYEES	CALENDAR OR FISCAL YEAR ENDED	SALARY	COMMISSION	BONUS	OTHER COMPEN- SATION	TOTAL
<u>ILLINOIS (Con.)</u>						
LORD & THOMAS, INC. Francisco, Don Coons, Sheldon R.	12/31/39					102,536.70 109,536.70
MARS INCORPORATED Mars, Mrs. E. V.	12/31/39	120,000.00				120,000.00
MIAMI CORPORATION Erminge, H. B. Jr.	12/31/39	75,000.00			400.00	75,400.00
W. H. MINER, INC. Withall, A.P.	12/31/39	50,000.00	48,958.38			98,958.38
MONTGOMERY WARD & COMPANY, INC. Avery, S. L. Fogler, R. H. Folsom, F. M.	1/31/40	100,000.00 75,000.00 49,999.92			350.00 350.00 25,350.00	100,350.00 112,850.00 75,349.92
MORTON SALT COMPANY Peterkin, Daniel	12/31/39	15,000.00		60,165.65		75,165.65
NEWS SYNDICATE COMPANY, INC. Holliss, R. C. Flynn, F. M. Annenberg, M. Wilken, R. T.	12/31/39	50,000.00 50,000.00 50,000.00 47,916.59		60,205.10 60,205.10 60,205.10 28,707.45		110,205.10 110,205.10 110,205.10 76,624.04
NORTHWEST ENGINEERING COMPANY Houston, L. E.	12/31/39	50,000.00		50,000.00		100,000.00
THE PEPSODENT COMPANY Smith, Kenneth G.	12/31/39	143,780.71				143,780.71
J. P. SEEBURG CORPORATION Seeburg, J. P. Seeburg, N. M. Roberts, H. T.	9/30/40	50,000.00 50,000.00			41,011.55 28,603.11	91,011.55 78,603.11 82,830.02
A. E. STALEY MANUFACTURING COMPANY Staley, Augustus Eugene	12/31/39	36,000.00		79,443.79		115,443.79
STANDARD OIL COMPANY (INDIANA) Seubert, Edward G.	12/31/39	109,999.92				109,999.92

NAME OF CORPORATION AND OFFICERS OR EMPLOYEES	CALENDAR OR FISCAL YEAR ENDED	SALARY	COMMISSION	BONUS	OTHER COMPEN- SATION	TOTAL
<u>ILLINOIS (Con.)</u>						
BORG-WARNER CORPORATION	12/31/39					
Ingersoll, R. C.		50,562.50		47,700.00	1,200.00	99,462.50
Davis, C. S.		76,266.68		19,207.84	400.00	95,874.52
Borg, Geo. W.		56,969.96		27,000.00	700.00	84,669.96
Simpson, J. M.		42,000.00		42,000.00	400.00	84,400.00
BRINK'S, INCORPORATED	12/31/39					
Allen, Frank		84,999.84			120.00	85,119.84
Allen, John D.		84,999.84			120.00	85,119.84
THE CELOTEX CORPORATION	10/31/40					
Dahlberg, Bror		35,000.00		46,081.14		81,081.14
CHAIN STORE PRODUCTS CORPORATION	5/31/40					
Goldberg, Sol H.		120,000.00				120,000.00
CHICAGO ROTOPRINT COMPANY	3/31/40					
Geiger, Alfred B.		15,000.00		73,945.63		88,945.63
CONTINENTAL ILLINOIS NATIONAL BANK AND TRUST COMPANY OF CHICAGO	12/31/39					
Cummings, Walter J.		100,000.00			600.00	100,600.00
CRANE COMPANY	12/31/39					
Nolte, C. B.		80,000.00			550.00	80,550.00
R. R. DONNELLEY & SONS COMPANY	12/31/39					
Littell, C. G.		26,000.00		95,680.50		121,680.50
FAIRBANKS, MORSE & COMPANY	12/31/39					
Morse, Robert H.		60,000.00		55,128.00	600.00	115,728.00
HALES & HUNTER COMPANY	12/31/39					
Woolman, C. S.		10,020.00			212,909.80	222,929.80
HOUSEHOLD FINANCE CORPORATION	12/31/39					
Henderson, B. E.		75,000.00		50,000.00	34.96	125,034.96
JEWEL TEA COMPANY, INC.	12/31/39					
Karker, M. H.		50,000.00		47,191.70	300.00	97,491.70
LADY ESTHER, LTD.	12/31/39					
Busiel, Syma		96,000.00				96,000.00
Busiel, Alfred		96,000.00				96,000.00

NAME OF CORPORATION AND OFFICERS OR EMPLOYEES	CALENDAR OR FISCAL YEAR ENDED	SALARY	COMMISSION	BONUS	OTHER COMPEN- SATION	TOTAL
<u>DELAWARE (Con.)</u>						
COLUMBIA GAS & ELECTRIC CORPORATION Gossler, Philip G.	12/31/39	90,000.00				90,000.00
E. I. du PONT de NEMOURS & COMPANY Furst, Edward W.	12/31/39	39,204.00		44,625.00		83,829.00
Bolton, Elmer K.		33,000.00		55,375.00		88,375.00
Wardenburg, Frederic A.		32,400.00		44,876.52		77,276.52
Yerkes, Leonard A.		49,500.00		59,875.00	220.00	109,595.00
Robinson, Edmund G.		42,900.00		55,995.79	280.00	99,175.79
Yancey, Edward B.		36,000.00		39,009.02	260.00	75,269.02
Brown, J. Thompson		42,000.00		43,500.00	220.00	85,720.00
Carpenter, Walter S., Jr.		60,000.00		66,697.08	260.00	126,957.08
Crane, Jasper E.		42,000.00		47,764.71	280.00	90,044.71
du Pont, Lamot		150,000.00			260.00	150,260.00
Echols, Angus B.		42,000.00		46,825.98	260.00	89,085.98
Harrington, Willis F.		42,000.00		48,075.98	260.00	90,335.98
McCoy, John W.		42,000.00		56,695.79	260.00	98,955.79
Stine, C. M. A.		42,000.00		61,445.79	240.00	103,685.79
Grasselli, Thomas S.		39,727.00		67,250.00	240.00	107,217.00
Richter, Wm.		42,900.00		35,853.93	220.00	78,973.93
Rykenboer, Edward A.		32,400.00		49,125.00		81,525.00
HERCULES POWDER COMPANY Dunham, R. H.	12/31/39	52,050.00		29,000.00		81,050.00
Higgins, C. A.		47,250.00		34,000.00		81,250.00
VICK CHEMICAL COMPANY Preyer, W. Y.	6/30/40	47,000.00		36,250.00	360.00	83,610.00
<u>ILLINOIS</u>						
BLACKETT-SAMPLE-HUMMERT, INC. Sample, J. G.	2/29/40	90,000.00		15,000.00		105,000.00
Blackett, Hill		90,000.00		15,000.00		105,000.00
Hummert, E. F.		60,000.00	59,343.09			119,343.09

NAME OF CORPORATION AND OFFICERS OR EMPLOYEES	CALENDAR OR FISCAL YEAR ENDED	SALARY	COMMISSION	BONUS	OTHER COMPEN- SATION	TOTAL
<u>CALIFORNIA (Con.)</u>						
SELZNICK INTERNATIONAL PICTURES, INC.	8/31/40					
Selznick, David O.		185,500.00				185,500.00
Hitchcock, Alfred		135,875.00			943.50	136,818.50
MYRON SELZNICK & COMPANY, INC.	9/30/40					
Selznick, Myron		130,000.00				130,000.00
STANDARD OIL COMPANY OF CALIFORNIA	12/31/39					
Berg, William H.		90,000.00				90,000.00
WALTER WANGER PRODUCTIONS, INC.	6/30/40					
Wanger, Walter F.		130,000.00				130,000.00
McCrea, Joel		84,499.99				84,499.99
Garnett, Tay		75,000.00			21,883.88	96,883.88
WELLS FARGO BANK & UNION TRUST CO.	12/31/39					
Lipman, F. L.		50,000.00		26,833.33		76,833.33
<u>CONNECTICUT</u>						
UNITED AIRCRAFT CORPORATION	12/31/39					
Brown, Donald L.		55,000.08		30,000.00	1,950.00	86,950.08
NORTHAM WARREN CORPORATION	12/31/39					
Warren, Northam		100,000.00			100.00	100,100.00
<u>DELAWARE</u>						
AMERICAN SUPPLIERS, INC.	12/31/39					
Lipscomb, J. E., Jr.		100,000.00				100,000.00
BENEFICIAL MANAGEMENT CORP. (N.J.)	12/31/38					
Watts, Charles H.		103,483.32			820.00	104,303.32
BENEFICIAL MANAGEMENT CORP.	12/31/39					
Watts, Charles H.		105,150.00			795.00	105,945.00
THE COCA-COLA COMPANY	12/31/39					
Woodruff, R. W.		108,333.33			550.00	108,883.33
Acklin, A. A.		84,000.00			550.00	84,550.00
Sibley, J. A.		84,000.00			450.00	84,450.00

NAME OF CORPORATION AND OFFICERS OR EMPLOYEES	CALENDAR OR FISCAL YEAR ENDED	SALARY	COMMISSION	BONUS	OTHER COMPEN- SATION	TOTAL
<u>CALIFORNIA (Con.)</u>						
THE FELDMAN-BLUM CORPORATION Feldman, Chas. Kenneth	6/30/40	75,925.27				75,925.27
SAMUEL GOLDWYN INC., LTD. Goldwyn, Samuel	6/29/40	107,000.00				107,000.00
Swerling, Jo		81,666.66				81,666.66
Mayo, Archie		175,156.25				175,156.25
Wood, Sam		177,000.00				177,000.00
Wyler, William		104,999.34				104,999.34
Cooper, Gary		295,106.92				295,106.92
HEARST CONSOLIDATED PUBLICATIONS, INC. Hearst, William Randolph	12/31/39	100,000.00				100,000.00
IDAHO MARYLAND MINES CORPORATION MacBoyle, Errol	12/31/39	12,000.00			81,250.00	93,250.00
LOS ANGELES EVENING HERALD & EXPRESS Barham, Frank F.	12/31/39	80,000.00				80,000.00
LOS ANGELES TURF CLUB, INC. Strub, Chas. H.	6/30/40	12,000.00		146,150.54		158,150.54
NORTH AMERICAN AVIATION, INC. Kindelberger, J. H.	12/31/39	36,000.00		150,000.00	110.00	186,110.00
Atwood, John L.		20,000.00		55,000.00	90.00	75,090.00
OCCIDENTAL LIFE INSURANCE COMPANY Leisure, Hoyt M.	12/31/39		189,932.82			189,932.82
PACIFIC GAS AND ELECTRIC COMPANY Black, J. B.	12/31/39	75,000.00			1,280.00	76,280.00
HAL ROACH STUDIOS INCORPORATED Roach, Hal E.	8/31/40	103,500.00				103,500.00
Laurel, Stan		82,500.01				82,500.01
Menjou, Adolphe		100,000.00				100,000.00
SAFEWAY STORES, INC. Warren, L. A.	12/31/39	60,000.00		96,709.01		156,709.01
Giles, Lawrence		30,000.00		48,354.51		78,354.51

NAME OF CORPORATION AND OFFICERS OR EMPLOYEES	CALENDAR OR FISCAL YEAR ENDED	SALARY	COMMISSION	BONUS	OTHER COMPEN- SATION	TOTAL
<u>ALABAMA</u>						
THE BIRMINGHAM NEWS COMPANY Hansen, Victor H.	12/31/39	93,600.00		1,800.00		95,400.00
LIBERTY NATIONAL LIFE INSURANCE CO. Jordan, R. C.	12/31/39		79,461.79			79,461.79
<u>ARIZONA</u>						
ARIZONA LUMBER & TIMBER COMPANY Gibson, Bruce	12/31/39				161,018.75	161,018.75
<u>CALIFORNIA</u>						
ARGOSY CORPORATION Ford, John	8/31/40	85,000.00				85,000.00
PHIL BERG - BERT ALLENBERG, INC. Berg, Phil	12/31/39	113,437.50		13,750.00		127,187.50
Allenberg, Bertram		84,000.00		10,000.00		94,000.00
BULLOCK'S, INC. Winnett, P. G.	1/31/40	75,000.00		20,000.00		95,000.00
CHARLES CHAPLIN FILM CORPORATION Chaplin, Charles	12/31/39	152,000.00				152,000.00
DARMOUR, INC. Holt, Jack	4/30/40	80,384.62				80,384.62
DESMOND'S Huesman, Ralph R.	7/31/40	60,000.00		22,309.00		82,309.00
WALT DISNEY PRODUCTIONS Disney, Walter E.	9/30/40	85,000.00				85,000.00
DOUGLAS AIRCRAFT COMPANY, INC. Bertrandias, V. E.	11/30/39	5,200.00	75,980.67			81,180.67
FAMOUS PRODUCTIONS, INC. Edington, H. E.	12/31/39	101,000.00				101,000.00

"The Secretary shall compile from the returns made a list containing the names of, and the amounts paid to, each such officer and employee and the name of the paying corporation and shall make such list available to the public. It shall be unlawful for any person to sell, offer for sale, or circulate, for any consideration whatsoever, any copy or reproduction of any list, or part thereof, authorized to be made public by this Act or by any prior Act relating to the publication of information derived from income tax returns; and any offense against the foregoing provision shall be a misdemeanor and be punished by a fine not exceeding \$1,000 or by imprisonment not exceeding one year, or both, at the discretion of the court; Provided, That nothing in this sentence shall be construed to be applicable with respect to any newspaper, or other periodical publication entitled to admission to the mails as second-class matter."

The names of the corporations and of the officers and employees who received compensation in excess of \$75,000, as reported to the Secretary by the Bureau of Internal Revenue, are as follows:

TREASURY DEPARTMENT
Washington

FOR RELEASE, MORNING NEWSPAPERS,
Sunday, August 3, 1941.

8/2/41

Press Service
No. 26-793

Secretary of the Treasury Morgenthau today made public, in accordance with a provision of the Internal Revenue Code, a list of individuals receiving from corporations compensation for personal services in excess of \$75,000 for the calendar year 1939 or fiscal years ending in 1940.

The Secretary of the Treasury is required by Section 148 (f) of the Code, as amended by Section 407 of the Revenue Act of 1939, to make public the names of such individuals as were reported by employing corporations in their income tax returns. The list compiled shows the amounts paid to officers and employees by reporting corporations in the form of salary, commission, bonus or other compensation for personal services.

Section 148 (f) of the Internal Revenue Code, as amended by Section 407 of the Revenue Act of 1939, is as follows:

"Compensation of Officers and Employees: - Under regulations prescribed by the Commissioner with the approval of the Secretary, every corporation subject to taxation under this chapter shall, in its return, submit a list of the names of all officers and employees of such corporation and the respective amounts paid to them during the taxable year of the corporation by the corporation as salary, commission, bonus, or other compensation for personal services rendered, if the aggregate amount so paid to the individual is in excess of \$75,000.

TREASURY DEPARTMENT
Washington

FOR RELEASE, MORNING NEWSPAPERS,
Sunday, August 3, 1941.
8/2/41

Press Service
No. 26-73

Secretary of the Treasury Morgenthau today made public, in accordance with a provision of the Internal Revenue Code, a list of individuals receiving from corporations compensation for personal services in excess of \$75,000 for the calendar year 1939 or fiscal years ending in 1940.

The Secretary of the Treasury is required by Section 148 (f) of the Code, as amended by Section 407 of the Revenue Act of 1939, to make public the names of such individuals as were reported by employing corporations in their income tax returns. The list compiled shows the amounts paid to officers and employees by reporting corporations in the form of salary, commission, bonus or other compensation for personal services.

Section 148 (f) of the Internal Revenue Code, as amended by Section 407 of the Revenue Act of 1939, is as follows:

"Compensation of Officers and Employees: - Under regulations prescribed by the Commissioner with the approval of the Secretary, every corporation subject to taxation under this chapter shall, in its return, submit a list of the names of all officers and employees of such corporation and the respective amounts paid to them during the taxable year of the corporation by the corporation as salary, commission, bonus, or other compensation for personal services rendered, if the aggregate amount so paid to the individual is in excess of \$75,000.

"The Secretary shall compile from the returns made a list containing the names of, and the amounts paid to, each such officer and employee and the name of the paying corporation and shall make such list available to the public. It shall be unlawful for any person to sell, offer for sale, or circulate, for any consideration whatsoever, any copy or reproduction of any list, or part thereof, authorized to be made public by this Act or by any prior Act relating to the publication of information derived from income tax returns; and any offense against the foregoing provision shall be a misdemeanor and be punished by a fine not exceeding \$1,000 or by imprisonment not exceeding one year, or both, at the discretion of the court: Provided, That nothing in this sentence shall be construed to be applicable with respect to any newspaper, or other periodical publication entitled to admission to the mails as second-class matter."

The names of the corporations and of the officers and employees who received compensation in excess of \$75,000, as reported to the Secretary by the Bureau of Internal Revenue, are as follows:

NAME OF CORPORATION AND OFFICERS OR EMPLOYEES	CALENDAR OR FISCAL YEAR ENDED	SALARY	COMMISSION	BONUS	OTHER COMPEN- SATION	TOTAL
<u>ALABAMA</u>						
THE BIRMINGHAM NEWS COMPANY Hansen, Victor H.	12/31/39	93,600.00		1,800.00		95,400.00
LIBERTY NATIONAL LIFE INSURANCE CO. Jordan, R. C.	12/31/39		79,461.79			79,461.79
<u>ARIZONA</u>						
ARIZONA LUMBER & TIMBER COMPANY Gibson, Bruce	12/31/39				161,018.75	161,018.75
<u>CALIFORNIA</u>						
ARGOSY CORPORATION Ford, John	8/31/40	85,000.00				85,000.00
PHIL BERG - BERT ALLENBERG, INC. Berg, Phil	12/31/39	113,437.50		13,750.00		127,187.50
Allenberg, Bertram		84,000.00		10,000.00		94,000.00
BULLOCK'S, INC. Winnett, P. G.	1/31/40	75,000.00		20,000.00		95,000.00
CHARLES CHAPLIN FILM CORPORATION Chaplin, Charles	12/31/39	152,000.00				152,000.00
DARMOUR, INC. Holt, Jack	4/30/40	80,384.62				80,384.62
DESMOND'S Huesman, Ralph R.	7/31/40	60,000.00		22,309.00		82,309.00
WALT DISNEY PRODUCTIONS Disney, Walter E.	9/30/40	85,000.00				85,000.00
DOUGLAS AIRCRAFT COMPANY, INC. Bertrandias, V. E.	11/30/39	5,200.00	75,980.67			81,180.67
FAMOUS PRODUCTIONS, INC. Edington, H. E.	12/31/39	101,000.00				101,000.00

NAME OF CORPORATION AND OFFICERS OR EMPLOYEES	CALENDAR OR FISCAL YEAR ENDED	SALARY	COMMISSION	BONUS	OTHER COMPEN- SATION	TOTAL
<u>CALIFORNIA (Con.)</u>						
THE FELDMAN-BLUM CORPORATION Feldman, Chas. Kenneth	6/30/40	75,925.27				75,925.27
SAMUEL GOLDWYN INC., LTD. Goldwyn, Samuel	5/29/40	107,000.00				107,000.00
Swerling, Jo		81,666.66				81,666.66
Mayo, Archie		175,156.25				175,156.25
Wood, Sam		177,000.00				177,000.00
Wyler, William		104,999.34				104,999.34
Cooper, Gary		295,106.92				295,106.92
HEARST CONSOLIDATED PUBLICATIONS, INC. Hearst, William Randolph	12/31/39	100,000.00				100,000.00
IDAHO MARYLAND MINES CORPORATION macBoyle, Errol	12/31/39	12,000.00			81,250.00	93,250.00
LOS ANGELES EVENING HERALD & EXPRESS Barham, Frank F.	12/31/39	80,000.00				80,000.00
LOS ANGELES TURF CLUB, INC. Strub, Chas. H.	6/30/40	12,000.00		146,150.54		158,150.54
NORTH AMERICAN AVIATION, INC. Kindelberger, J. H.	12/31/39	36,000.00		150,000.00	110.00	186,110.00
Atwood, John L.		20,000.00		55,000.00	90.00	75,090.00
OCCIDENTAL LIFE INSURANCE COMPANY Leisure, Hoyt M.	12/31/39		189,932.82			189,932.82
PACIFIC GAS AND ELECTRIC COMPANY Black, J. B.	12/31/39	75,000.00			1,280.00	76,280.00
HAL ROACH STUDIOS INCORPORATED Roach, Hal E.	8/31/40	103,500.00				103,500.00
Laurel, Stan		82,500.01				82,500.01
Menjou, Adolphe		100,000.00				100,000.00
SAFEWAY STORES, INC. Warren, L. A.	12/31/39	60,000.00		96,709.01		156,709.01
Giles, Lawrence		30,000.00		48,354.51		78,354.51

NAME OF CORPORATION AND OFFICERS OR EMPLOYEES	CALENDAR OR FISCAL YEAR ENDED	SALARY	COMMISSION	BONUS	OTHER COMPEN- SATION	TOTAL
<u>CALIFORNIA (Con.)</u>						
SELZNICK INTERNATIONAL PICTURES, INC. Selznick, David O.	8/31/40	185,500.00				185,500.00
Hitchcock, Alfred		135,875.00			943.50	136,818.50
MYRON SELZNICK & COMPANY, INC. Selznick, Myron	9/30/40	130,000.00				130,000.00
STANDARD OIL COMPANY OF CALIFORNIA Berg, William H.	12/31/39	90,000.00				90,000.00
WALTER WANGER PRODUCTIONS, INC. Wanger, Walter F.	6/30/40	130,000.00				130,000.00
McCrea, Joel		84,499.99				84,499.99
Garnett, Ray		75,000.00			21,883.88	96,883.88
WELLS FARGO BANK & UNION TRUST CO. Lipman, F. L.	12/31/39	50,000.00		26,833.33		76,833.33
<u>CONNECTICUT</u>						
UNITED AIRCRAFT CORPORATION Brown, Donald L.	12/31/39	55,000.08		30,000.00	1,950.00	86,950.08
NORTHAM WARREN CORPORATION Warren, Northam	12/31/39	100,000.00			100.00	100,100.00
<u>DELAWARE</u>						
AMERICAN SUPPLIERS, INC. Lipscomb, J. E., Jr.	12/31/39	100,000.00				100,000.00
BENEFICIAL MANAGEMENT CORP. (N.J.) Watts, Charles H.	12/31/38	103,483.32			820.00	104,303.32
BENEFICIAL MANAGEMENT CORP. Watts, Charles H.	12/31/39	105,150.00			795.00	105,945.00
THE COCA-COLA COMPANY Woodruff, R. W.	12/31/39	108,333.33			550.00	108,883.33
Acklin, A. A.		84,000.00			550.00	84,550.00
Sibley, J. A.		84,000.00			450.00	84,450.00

NAME OF CORPORATION AND OFFICERS OR EMPLOYEES	CALENDAR OR FISCAL YEAR ENDED	SALARY	COMMISSION	BONUS	OTHER COMPEN- SATION	TOTAL
<u>DELAWARE (Con.)</u>						
COLUMBIA GAS & ELECTRIC CORPORATION	12/31/39					
Gossler, Philip G.		90,000.00				90,000.00
E. I. du PONT de NEMOURS & COMPANY	12/31/39					
Furst, Edward W.		39,204.00		44,625.00		83,829.00
Bolton, Elmer K.		33,000.00		55,375.00		88,375.00
Wardenburg, Frederic A.		32,400.00		44,876.52		77,276.52
Yerkes, Leonard A.		49,500.00		59,875.00	220.00	109,595.00
Robinson, Edmund G.		42,900.00		55,995.79	280.00	99,175.79
Yancey, Edward B.		36,000.00		39,009.02	260.00	75,269.02
Brown, J. Thompson		42,000.00		43,500.00	220.00	85,720.00
Carpenter, Walter S., Jr.		60,000.00		66,697.08	260.00	126,957.08
Crane, Jasper E.		42,000.00		47,764.71	280.00	90,044.71
du Pont, Lammot		150,000.00			260.00	150,260.00
Echols, Angus B.		42,000.00		46,825.98	260.00	89,085.98
Harrington, Willis F.		42,000.00		48,075.98	260.00	90,335.98
McCoy, John W.		42,000.00		56,695.79	260.00	98,955.79
Stine, C. M. A.		42,000.00		61,445.79	240.00	103,685.79
Grasselli, Thomas S.		39,727.00		67,250.00	240.00	107,217.00
Richter, Wm.		42,900.00		35,853.93	220.00	78,973.93
Rykenboer, Edward A.		32,400.00		49,125.00		81,525.00
HERCULES POWDER COMPANY	12/31/39					
Dunham, R. H.		52,050.00		29,000.00		81,050.00
Higgins, C. A.		47,250.00		34,000.00		81,250.00
VICK CHEMICAL COMPANY	6/30/40					
Preyer, W. Y.		47,000.00		36,250.00	360.00	83,610.00
<u>ILLINOIS</u>						
BLACKETT-SAMPLE-HUMMERT, INC.	2/29/40					
Sample, J. G.		90,000.00		15,000.00		105,000.00
Blackett, Hill		90,000.00		15,000.00		105,000.00
Hummert, E. F.		60,000.00	59,343.09			119,343.09

NAME OF CORPORATION AND OFFICERS OR EMPLOYEES	CALENDAR OR FISCAL YEAR ENDED	SALARY	COMMISSION	BONUS	OTHER COMPEN- SATION	TOTAL
<u>ILLINOIS (Con.)</u>						
BORG-WARNER CORPORATION	12/31/39					
Ingersoll, R. C.		50,562.50		47,700.00	1,200.00	99,462.50
Davis, C. S.		76,266.68		19,207.84	400.00	95,874.52
Borg, Geo. W.		56,969.96		27,000.00	700.00	84,669.96
Simpson, J. M.		42,000.00		42,000.00	400.00	84,400.00
BRINK'S, INCORPORATED	12/31/39					
Allen, Frank		84,999.84			120.00	85,119.84
Allen, John D.		84,999.84			120.00	85,119.84
THE CELOTEX CORPORATION	10/31/40					
Dahlberg, Bror		35,000.00		46,081.14		81,081.14
CHAIN STORE PRODUCTS CORPORATION	5/31/40					
Goldberg, Sol H.		120,000.00				120,000.00
CHICAGO ROTOPRINT COMPANY	3/31/40					
Geiger, Alfred B.		15,000.00		73,945.63		88,945.63
CONTINENTAL ILLINOIS NATIONAL BANK AND TRUST COMPANY OF CHICAGO	12/31/39					
Cummings, Walter J.		100,000.00			600.00	100,600.00
CRANE COMPANY	12/31/39					
Nolte, C. B.		80,000.00			550.00	80,550.00
R. R. DONNELLEY & SONS COMPANY	12/31/39					
Littell, C. G.		26,000.00		95,680.50		121,680.50
FAIRBANKS, MORSE & COMPANY	12/31/39					
Morse, Robert H.		60,000.00		55,128.00	600.00	115,728.00
HALES & HUNTER COMPANY	12/31/39					
Woolman, C. S.		10,020.00			212,909.80	222,929.80
HOUSEHOLD FINANCE CORPORATION	12/31/39					
Henderson, B. E.		75,000.00		50,000.00	34.96	125,034.96
JEWEL TEA COMPANY, INC.	12/31/39					
Karker, M. H.		50,000.00		47,191.70	300.00	97,491.70
LADY ESTHER, LTD.	12/31/39					
Busiel, Syma		96,000.00				96,000.00
Busiel, Alfred		96,000.00				96,000.00

NAME OF CORPORATION AND OFFICERS OR EMPLOYEES	CALENDAR OR FISCAL YEAR ENDED	SALARY	COMMISSION	BONUS	OTHER COMPEN- SATION	TOTAL
<u>ILLINOIS (Con.)</u>						
LORD & THOMAS, INC. Francisco, Don Coons, Sheldon R.	12/31/39					102,536.70 109,536.70
MARS INCORPORATED Mars, Mrs. E. V.	12/31/39	120,000.00				120,000.00
MIAMI CORPORATION Ermingier, H. B. Jr.	12/31/39	75,000.00			400.00	75,400.00
W. H. MINER, INC. Withall, A.P.	12/31/39	50,000.00	48,958.38			98,958.38
MONTGOMERY WARD & COMPANY, INC. Avery, S. L. Fogler, R. H. Folsom, F. M.	1/31/40	100,000.00 75,000.00 49,999.92			350.00 350.00 25,350.00	100,350.00 112,850.00 75,349.92
MORTON SALT COMPANY Peterkin, Daniel	12/31/39	15,000.00		60,165.65		75,165.65
NEWS SYNDICATE COMPANY, INC. Holliss, R. C. Flynn, F. M. Annenberg, M. Wilken, R. T.	12/31/39	50,000.00 50,000.00 50,000.00 47,916.59		60,205.10 60,205.10 60,205.10 28,707.45		110,205.10 110,205.10 110,205.10 76,624.04
NORTHWEST ENGINEERING COMPANY Houston, L. E.	12/31/39	50,000.00		50,000.00		100,000.00
THE PEPSODENT COMPANY Smith, Kenneth G.	12/31/39	143,780.71				143,780.71
J. P. SEEBURG CORPORATION Seeburg, J. P. Seeburg, N. M. Roberts, H. T.	9/30/40	50,000.00 50,000.00			41,011.55 28,603.11	91,011.55 78,603.11 82,830.02
A. E. STALEY MANUFACTURING COMPANY Staley, Augustus Eugene	12/31/39	36,000.00		79,443.79		115,443.79
STANDARD OIL COMPANY (INDIANA) Seubert, Edward G.	12/31/39	109,999.92				109,999.92

NAME OF CORPORATION AND OFFICERS OR EMPLOYEES	CALENDAR OR FISCAL YEAR ENDED	SALARY	COMMISSION	BONUS	OTHER COMPEN- SATION	TOTAL
<u>ILLINOIS (Con.)</u>						
STANDARD RAILWAY EQUIPMENT COMPANY	12/31/39					
Frank, A. A.		37,000.00		100,000.00		137,000.00
Arnold, D. R.		26,666.67		75,000.00		101,666.67
TRIBUNE COMPANY	12/31/39					
Rose, L. H.						100,000.00
Macfarlane, W. E.						111,419.79
<u>INDIANA</u>						
BALL BROTHERS COMPANY	12/31/39					
Ball, Frank C.		75,000.00		5.00		75,005.00
SERVEL, INC.	10/31/40					
Ruthenburg, Louis		60,000.00		27,500.00	1,200.00	88,700.00
<u>KENTUCKY</u>						
FRANKFORT DISTILLERIES, INC.	6/30/40					
Jones, Lawrence		95,000.00				95,000.00
Brownlee, J. F.		125,000.08				125,000.08
<u>LOUISIANA</u>						
LOUISIANA COCA-COLA BOTTLING CO., LTD.	12/31/39					
Freeman, A. B.		6,000.00		71,352.46		77,352.46
LOUISIANA MATERIALS COMPANY, INC.	2/29/40					
Stevens, W. L.		24,000.00	36,259.42	18,000.00	15,570.00	93,829.42
<u>MARYLAND</u>						
ACACIA MUTUAL LIFE INSURANCE COMPANY	12/31/39					
Montgomery, William		75,000.00			150.00	75,150.00

NAME OF CORPORATION AND OFFICERS OR EMPLOYEES	CALENDAR OR FISCAL YEAR ENDED	SALARY	COMMISSION	BONUS	OTHER COMPEN- SATION	TOTAL
<u>MARYLAND (Con.)</u>						
COMMERCIAL CREDIT COMPANY Duncan, A. E.	12/31/39	85,000.08				85,000.08
CONSOLIDATED GAS ELECTRIC LIGHT AND POWER COMPANY OF BALTIMORE Wagner, Herbert A.	12/31/39	75,000.00			417.11	75,417.11
CROWN CORK & SEAL COMPANY, INC. McManus, Charles E.	12/31/39	100,000.00				100,000.00
THE HECHT COMPANY Dulcan, C. B., Sr.	1/31/40	50,000.00		57,137.83		107,137.83
<u>MASSACHUSETTS</u>						
DRAPER & COMPANY, INC. Draper, Paul A.	11/30/40	30,000.00		46,750.00		76,750.00
WM. FILENE'S SONS COMPANY Filene, Lincoln	1/31/40	80,000.00				80,000.00
Frost, Edward J.		80,000.00				80,000.00
Kirstein, Louis E.		80,000.00				80,000.00
HUNT SPILLER MANUFACTURING CORP. Ellet, Victor W.	12/31/39		78,986.32			78,986.32
LEVER BROTHERS COMPANY Countway, F. A.	6/30/40	30,000.00		353,210.92		383,210.92
UNITED SHOE MACHINERY CORPORATION Winslow, Sidney W., Jr.	2/29/40	90,000.00				90,000.00
U. S. BRANCH OF THE EMPLOYERS' LIABILITY ASSURANCE CORP., LTD. Stone, Edward C.	12/31/39	81,000.00			191,336.35	272,336.35
Palmer, Sydney H.		40,000.08			44,075.17	84,075.25

NAME OF CORPORATION AND OFFICERS OR EMPLOYEES	CALENDAR OR FISCAL YEAR ENDED	SALARY	COMMISSION	BONUS	OTHER COMPEN- SATION	TOTAL
<u>MICHIGAN</u>						
BURROUGHS ADDING MACHINE COMPANY	12/31/39					
Backus, Standish		85,000.00			150.00	85,150.00
Doughty, A. J.		80,000.00			150.00	80,150.00
CHRYSLER CORPORATION	12/31/39					
Chrysler, W. P.		200,000.16				200,000.16
Hutchinson, B. E.		90,000.00			500.00	90,500.00
Keller, K. T.		100,000.08			450.00	100,450.08
Zeder, Fred M.		85,000.08			200.00	85,200.08
THE DETROIT EDISON COMPANY	12/31/39					
Dow, Alex		88,167.80			320.00	88,487.80
FORD MOTOR COMPANY	12/31/39					
Craig, B. J.		103,999.92				103,999.92
Ford, Edsel B.		142,999.92				142,999.92
Martin, P. E.		168,999.96				168,999.96
Sorensen, Chas. E.		168,999.96				168,999.96
Wibel, A. M.		78,000.00				78,000.00
GENERAL MOTORS CORPORATION	12/31/39					
Archer, Thomas P.		40,000.00		36,896.50	2,752.50	79,649.00
Biechler, Elmer G.		47,083.30		37,005.50	3,416.00	87,504.80
Bradley, Albert		100,000.00	450.00	125,622.50	10,611.50	236,684.00
Brown, Donaldson		100,000.00	350.00	108,073.50	9,484.50	217,908.00
Coyle, Marvin E.		100,000.00	250.00	120,390.50	9,632.75	230,273.25
Crawford, James M.		36,000.00		55,699.00	4,629.75	96,328.75
Curtice, Harlow H.		75,000.00		95,647.50	8,025.75	178,673.25
Dreystadt, Nicholas		45,000.00		43,545.50	3,444.00	91,989.50
Earl, Harley J.		50,000.00		47,578.50	3,774.00	101,352.50
Evans, Ronald K.		50,000.00		53,301.00	4,542.25	107,843.25
Fisher, Alfred J.		75,000.00		27,250.00	2,694.25	104,944.25
Fisher, Edward F.		75,000.00		68,016.00	6,076.25	149,092.25
Fisher, Lawrence P.		75,000.00	300.00	90,088.50	7,905.50	173,294.00
Fisher, William A.		75,000.00	100.00	16,023.00	1,414.25	92,537.25
Grant, Richard H.		75,000.00	250.00	102,024.00	8,672.00	185,946.00

NAME OF CORPORATION AND OFFICERS OR EMPLOYEES	CALENDAR OR FISCAL YEAR ENDED	SALARY	COMMISSION	BONUS	OTHER COMPEN- SATION	TOTAL
<u>MICHIGAN (Con.)</u>						
GENERAL MOTORS CORPORATION						
Howard, Graeme K.		45,000.00		48,069.00	4,359.25	97,428.25
Hunt, Ormond E.		75,000.00	250.00	107,637.50	9,032.50	191,920.00
Kettering, Charles F.		100,000.00	200.00	138,702.50	11,503.75	250,406.25
Klingler, Harry J.		60,000.00		56,242.00	4,250.75	120,492.75
Knudsen, William S.		150,000.00	400.00	205,192.50	16,773.75	372,366.25
Kroeger, Frederick C.		30,000.00		48,886.50	3,993.00	82,879.50
Kunkle, Bayard D.		35,000.00		58,315.00	4,864.25	98,179.25
McCuen, Charles L.		60,000.00		54,827.00	3,753.75	118,580.75
Mooney, James D.		75,000.00	150.00	101,860.50	8,661.50	185,672.00
Prentis, Meyer L.		35,000.00		46,270.50	3,859.50	85,130.00
Sloan, Alfred P., Jr.		200,000.00	450.00			200,450.00
Smith, John T.		100,000.00	450.00	108,073.50	9,484.50	218,008.00
Tanner, Floyd O.		36,000.00		46,924.50	3,742.50	86,667.00
Weatherald, Charles E.		49,999.92		69,705.50	5,803.50	125,508.92
Wilson, Charles E.		100,000.00	350.00	125,622.50	10,611.50	236,584.00
GENERAL MOTORS SALES CORPORATION	12/31/39					
Holler, William E.		60,000.00		76,790.50		136,790.50
THE J. L. HUDSON COMPANY	1/31/40					
Webber, Richard H.		52,166.67		55,000.00		107,166.67
Webber, Oscar		26,083.33		129,000.00		155,083.33
Webber, James B.		26,083.33		65,000.00		91,083.33
HUDSON MOTOR CAR COMPANY	12/31/39					
Barit, A. E.		81,000.00				81,000.00
S. S. KRESGE COMPANY	12/31/39					
Tuttle, C. B.			89,250.00			89,250.00
Williams, R. R.			89,250.00			89,250.00
METAL MOULDINGS CORPORATION	12/31/39					
Chamberlin, C. P.		24,000.00	52,440.62			76,440.62
NASH-KELVINATOR CORPORATION	9/30/40					
Mason, George W.		125,000.00			550.00	125,550.00

NAME OF CORPORATION AND OFFICERS OR EMPLOYEES	CALENDAR OR FISCAL YEAR ENDED	SALARY	COMMISSION	BONUS	OTHER COMPEN- SATION	TOTAL
<u>MICHIGAN (Con.)</u>						
NATIONAL BANK OF DETROIT McLucas, W. S.	12/31/39	50,000.00			38,100.00	88,100.00
NATIONAL ELECTRIC WELDING MACHINES CO. Brueckner, Julius R.	10/31/40		104,163.03			104,163.03
RINSHED-MASON COMPANY Ellis, Robert	12/31/39		141,573.49			141,573.49
SENIOR INVESTMENT CORPORATION Fisher, Fred J.	12/31/39	144,000.00				144,000.00
UNIVERSAL CREDIT CORPORATION Kanzler, Ernest	12/31/39	90,000.00				90,000.00
YELLOW TRUCK & COACH MANUFACTURING CO. Babcock, Irving B.	12/31/39	49,999.92		29,511.46	60.00	79,571.38
<u>MISSOURI</u>						
ANHEUSER-BUSCH, INC. Busch, Adolphus	12/31/39	75,000.00		35,000.00		110,000.00
D'ARCY ADVERTISING COMPANY Lee, A. L.	12/31/39	134,102.00				134,102.00
JAMES R. KEARNEY CORPORATION Kearney, James R., Sr.	12/31/39	75,000.00		20,717.20		95,717.20
LAWTON-BYRNE-BRUNER INSURANCE AGENCY COMPANY Lawton, Carl S.	12/31/39		132,267.18			132,267.18
LIGGETT & MYERS TOBACCO COMPANY Andrews, J. W.	12/31/39	35,000.00		52,173.06		87,173.06
Carmichael, W. D.		25,000.00		52,173.06		77,173.06
Carroll, Ben		25,000.00		52,173.06		77,173.06
Few, B. F.		25,000.00		52,173.06		77,173.06
Thurston, E. H.		25,000.00		52,173.06		77,173.06
Whitaker, G. W.		25,000.00		52,173.06		77,173.06

NAME OF CORPORATION AND OFFICERS OR EMPLOYEES	CALENDAR OR FISCAL YEAR ENDED	SALARY	COMMISSION	BONUS	OTHER COMPEN- SATION	TOTAL
MISSOURI (Con.)						
THE MAY DEPARTMENT STORES COMPANY Dauby, N. L. May, Morton J.	1/31/40			146,748.32		146,748.32
THE PULITZER PUBLISHING COMPANY Fulitzer, Joseph	12/31/39	100,000.04			125.00	100,125.04
		74,999.60	46,754.27	75,000.00		196,753.87
<u>NEW JERSEY</u>						
ATLAS CORPORATION Odium, Floyd B.	12/31/39					
P. BALLANTINE & SONS Badenhausen, Carl W. Badenhausen, Otto A.	3/31/40	100,000.00		100,000.00		200,000.00
BENGUE, INC. Seltzer, Theodore	12/31/39	40,000.00		75,000.00		115,000.00
BESSEMER INVESTMENT COMPANY Layman, David T., Jr.	12/31/39	38,000.00		75,000.00		113,000.00
CAMPBELL SOUP COMPANY Dorrance, Arthur C.	7/31/40	8,000.00	79,192.95			87,192.95
CONGOLBUM-NAIRN, INC. Hawkes, Albert W.	12/31/39	80,000.00				80,000.00
HENRY L. DOHERTY & COMPANY, INC. Doherty, Henry L.	12/31/39	100,000.00				100,000.00
HARMON COLOR WORKS, INC. Chartrand, Victor J.	12/31/39	17,100.00	30,965.14		28,638.35	76,703.49
HOFFMANN-LAROCHE, INC. Bobst, E. H.	12/31/39	77,000.00				77,000.00
INTERNATIONAL CIGAR MACHINERY CORP. Patterson, R. L.	12/31/39		147,151.81			147,151.81
LEHN & FINK PRODUCTS CORPORATION Plaut, Edward	12/31/39	90,000.00			180.00	90,180.00

NAME OF CORPORATION AND OFFICERS OR EMPLOYEES	CALENDAR OR FISCAL YEAR ENDED	SALARY	COMMISSION	BONUS	OTHER COMPEN- SATION	TOTAL
<u>NEW JERSEY (Con.)</u>						
THE PRUDENTIAL INSURANCE COMPANY OF AMERICA D'Olier, Franklin	12/31/39	100,000.00				100,000.00
THE SINGER MANUFACTURING COMPANY Alexander, Sir Douglas, Baronet	12/31/39	100,000.00		100,000.00		200,000.00
UNITED STATES PIPE AND FOUNDRY CO. Russell, N. F. S.	12/31/39	60,000.00		32,567.00	114.40	92,681.40
<u>NEW YORK</u>						
ALLIED CHEMICAL & DYE CORPORATION Atherton, H. F.	12/31/39	125,000.00				125,000.00
ALLIED STORES CORPORATION Puckett, B. Earl	1/31/40	50,000.00		68,732.40	180.00	118,912.40
B. ALTMAN & COMPANY Burke, John S.	1/31/40	75,000.00		15,000.00	100.00	90,100.00
AMERICAN CAN COMPANY Baker, Herbert A.	12/31/39	78,750.00			1,800.00	80,550.00
		150,000.00			1,550.00	151,550.00
AMERICAN CYANAMID COMPANY Bell, W. B.	12/31/39	70,620.84		144,893.21		215,514.05
AMERICAN SMELTING AND REFINING CO. Brownell, Francis H.	12/31/39	77,250.00				77,250.00
		77,250.00				77,250.00
AMERICAN TELEPHONE AND TELEGRAPH CO. Cooper, C. P.	12/31/39	99,999.96			2,200.00	102,199.96
		206,250.00			3,300.00	209,550.00
THE AMERICAN TOBACCO COMPANY Hahn, Paul M.	12/31/39	50,000.00		180,179.75		230,179.75
		120,000.00		300,299.58		420,299.58
Hill, George W., Jr.		50,000.00		180,179.74		230,179.74
Neiley, Charles F.		50,000.00		180,179.74		230,179.74
Riggio, Vincent		50,000.00		180,179.75		230,179.75

NAME OF CORPORATION AND OFFICERS OR EMPLOYEES	CALENDAR OR FISCAL YEAR ENDED	SALARY	COMMISSION	BONUS	OTHER COMPEN- SATION	TOTAL
<u>NEW YORK (Con.)</u>						
AMERICAN WATER WORKS AND ELECTRIC COMPANY, INC. Porter, H. Hobart	12/31/39	75,020.00			240.00	75,260.00
ASIATIC PETROLEUM CORPORATION Wilkinson, H.	12/31/39	40,000.00		40,000.00		80,000.00
BANKERS TRUST COMPANY Colt, S. Sloan	12/31/39	75,000.00			5,570.00	80,570.00
		75,000.00			3,360.00	78,360.00
BATTEN, BARTON, DURSTINE & OSBORN, INC. Johns, Wm. H.	12/31/39	87,575.72				87,575.72
BEST & COMPANY, INC. Le Boutillier, Philip	1/31/40	66,000.00		41,115.00	180.00	107,295.00
CELANESE CORPORATION OF AMERICA Dreyfus, Dr. Camille	12/31/39					111,574.00
						111,573.98
CENTRAL HANOVER BANK AND TRUST CO. Gray, Wm. S., Jr.	12/31/39	100,159.60				100,159.60
CERRO DE PASCO COPPER CORPORATION Clark, Edward H.	12/31/39	75,000.00	303.32			75,303.32
		75,000.00	764.15			75,764.15
THE CHASE NATIONAL BANK OF THE CITY OF NEW YORK Aldrich, Winthrop W.	12/31/39	175,000.00			6,180.00	181,180.00
		100,000.00			7,580.00	107,580.00
CHEMICAL BANK & TRUST COMPANY Houston, Frank K.	12/31/39	75,000.00		1,500.00		76,500.00
		100,000.00		2,000.00		102,000.00
COLUMBIA BROADCASTING SYSTEM, INC. Klauber, Edward	12/31/39					94,484.76
						204,270.35
COMMERCIAL INVESTMENT TRUST, INC. Dietz, Arthur O.	12/31/39	91,250.00			110.00	91,360.00
		100,000.00			80.00	100,080.00

NAME OF CORPORATION AND OFFICERS OR EMPLOYEES	CALENDAR OR FISCAL YEAR ENDED	SALARY	COMMISSION	BONUS	OTHER COMPEN- SATION	TOTAL
<u>NEW YORK (Con.)</u>						
CONSOLIDATED OIL CORPORATION	12/31/39					
Gallagher, H. R.		110,000.00			910.00	110,910.00
Sinclair, E. W.		100,000.00			910.00	100,910.00
Sinclair, H. F.		200,000.00			290.00	200,290.00
CORN EXCHANGE BANK TRUST COMPANY	12/31/39					
Frew, Walter E.		75,000.00			740.00	75,740.00
Sherer, Dunham B.		75,000.00			980.00	75,980.00
THE CROWELL-COLLIER PUBLISHING CO.	12/31/39					
Beck, Thomas H.		75,000.00			240.00	75,240.00
CRUCIBLE STEEL COMPANY OF AMERICA	12/31/39					
Hufnagel, F. B.		135,000.00				135,000.00
DAILY MIRROR, INC.	12/31/39					
Kling, Kenneth		3,604.98	64,282.41		8,888.31	76,775.70
THE DELAWARE, LACKAWANNA AND WESTERN RAILROAD COMPANY	12/31/39					
Davis, J. M.		75,000.00			2,950.00	77,950.00
THE DIAMOND MATCH COMPANY	12/31/39					
Fairburn, W. A.		100,000.00				100,000.00
DONAHUE & COE, INC.	12/31/39					
Churchill, E. J.						129,400.00
EASTMAN KODAK COMPANY	12/31/39					
Lovejoy, Frank W.		150,000.00			11,647.60	161,647.60
ELECTROLUX CORPORATION	12/31/39					
Groff, Chas. G.						100,000.00
ETHYL GASOLINE CORPORATION	12/31/39					
Webb, Earle W.		80,000.00		44,707.48	2,635.75	127,343.23
THE FIRST NATIONAL BANK OF THE CITY OF NEW YORK	12/31/39					
Fraser, Leon		75,000.00			800.00	75,800.00
Welldon, Samuel A.		75,000.00			1,000.00	76,000.00
GENERAL ANILINE & FILM CORPORATION	12/31/39					
Schmitz, D. A.		78,333.31			550.00	78,883.31

NAME OF CORPORATION AND OFFICERS OR EMPLOYEES	CALENDAR OR FISCAL YEAR ENDED	SALARY	COMMISSION	BONUS	OTHER COMPEN- SATION	TOTAL
<u>NEW YORK (Con.)</u>						
GENERAL ELECTRIC COMPANY	12/31/39					
Swope, Gerard		104,987.52		60,000.00		164,987.52
Wilson, Charles E.		57,487.49		40,000.00		97,487.49
Young, Owen D.		104,987.52		60,000.00		164,987.52
GENERAL FOODS CORPORATION	12/31/39					
Chester, Colby M.		84,000.00		57,000.00		141,000.00
Francis, Clarence		69,999.96		57,000.00		126,999.96
Igleheart, Austin S.		55,833.30		48,000.00		103,833.30
Metcalf, Charles W.		49,862.80		43,298.00		93,160.80
Prescott, John S.		45,000.00		37,500.00		82,500.00
Young, Udell C.		39,999.96		37,500.00		77,499.96
GENERAL MOTORS ACCEPTANCE CORPORATION	12/31/39					
Schumann, John J., Jr.		65,000.00		84,802.00	275.00	150,077.00
GIMBEL BROTHERS, INC.	1/31/40					
Gimbel, Bernard F.		75,600.00				75,600.00
W. R. GRACE & COMPANY	12/31/39					
Garni, A.		45,000.00			68,400.00	113,400.00
Holloway, W. G.		45,000.00			53,200.00	98,200.00
Iglehart, D. S.		48,000.00			121,600.00	169,600.00
Roig, H. J.		45,000.00			53,200.00	98,200.00
THE GREAT ATLANTIC & PACIFIC TEA COMPANY (NEW JERSEY)	2/24/40					
Adams, C. C.		100,000.00			20.00	100,020.00
Brooks, C. A.		100,000.00				100,000.00
Byrnes, W. M.		100,000.00			60.00	100,060.00
Smith, R. E.		100,000.00			20.00	100,020.00
GUARANTY TRUST COMPANY OF NEW YORK	12/31/39					
Conway, W. P.		100,000.00			7,284.91	107,284.91
Potter, W. C.		100,000.00			6,134.03	106,134.03
Stetson, E. W.		75,000.00			10,911.76	85,911.76
HEARST ENTERPRISES INCORPORATED	12/31/39					
Brookes, John S., Jr.		85,050.00				85,050.00

NAME OF CORPORATION AND OFFICERS OR EMPLOYEES	CALENDAR OR FISCAL YEAR ENDED	SALARY	COMMISSION	BONUS	OTHER COMPEN- SATION	TOTAL
<u>NEW YORK (Con.)</u>						
HEARST MAGAZINES, INC. Berlin, R. E.	12/31/39	49,999.92		51,847.17		101,847.09
HUROK ATTRACTIONS, INC. Anderson, Marian	12/31/39	95,816.39				95,816.39
INGERSOLL-RAND COMPANY Doubleday, George	12/31/39	78,000.00				78,000.00
INTERNATIONAL BUSINESS MACHINES CORPORATION Nichol, Frederick W. Watson, Thomas J.	12/31/39	60,000.00 100,000.00		25,000.00		85,000.00 442,560.17
JOHNSON & HIGGINS Coe, Geo. V. Davey, W. N. LaBoyteaux, W. H. Lowe, H. W.	12/31/39	87,425.04 87,425.04 133,323.18 87,425.04			60.00 260.00 220.00 240.00	87,485.04 87,685.04 133,543.18 87,665.04
JOHNS-MANVILLE CORPORATION Brown, Lewis H.	12/31/39	68,061.62		9,000.00	1,350.00	78,411.62
KENNECOTT COPPER CORPORATION Birch, Stephen Stannard, E. T.	12/31/39	75,000.00 100,000.00			140.00 220.00	75,140.00 100,220.00
KING FEATURES SYNDICATE, INC. McManus, George Ripley, R. L.	12/31/39				99,960.85 143,098.40	99,960.85 143,098.40
THE LANDER COMPANY, INC. Oestreich, Charles H.	12/31/39	2,600.00		85,197.35		87,797.35
LENNEN AND MITCHELL, INC. Lennen, Philip W.	12/31/39	80,000.00				80,000.00
M. LOWENSTEIN & SONS, INC. Veit, Howard	12/31/39	24,999.96			80,351.31	105,351.27
R. H. MACY & COMPANY, INC. Marks, Edwin I. Straus, Percy S.	1/31/40	65,000.00 99,999.98		14,441.44	280.00 180.00	79,721.44 100,179.98

NAME OF CORPORATION AND OFFICERS OR EMPLOYEES	CALENDAR OR FISCAL YEAR ENDED	SALARY	COMMISSION	BONUS	OTHER COMPEN- SATION	TOTAL
NEW YORK (Con.)						
MANUFACTURERS TRUST COMPANY Gibson, Harvey D.	12/31/39	135,000.00			1,964.50	136,964.50
MARCUS LOEW BOOKING AGENCY Friedman, Leopold	8/31/40	83,200.00				83,200.00
Moskowitz, Charles C.		87,100.00			16,900.00	104,000.00
THE MATHIESON ALKALI WORKS (INC.) Allen, E. M.	12/31/39	91,200.00				91,200.00
McCALL CORPORATION Warner, Wm. B.	12/31/39	75,000.00		38,022.50	370.42	113,392.92
METROPOLITAN LIFE INSURANCE COMPANY Lincoln, Jeroy A.	12/31/39	125,000.00				125,000.00
MORGAN STANLEY & COMPANY, INC. Stanley, Harold	8/31/40	75,000.00			1,840.00	76,840.00
PHILIP MORRIS & COMPANY, LTD. INC. Chalkley, O. H.	3/31/40	25,000.00		52,500.00		77,500.00
Lyon, A. E.		25,000.00		52,500.00		77,500.00
THE MUTUAL LIFE INSURANCE COMPANY OF NEW YORK Houston, D. F.	12/31/39	125,000.00				125,000.00
NATIONAL BISCUIT COMPANY Tomlinson, R. E.	12/31/39	96,000.00			500.00	96,500.00
THE NATIONAL CITY BANK OF NEW YORK Perkins, James H.	12/31/39	92,499.84			1,240.00	93,739.84
Rentschler, Gordon S.		94,999.92			3,560.00	98,559.92
NATIONAL DAIRY PRODUCTS CORPORATION McInnerney, Thos. H.	12/31/39	150,000.00			480.00	150,480.00
NATIONAL DISTILLERS PRODUCTS CORPORATION Jones, Charles L.	12/31/39	87,500.00		35,000.00		122,500.00
Porter, Seton		100,000.00		65,000.00		165,000.00
NATIONAL THEATRES AMUSEMENT CO., INC. Skouras, Charles P.	12/31/39				150,000.00	150,000.00
Skouras, Spyros P.		78,000.00			150,000.00	228,000.00

NAME OF CORPORATION AND OFFICERS OR EMPLOYEES	CALENDAR OR FISCAL YEAR ENDED	SALARY	COMMISSION	BONUS	OTHER COMPEN- SATION	TOTAL
<u>NEW YORK (Con.)</u>						
NESTLE'S MILK PRODUCTS, INC. Norton, D. F.	12/31/39	50,000.00		33,744.20		83,744.20
THE NEW JERSEY ZINC COMPANY Hayes, J. E.	12/31/39	75,000.00			3,056.79	78,056.79
NEW YORK LIFE INSURANCE COMPANY Buckner, T. A.	12/31/39	99,999.84				99,999.84
NEW YORK TELEPHONE COMPANY Kilpatrick, J.L.	12/31/39	86,333.33			1,840.00	88,173.33
THE NEW YORK TRUST COMPANY Buckner, Mortimer N.	12/31/39	90,000.00			5,000.00	95,000.00
		75,000.00			4,700.00	79,700.00
PARAMOUNT PICTURES, INC. Benny, Jack	12/31/39	125,000.00			2,500.00	127,500.00
Binyon, Claude Howard		76,958.33				76,958.33
Burns, Robert (Bob Burns)		77,380.95				77,380.95
Carroll, Madeline		127,166.67				127,166.67
Colman, Ronald		150,000.00			44,747.04	194,747.04
Cooper, Gary		179,000.00			8,713.55	187,713.55
Crosby, Harry L., Jr. (Bing Crosby)		250,000.00				250,000.00
Del Ruth, Roy		84,166.67				84,166.67
Fairbanks, Douglas, Jr.		161,718.75				161,718.75
Freeman, Y. Frank		104,000.00			100.00	104,100.00
Griffith, Edward H.		100,000.00				100,000.00
Hathaway, Henry		128,500.00				128,500.00
Hope, Bob		77,847.17				77,847.17
Hornblow, Arthur, Jr.		156,000.00				156,000.00
Hurley, Harold H.		116,355.00			1,378.25	117,733.25
LeBaron, William		182,000.00			93.63	182,093.63
Leisen, James Mitchell		98,000.00				98,000.00
Lewin, Albert Parsons		92,375.00				92,375.00
Lloyd, Frank		108,500.00				108,500.00

NAME OF CORPORATION AND OFFICERS OR EMPLOYEES	CALENDAR OR FISCAL YEAR ENDED	SALARY	COMMISSION	BONUS	OTHER COMPEN- SATION	TOTAL
<u>NEW YORK (Con.)</u>						
PARAMOUNT PICTURES, INC.						
MacMurray, Fred		240,333.33				240,333.33
Ruggles, Charles Sherman		79,666.67				79,666.67
Ruggles, Wesley		83,333.30				83,333.30
Sandrich, Mark		81,500.00				81,500.00
Stanwyck, Barbara		92,500.00				92,500.00
Sturges, Preston		143,000.00				143,000.00
Thompson, Harlan		83,166.66				83,166.66
Van Every, Dale		78,000.00				78,000.00
Wellman, William A.		148,354.68				148,354.68
Zukor, Adolph		104,000.00			200.00	104,200.00
PERIODICAL PUBLISHERS' SERVICE						
BUREAU, INC.						
Bull, H. G.	12/31/39			86,283.41		86,283.41
Dymond, O. L.				80,588.67		80,588.67
Lockard, C. A.				77,677.21		77,677.21
Ory, L. E.				96,381.89		96,381.89
PHELPS DODGE CORPORATION						
Cates, Louis S.	12/31/39	100,000.00				100,000.00
RADIO CORPORATION OF AMERICA						
Sarnoff, David	12/31/39	100,000.00			240.00	100,240.00
THE READER'S DIGEST ASSOCIATION, INC.						
Payne, Kenneth W.	12/31/39	36,000.00		63,500.00		99,500.00
REMINGTON RAND, INC.						
Rand, J. H. Jr.	3/31/40	84,999.96		5,636.85	2,145.00	92,781.81
RKO RADIO PICTURES, INC.						
Aherene, Brian	12/31/39	82,500.00				82,500.00
Berman, Pandro S.		161,868.35				161,868.35
Cromwell, John		144,166.66				144,166.66
Dieterle, William		103,333.33				103,333.33
Grant, Cary		93,750.00				93,750.00

NAME OF CORPORATION AND OFFICERS OR EMPLOYEES	CALENDAR OR FISCAL YEAR ENDED	SALARY	COMMISSION	BONUS	OTHER COMPEN- SATION	TOTAL
<u>NEW YORK (Con.)</u>						
RKO RADIO PICTURES, INC.						
Haight, George		90,500.00				90,500.00
Krasna, Norman		82,500.00				82,500.00
La Cava, Gregory		175,000.00				175,000.00
Laughton, Charles		116,170.15				116,170.15
Lombard, Carole		211,111.08				211,111.08
McCarey, Leo		127,500.00				127,500.00
Menjou, Adolphe		74,999.99				74,999.99
O'Brien, George		120,400.00				120,400.00
Rogers, Ginger		219,500.02				219,500.02
Stevens, George		139,833.34				139,833.34
ROCKEFELLER CENTER, INC.	12/31/39					
Robertson, Hugh S.		80,000.00				80,000.00
SOCONY-VACUUM OIL COMPANY, INC.	12/31/39					
Brown, John A.		120,000.00				120,000.00
Corwin, Arthur F.		75,100.00				75,100.00
STANDARD BRANDS, INC.	12/31/39					
Smith, Thomas L.		75,000.00			600.00	75,600.00
Wilshire, Joseph		100,000.00			500.00	100,500.00
STANDARD OIL COMPANY OF NEW JERSEY	12/31/39					
Sadler, E. J.		90,000.00				90,000.00
STATES MARINE CORPORATION	12/31/39					
Mercer, H. D.		105,000.00				105,000.00
STERN BROTHERS	1/31/40					
Riordan, William O.		50,000.00		25,000.00	160.00	75,160.00
THE TEXAS COMPANY (DEL.)	12/31/39					
Klein, H. T.		91,000.00				91,000.00
Rieber, T.		123,000.00				123,000.00
Rodgers, W. S. S.		123,000.00				123,000.00
J. WALTER THOMPSON COMPANY	12/31/39					
Resor, Stanley		81,000.00				81,000.00

NAME OF CORPORATION AND OFFICERS OR EMPLOYEES	CALENDAR OR FISCAL YEAR ENDED	SALARY	COMMISSION	BONUS	OTHER COMPEN- SATION	TOTAL
<u>NEW YORK (Con.)</u>						
TWENTIETH CENTURY-FOX FILM CORP.	12/31/39					
Ameche, Don		128,583.33				128,583.33
Baxter, Warner		101,923.06				101,923.06
Brown, Harry Joe		127,500.00				127,500.00
Colbert, Claudette		150,079.50				150,079.50
Cummings, Irving		137,708.33				137,708.33
Day, Richard M.		76,500.00				76,500.00
Del Ruth, Roy		110,490.94				110,490.94
Dwan, Allan		109,125.00				109,125.00
Faye, Alice		140,291.66				140,291.66
Fonda, Henry		103,246.17				103,246.17
Ford, John		235,000.00				235,000.00
Goetz, William		102,000.00				102,000.00
Griffith, Raymond		104,625.00				104,625.00
Henie, Sonja		244,166.67			5,000.00	249,166.67
Johnson, Nunally		85,833.33				85,833.33
Jolson, Al		128,125.00				128,125.00
Kent, S. R.		179,370.00				179,370.00
King, Henry		155,833.33				155,833.33
Koenig, William		76,500.00				76,500.00
Lanfield, Sidney		112,875.00				112,875.00
Lang, Walter		77,083.34				77,083.34
Mac Gowan, Kenneth		102,000.00				102,000.00
Markey, Gene		97,875.00				97,875.00
Mc Guire, Wm. Anthony		96,708.33				96,708.33
Power, Tyrone		151,250.00			15,000.00	166,250.00
Ratoff, Gregory		109,375.00				109,375.00
Schenck, Joseph M.		113,833.33				113,833.33
Scott, Randolph		80,208.33				80,208.33
Seiter, William		119,000.00				119,000.00
Stone, John		76,500.00				76,500.00
Temple, Shirley Jane		116,570.50				116,570.50

NAME OF CORPORATION AND OFFICERS OR EMPLOYEES	CALENDAR OR FISCAL YEAR ENDED	SALARY	COMMISSION	BONUS	OTHER COMPEN- SATION	TOTAL
<u>NEW YORK (Con.)</u>						
TWENTIETH CENTURY-FOX FILM CORP.						
Tugend, Harry		76,500.00				76,500.00
Wurtzel, Sol		178,500.00				178,500.00
Zanuck, Darryl F.		255,000.00				255,000.00
UNDERWOOD ELLIOTT FISHER COMPANY, DELAWARE	12/31/39					
Wagoner, P. D.		108,000.00			480.00	108,480.00
UNITED ARTISTS CORPORATION	12/31/39					
Silverstone, Maurice		145,500.00				145,500.00
UNITED STATES RUBBER COMPANY	12/31/39					
Adamson, Percy		9,000.00	97,211.72			106,211.72
Adamson, Percy (Trustee)			97,319.55			97,319.55
Coughlin, E. J.		36,000.00		82,618.75	180.00	118,798.75
Davis, F. B. Jr.		150,000.00			220.00	150,220.00
Humphreys, H. E. Jr.		36,000.00		59,400.00	220.00	95,620.00
Needham, T. J.		36,000.00		82,618.75	220.00	118,838.75
Roberts, Elmer		36,000.00		82,618.75	220.00	118,838.75
Smith, Herbert E.		48,000.00		99,142.50	220.00	147,362.50
Tompkins, L. D.		48,000.00		99,142.50	200.00	147,342.50
UNITED STATES STEEL CORPORATION (NEW JERSEY)	12/31/39					
Stettinius, E. R., Jr.		100,000.00			5,600.00	105,600.00
Taylor, Myron C.		96,000.00			2,100.00	98,100.00
Voorhees, E. M.		100,000.00			5,600.00	105,600.00
R. T. VANDERBILT COMPANY, INC.	12/31/39					
Somerville, A. A.			278,486.11			278,486.11
Vanderbilt, R. T.		200,000.00				200,000.00
WALLERSTEIN COMPANY, INC.	12/31/39					
Graf, William		81,000.00				81,000.00
Wallerstein, Leo		94,000.00				94,000.00
WARNER BROS. PICTURES, INC.	8/31/40					
Bacon, Lloyd		196,000.00				196,000.00

NAME OF CORPORATION AND OFFICERS OR EMPLOYEES	CALENDAR OR FISCAL YEAR ENDED	SALARY	COMMISSION	BONUS	OTHER COMPEN- SATION	TOTAL
<u>NEW YORK (Con.)</u>						
WARNER BROS. PICTURES, INC.						
Blanke, Henry		92,750.00				92,750.00
Boyer, Charles		100,000.00				100,000.00
Brent, George		110,833.33				110,833.33
Cagney, James		368,333.33				368,333.33
Curtiz, Michael		183,900.00				183,900.00
Davis, Bette		129,750.00				129,750.00
Dieterle, Wilhelm		78,500.00				78,500.00
Flynn, Errol		213,333.33				213,333.33
Forbstein, Leo		79,500.00				79,500.00
Foy, Bryan		138,750.00				138,750.00
Hellinger, Mark		80,625.00				80,625.00
Hopkins, Miriam		102,500.00				102,500.00
Keighley, William		117,083.34				117,083.34
Litvak, Anatole		150,000.00				150,000.00
Lord, Robert		140,450.00				140,450.00
Oberon, Merle		85,000.00				85,000.00
O'Brien, Pat		164,666.67				164,666.67
Raft, George		138,000.00				138,000.00
Rains, Claude		95,000.00				95,000.00
Robinson, Casey		99,833.33				99,833.33
Robinson, Edward G.		255,000.00				255,000.00
Steiner, Max		79,500.00				79,500.00
Wallis, H. B.		265,000.00				265,000.00
Warner, Albert		92,750.00		13,250.00		106,000.00
Warner, H. M.		132,500.00		26,500.00		159,000.00
Warner, J. L.		159,000.00		26,500.00		185,500.00
VITAGRAPH, INC.	8/31/40					
Einfeld, S. C.		85,650.00		13,250.00		98,900.00
Sears, Gradwell L.		85,650.00		13,250.00		98,900.00

NAME OF CORPORATION AND OFFICERS OR EMPLOYEES	CALENDAR OR FISCAL YEAR ENDED	SALARY	COMMISSION	BONUS	OTHER COMPEN- SATION	TOTAL
<u>NEW YORK (Con.)</u>						
WARNER BROS. CIRCUIT MANAGEMENT CORPORATION	8/31/40					
Bernhard, Joseph		98,900.00		26,500.00		125,400.00
WESTERN ELECTRIC COMPANY, INC.	12/31/39					
Bloom, Edgar S.		90,000.00			480.00	90,480.00
THE WESTERN UNION TELEGRAPH COMPANY	12/31/39					
White, R. B.		85,000.00			2,015.00	87,015.00
F. W. WOOLWORTH COMPANY	12/31/39					
Deyo, C. W.			194,687.07			194,687.07
Weber, R. W.			82,187.80			82,187.80
<u>NORTH CAROLINA</u>						
R. J. REYNOLDS TOBACCO COMPANY	12/31/39					
Williams, S. Clay		100,000.00				100,000.00
<u>OHIO</u>						
CHAMPION SPARK PLUG COMPANY	12/31/39					
Stranahan, Frank D.		120,000.00				120,000.00
Stranahan, Robert A.		170,000.00				170,000.00
CLOPAY CORPORATION	12/31/39					
Johnson, Sam J.		15,000.00		77,953.36		92,953.36
EATON MANUFACTURING COMPANY	12/31/39					
Eaton, J. O.		45,000.00		53,500.00		98,500.00
THE ELECTRIC AUTO-LITE COMPANY	12/31/39					
Martin, Royce G.		100,000.08			300.00	100,300.08
THE GLIDDEN COMPANY	10/31/40					
Joyce, Adrian D.		96,000.00			40.00	96,040.00
THE GOODYEAR TIRE & RUBBER COMPANY	12/31/39					
Litchfield, P. W.		87,500.00				87,500.00

NAME OF CORPORATION AND OFFICERS OR EMPLOYEES	CALENDAR OR FISCAL YEAR ENDED	SALARY	COMMISSION	BONUS	OTHER COMPEN- SATION	TOTAL
<u>OHIO (Con.)</u>						
THE KROGER GROCERY & BAKING COMPANY	12/31/39					
Bracy, Harry W.		25,000.00				196,993.46
Morrill, Albert H.		83,397.43		171,993.46		83,397.43
THE F. AND R. LAZARUS AND COMPANY	1/31/40					
Lazarus, Fred, Jr.		100,000.00				100,000.00
Lazarus, Simon		100,000.00				100,000.00
THE MIDLAND STEEL PRODUCTS COMPANY	12/31/39					
Kulas, E. J.		96,261.75				96,261.75
THE NATIONAL CASH REGISTER COMPANY	12/31/39					
Deeds, Edward A.		75,000.00			25,000.00	100,000.00
OWENS-ILLINOIS GLASS COMPANY	12/31/39					
Levis, Wm. E.		125,000.08			25,000.00	150,000.08
THE PLAIN DEALER PUBLISHING COMPANY	5/31/40					
McCarrens, John S.		60,000.00			111,276.25	171,276.25
THE PROCTER & GAMBLE COMPANY	6/30/40					
Deupree, R. R.		100,000.00		50,000.00		150,000.00
French, H. G.		60,000.00		25,000.00		85,000.00
THE STANDARD OIL COMPANY (OHIO)	12/31/39					
Holliday, W. T.		81,000.00				81,000.00
THE YOUGHIOGHENY & OHIO COAL COMPANY	12/31/39					
Brown, Robert Y.					88,030.94	88,030.94
<u>OKLAHOMA</u>						
E. H. MOORE, INC.	12/31/39					
Moore, E. H.		100,000.00				100,000.00
PHILLIPS PETROLEUM COMPANY	12/31/39					
Phillips, Frank		100,000.00				100,000.00
WARREN PETROLEUM CORPORATION	6/30/40					
Warren, W. K.		81,800.00				81,800.00

NAME OF CORPORATION AND OFFICERS OR EMPLOYEES	CALENDAR OR FISCAL YEAR ENDED	SALARY	COMMISSION	BONUS	OTHER COMPEN- SATION	TOTAL
<u>PENNSYLVANIA</u>						
ALUMINUM COMPANY OF AMERICA Davis, Arthur V.	12/31/39	112,650.00				112,650.00
ARMSTRONG CORK COMPANY Prentis, H. W.	12/31/39	100,000.00				100,000.00
BETHLEHEM STEEL CORPORATION Schwab, C. M.	12/31/39	135,000.00				135,000.00
BETHLEHEM STEEL COMPANY (DELAWARE) Mackall, Paul	12/31/39	90,000.00		27,364.00		117,364.00
BETHLEHEM STEEL COMPANY (PENNSYLVANIA) Bent, Q.	12/31/39	90,000.00		27,364.00		117,364.00
Buck, C. A.		90,000.00		27,364.00		117,364.00
Grace, E. G.		180,000.00		91,224.00		271,224.00
McMath, R. E.		60,000.00		24,332.00		84,332.00
Shick, F. A.		60,000.00		24,332.00		84,332.00
Wakeman, S. W.		80,000.00		28,858.00		108,858.00
CARNEGIE-ILLINOIS STEEL CORPORATION Perry, J. L.	12/31/39	77,909.58			130.00	78,039.58
COPPERWELD STEEL COMPANY Bramer, S. E.	12/31/39	25,000.00		71,340.53		96,340.53
FELS & COMPANY Robson, A. Roy	12/31/39	30,000.00		101,684.76		131,684.76
GREAT LAKES STEEL CORPORATION Fink, George R.	12/31/39	50,000.00	37,500.00			87,500.00
HERSHEY CHOCOLATE CORPORATION Murrie, Wm. F. R.	12/31/39	91,550.00				91,550.00
HUBBARD AND COMPANY Hubbard, John W.	12/31/39	100,000.00				100,000.00
JONES & LAUGHLIN STEEL CORPORATION Lewis, H. E.	12/31/39	118,125.00				118,125.00
MCCLOSKEY AND COMPANY (DELAWARE) McCloskey, M. H., Jr.	12/31/39	104,000.00				104,000.00

NAME OF CORPORATION AND OFFICERS OR EMPLOYEES	CALENDAR OR FISCAL YEAR ENDED	SALARY	COMMISSION	BONUS	OTHER COMPEN- SATION	TOTAL
<u>PENNSYLVANIA (Con.)</u>						
McKEESPORT TIN PLATE CORPORATION Parkins, G. V.	12/31/39	75,833.42				75,833.42
THE MIDVALE COMPANY Frevert, Harry L.	12/31/39	30,000.00		45,000.00	240.00	75,240.00
G. C. MURPHY COMPANY Mack, J. S.	12/31/39	30,000.00		70,435.03		100,435.03
NATIONAL STEEL CORPORATION Fink, George R.	12/31/39	50,000.00	37,500.00		500.00	88,000.00
THE PENNSYLVANIA RAILROAD COMPANY Clement, M. W.	12/31/39	100,000.00			605.00	100,605.00
THE PHILADELPHIA NATIONAL BANK Wayne, Joseph Jr.	12/31/39	100,008.00			8,334.00	108,342.00
PHILADELPHIA STORAGE BATTERY COMPANY Buckley, James T.	12/31/39	23,000.00		52,432.60		75,432.60
PITTSBURGH PLATE GLASS COMPANY Brown, Clarence M.	12/31/39					93,331.28
Clause, Robert L.						84,698.49
Higgins, Harry B.						84,704.41
Wherrett, Harry S.						115,804.17
J. J. POCOCK, INC. Pocock, J. J.	12/31/39	16,000.08		62,644.33	220.00	78,864.41
JACOB SIEGEL COMPANY Siegel, Jacob	1/31/40	90,000.00		10,000.00		100,000.00
SMITH, KLINE & FRENCH LABORATORIES Kline, C. Mahlon	12/31/39	30,000.00		52,200.00		82,200.00
SOUTHWEST SUPPLY COMPANY Bell, John A., Jr.	12/31/39	77,062.00				77,062.00
TASTY BAKING COMPANY Baur, Phil J.	12/31/39	86,576.61				86,576.61
Morris, H. C.		86,576.61				86,576.61
THE UNITED GAS IMPROVEMENT COMPANY Zimmerman, John E.	12/31/39	90,000.00				90,000.00

NAME OF CORPORATION AND OFFICERS OR EMPLOYEES	CALENDAR OR FISCAL YEAR ENDED	SALARY	COMMISSION	BONUS	OTHER COMPEN- SATION	TOTAL
<u>PENNSYLVANIA (Con.)</u>						
UNITED STATES STEEL CORPORATION OF DELAWARE Fairless, B. F.	12/31/39	99,999.96				99,999.96
JOHN WANAMAKER PHILADELPHIA Shipley, C. R.	1/31/40	60,000.00		33,808.21		93,808.21
WESTINGHOUSE ELECTRIC & MANU- FACTURING COMPANY Bucher, George H. Robertson, A. W.	12/31/39	70,110.80 101,283.30		25,911.00 34,548.00	1,750.00 1,600.00	97,771.80 137,431.30
<u>RHODE ISLAND</u>						
CARR-FULFLEX, INC. Carr, Arthur H.	7/31/40		79,189.60			79,189.60
<u>TENNESSEE</u>						
COCA-COLA BOTTLING COMPANY (THOMAS) INC. Hunter, George T.	12/31/39	91,120.05				91,120.05
<u>TEXAS</u>						
ANDERSON, CLAYTON & COMPANY Schmid, T. O.	7/31/40		172,156.50			172,156.50
POLLOCK PAPER & BOX COMPANY Jacobs, L. L.	12/31/39	50,000.00		55,627.91		105,627.91
WEST PRODUCTION COMPANY West, J. M.	12/31/39	75,000.00		6,250.00		81,250.00

NAME OF CORPORATION AND OFFICERS OR EMPLOYEES	CALENDAR OR FISCAL YEAR ENDED	SALARY	COMMISSION	BONUS	OTHER COMPEN- SATION	TOTAL
<u>VERMONT</u>						
CHICAGO STOCK YARDS COMPANY Prince, Frederick H.	12/31/39	100,000.00				100,000.00
<u>VIRGINIA</u>						
UNIVERSAL LEAF TOBACCO COMPANY, INC. Edwards, K. R.	12/31/39				87,420.65	87,420.65
<u>WEST VIRGINIA</u>						
STERLING PRODUCTS (INCORPORATED) Diebold, A. H. Weiss, W. E.	12/31/39	125,000.00			100.00	125,100.00
WEIRTON STEEL COMPANY Weir, Ernest, T.	12/31/39	125,000.00			100.00	125,100.00
		43,750.00	32,800.00			76,550.00
<u>WISCONSIN</u>						
KIMBERLY-CLARK CORPORATION Sensenbrenner, F. J.	12/31/39	75,735.00				75,735.00

TREASURY DEPARTMENT
Washington

FOR IMMEDIATE RELEASE,
Friday, July 25, 1941.

Press Service
No. 26-74

W.R. Johnson
Commissioner of Customs ~~Basil Harris~~ today issued the following statement showing imports of distilled liquors and wines, and duties collected thereon, covering the month of ^{May, 1941} February, 1940, with comparative figures for the months of ^{May, 1940} February, 1939, and ^{April, 1941} January, 1940, and the eight-month periods ending February, ^{May, 1940} 1939, and February, 1940, respectively:

	May 1941	April 1941	May 1940	11 months ending 1941	May 31 1940
DISTILLED LIQUORS (Proof Gallons):					
Stock in Customs Bonded Warehouses at beginning	8,216,116	8,282,976	6,769,120	6,976,713	4,137,917
Total imports (Free and Dutiable)	920,042	990,863	1,592,688	10,999,187	13,994,731
Available for Consumption	9,136,158	9,273,839	8,361,808	17,975,900	18,132,648
Entered into Consumption (a)	1,535,273	1,052,391	866,479	10,367,601	10,557,872
Exported from Customs Custody	—	5,332	311	17,414	79,758
Stock in Customs Bonded Warehouses at end	7,600,885	8,216,116	7,495,018	7,590,885	7,495,018
STILL WINES (Liquid Gallons):					
Stock in Customs Bonded Warehouses at beginning	1,806,644	1,690,825	1,699,267	1,526,805	1,151,290
Total imports (Free and Dutiable)	239,389	250,586	385,307	2,183,197	3,870,489
Available for Consumption	2,046,033	1,941,411	2,084,574	3,710,002	5,021,779
Entered into Consumption (a)	157,590	134,413	305,907	1,817,808	3,236,857
Exported from Customs Custody	—	354	167	3,751	6,422
Stock in Customs Bonded Warehouses at end	1,888,443	1,806,644	1,778,500	1,888,443	1,778,500
SPARKLING WINES (Liquid Gallons):					
Stock in Customs Bonded Warehouses at beginning	222,342	221,356	474,799	395,772	321,014
Total imports (Free and Dutiable)	6,888	8,288	37,842	80,949	695,459
Available for Consumption	229,230	229,644	512,641	476,721	1,016,473
Entered into Consumption (a)	7,077	7,204	39,393	252,481	542,570
Exported from Customs Custody	—	98	21	2,087	676
Stock in Customs Bonded Warehouses at end	222,153	222,342	473,227	222,153	473,227
DUTIES COLLECTED ON:					
Distilled Liquors	\$ 3,785,354	\$ 2,603,948	\$ 2,138,710	\$25,532,192	\$ 26,140,288
Still Wines	151,121	121,668	248,886	1,650,615	2,741,835
Sparkling Wines	20,820	20,808	117,538	746,094	1,619,460
Total Duties Collected on Liquor	\$ 3,957,295	\$ 2,309,211	\$ 2,505,134	\$ 27,928,901	\$ 30,501,583
Total Duties Collected on Other Commodities	37,102,706	37,640,432	23,746,280	325,723,733	289,987,966
TOTAL DUTIES COLLECTED	\$41,060,001	\$39,949,643	\$26,251,414	\$353,652,634	\$320,489,549
Percent collected on Liquor	9.6%	5.8%	9.5%	7.9%	9.5%

(a) Including withdrawals for ship supplies and diplomatic use.

TREASURY DEPARTMENT
Washington

FOR IMMEDIATE RELEASE,
Friday, July 25, 1941.

Press Service
No. 26-74

Commissioner of Customs W. R. Johnson today issued the following statement showing imports of distilled liquors and wines, and duties collected thereon, covering the month of May, 1941, with comparative figures for the months of May, 1940 and April 1941, and the eleven-month periods ending May, 1940, and May, 1941, respectively.

	May 1941	April 1941	May 1940	11 months ending May 31	
				1941	1940
DISTILLED LIQUORS					
(Proof Gallons);					
Stock in Customs Bonded Warehouses at beginning.....					
	8,216,116	8,282,976	6,769,120	6,976,713	4,137,917
Total Imports (Free and Dutiable)....	920,042	990,863	1,592,688	10,999,187	13,994,731
Available for Consumption.....	9,136,158	9,273,839	8,361,808	17,975,900	18,132,648
Entered into Consumption (a).....	1,535,273	1,052,391	866,479	10,367,601	10,557,872
Stock in Customs Bonded Warehouses at end.....					
	7,600,885	8,216,116	7,495,018	7,590,885	7,495,018
STILL WINES (Liquid Gallons);					
Stock in Customs Bonded Warehouses at beginning.....					
	1,806,644	1,690,825	1,699,267	1,526,805	1,151,290
Total Imports (Free and Dutiable)....	239,389	250,586	385,307	2,183,197	3,870,489
Available for Consumption.....	2,046,033	1,941,411	2,084,574	3,710,002	5,021,779
Entered into Consumption (a).....	157,590	134,413	305,907	1,817,808	3,236,857
Stock in Customs Bonded Warehouses at end.....					
	1,888,443	1,806,644	1,778,500	1,888,443	1,778,500
SPARKLING WINES (Liquid Gallons);					
Stock in Customs Bonded Warehouses at beginning.....					
	222,342	221,356	474,799	395,772	321,014
Total Imports (Free and Dutiable)....	6,888	8,288	37,842	80,949	695,459
Available for Consumption.....	229,230	229,644	512,641	476,721	1,016,473
Entered into Consumption (a).....	7,077	7,204	39,393	252,481	542,570
Stock in Customs Bonded Warehouses at end.....					
	222,153	222,342	473,227	222,153	473,227
DUTIES COLLECTED ON:					
Distilled Liquors	\$3,785,354	\$2,603,948	\$2,138,710	\$25,532,192	\$26,140,288
Still Wines	151,121	121,668	248,886	1,650,615	2,741,835
Sparkling Wines	20,820	20,808	117,538	746,084	1,619,460
Total duties Collected on Liquor	\$3,957,295	\$2,309,211	\$2,505,134	\$27,928,901	\$30,501,583

(a) including withdrawals for ship supplies and diplomatic use.

Sparkling Wines Collected on Liquor \$151,121
Total Duties Collected on Liquor \$3,957,295
Total Duties Collected on Other \$2,309,211
Total Duties Collected \$2,309,211
\$25,532,192
\$26,140,288
\$2,741,835
\$1,619,460
\$27,928,901
\$30,501,583

TREASURY DEPARTMENT
Washington

FOR IMMEDIATE RELEASE,
Saturday, July 26, 1941.

26 75
Press Service
No. *Hal*

The Treasury today announced the denial of applications for licenses authorizing the purchase of Silesian Holding Company stock and a loan to Silesian-American Corporation by European interests.

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TREASURY DEPARTMENT
Washington

FOR IMMEDIATE RELEASE,
Saturday, July 26, 1941.

Press Service
No. 26-75

The Treasury today announced the denial of applications for licenses authorizing the purchase of Silesian Holding Company stock and a loan to Silesian-American Corporation by European interests.

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TREASURY DEPARTMENT
Washington

FOR RELEASE, MORNING PAPERS,
Tuesday, July 29, 1941.

7/28/41

Press Service
No. 26-76

The Treasury announced today it had formulated plans for the consolidation of its emergency work-relief accounting and disbursing activities in the field in order to effect the economies contemplated in the Emergency Relief Appropriation Act of 1942.

The plans call for the consolidation of 53 field offices into 22 regional offices and the termination of the services of approximately 974 employees, to be effected by next September 30.

The accounting and disbursing work of the department incident to the curtailed emergency relief program will be conducted in the following cities, each office serving the States listed below it:

BOSTON, MASSACHUSETTS

Massachusetts
Connecticut
Maine
Vermont
New Hampshire
Rhode Island

NEW YORK, NEW YORK

New York
New Jersey

DALLAS, TEXAS

Texas
Oklahoma
Arkansas

KANSAS CITY, MISSOURI

Kansas
Nebraska
Missouri

MINNEAPOLIS, MINNESOTA

Minnesota
North Dakota
South Dakota

PHILADELPHIA, PENNSYLVANIA

Pennsylvania
District of Columbia
(WPA Projects only)
Maryland
Delaware

WASHINGTON, D. C.

District of Columbia
(Exclusive of WPA Projects)

RICHMOND, VIRGINIA

Virginia
North Carolina
South Carolina

ATLANTA, GEORGIA

Tennessee
Georgia
Florida
Kentucky

CLEVELAND, OHIO

Ohio
West Virginia

CHICAGO, ILLINOIS

Illinois
Michigan
Indiana
Iowa
Wisconsin

NEW ORLEANS, LOUISIANA

Louisiana
Mississippi
Alabama

DENVER, COLORADO

Colorado
Wyoming
New Mexico

HELENA, MONTANA

Montana

SALT LAKE CITY, UTAH

Utah
Idaho

SEATTLE, WASHINGTON

Washington

PORTLAND, OREGON

Oregon

SAN FRANCISCO, CALIFORNIA

Northern California
Nevada

LOS ANGELES, CALIFORNIA

Southern California
Arizona

SAN JUAN, PUERTO RICO

Puerto Rico

ST. THOMAS, VIRGIN ISLANDS

Virgin Islands

JUNEAU, ALASKA

Alaska

A regional office of the Division of Disbursements, Treasury Department, will be established in Richmond, Virginia, and the function of disbursement formerly exercised in Richmond; Columbia, South Carolina; and Raleigh, North Carolina, by the United States

Treasury-State Disbursing Offices of the Division of Disbursement; will be transferred there.

Because of a reduction in the Work Projects Administration program, and a corresponding reduction in the appropriation to enable the Treasury to continue the accounting and disbursing work in connection with the program for the ensuing fiscal year, it will be necessary to terminate the services of approximately 760 employees in the emergency Treasury accounts offices and 214 in the emergency Treasury disbursing offices.

In making these reductions, all state offices will be required to contribute proportionately to the reduction as nearly as possible. Reductions will be made on the basis of efficiency, giving due consideration to relative need for work, dependency, length of service, and veterans' preference. Employees eligible for retention upon basis of relative efficiency, need for work, dependency, length of service, or veterans' preference, will be given an opportunity to indicate whether they desire to be transferred to the regional offices in their regions.

TREASURY DEPARTMENT

Washington

FOR RELEASE, MORNING NEWSPAPERS,
Tuesday, July 29, 1941.
7/28/41

Press Service

26-77

The Secretary of the Treasury announced last evening that the tenders for \$100,000,000, or thereabouts, of 91-day Treasury bills, to be dated July 30 and to mature October 29, 1941, which were offered on July 25, were opened at the Federal Reserve Banks on July 28.

The details of this issue are as follows:

Total applied for - \$266,617,000
Total accepted - 100,015,000

Range of accepted bids:

High	- 100.				
Low	- 99.972	Equivalent rate	approximately	0.111	percent
Average price	- 99.976	"	"	"	0.094 "

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

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TREASURY DEPARTMENT
Washington

FOR RELEASE, MORNING NEWSPAPERS,
Tuesday, July 29, 1941.

Press Service
No. 26-77

7/28/41

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Smuggling Ring Broken Up

The Enforcement Division of the Alcohol Tax Unit, in protecting the revenue on alcoholic beverages, also had a very busy year, Mr. Ireys report shows. Illicit stills numbering ^(11,824) 11,824 were seized, 26,010 arrests made and 6,898,178 gallons of mash confiscated.

~~Compared with the previous year there was a 17.2 percent increase in stills seized, a 6.4 percent increase in mash seized, and a 12 percent increase in arrests.~~

In cooperation with the Customs Service and the Royal Canadian Mounted Police, the Alcohol Tax Unit, after persistent sleuthing, uncovered one of the largest illicit liquor conspiracies ever organized in this country. This was the Hyman Frank-Abe Moss-Hyman Projansky gang, which operated like a well oiled business, having distilleries in Chicago, fleets of trucks operating between Chicago and Detroit, and from Chicago into Ohio, Indiana and Southern Illinois, and smuggling into Canada. So huge were its operations that it defrauded the Government ~~of~~ of \$2,500,000 in excise taxes, and the Dominion of Canada out of large excise and war taxes. The leaders of the gang were all caught and sent to prison. More than twenty of their subordinates entered pleas of guilty. The dragnet caught some thirty-five persons. Tied in with rum running was a fur smuggling conspiracy, which was also uncovered and those engaged in it sent to jail.

(Handwritten initials)
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the cases of the Secret Service brought to trial.

Big Income Tax Evaders

Reporting for the Intelligence Unit of the Bureau of Internal Revenue, over which he also presides, Mr. Irey found that 172 persons from all walks of life were indicted for evasion of income and other taxes; 192 individuals were tried during the year and 156 were convicted. In addition to prison sentences, fines aggregating \$300,000 were assessed. Additional taxes and penalties totaling \$33,810,418.30 were recommended for assessment in cases investigated during the year.

Criminal proceedings were instituted against 15 other individuals on miscellaneous charges, due to investigations made by the Intelligence Unit. Seventeen individuals, some of whom were indicted prior to the present fiscal year, were tried and 16 were convicted.

Two outstanding cases ~~_____~~ were those of Joseph M. Schenck, one of the most important figures in the moving picture industry, and George Scalise, a powerful figure in organized labor. Both were charged with income tax evasions, Schenck of \$250,000 for several years, and Scalise of \$104,682 for 1937 to 1939. Schenck stood trial, with his principal accountant, Joseph H. Moskowitz, was convicted and sent to prison for three years and to pay a fine of \$20,000. Moskowitz also was convicted, and went to prison for a year and a day, and was fined \$10,000. Scalise pleaded guilty and was sent to prison for three and one half years.

Losses to the public through the acceptance of counterfeit coins other than slugs during the year totaled \$49,857.56 against \$51,737.42 the previous year.

A new form of counterfeiting was uncovered by the Secret Service when Agents in New York arrested Louis Carlo Avila, Angelo M. Castellano, Pompey Thomas De Carolis and Ralph Joseph Zirpoli for conspiring to make counterfeit 25¢ Department of Agriculture food stamps. The plates were seized ~~and the plates were destroyed~~ before the printing began.

Forged Government checks is another racket that the Secret Service is devoting much attention to, this report discloses. Last year 14,161 such cases were investigated, as a result of which reimbursements were obtained and other collections and recoveries were obtained for the Government in the amount of \$248,721.

(Insert)

Insert p 15

A recent case of forged Government checks resulted in the arrest of Samuel Newton Hedges, aged 62, superintendent of the paint and finishing shop, Senate Office Building, since 1917. An investigation by the Secret Service, at the instigation of Senator Byrd of Virginia, established the fact that in 1934 Hedges began to place fictitious names on the payroll of his shop, securing their monthly checks and forging their names to the same. The total amount of the peculation involved 361 checks and \$41,790.85. Hedges admitted guilt, and is out on bond, awaiting action of the District of Columbia grand jury ~~which the Secret Service will submit evidence~~

End insert

Second in importance to making and passing counterfeit money is the growing use of slugs in coin-operated machines. "This form of American business is suffering stupendous monetary losses from a growing evil akin to counterfeiting," Mr. Irey said. Millions of worthless coin slugs have been used to operate vending machines. Owners of small retail stores are the victims of this widespread fraud. Telephone and traction companies, cigarette vendors and restaurants ~~are~~ ^{and} a heavy annual loss. The slug racket, Mr. Irey's report stated, has resulted in the startling yearly loss of \$5,000,000.

It took years of effort before the Secret Service could obtain an interpretation of the counterfeiting laws which would permit Federal prosecution of slug makers and dealers. In December, 1940, Max Wasserman, a slug dealer, was convicted in Federal Court in Omaha, ~~Nebraska~~ ^{Nebraska} ~~Nebraska~~ ^{Nebraska} In March of this year Secret Service agents arrested Philip O. and Eugene Flint, owners of two slug factories at Dayton, Ohio. At their plants agents seized 451,000 completed slugs of the size of 5¢, 10¢ and 25¢ coins, 26 dies for making slugs, and 4,000 pounds of metal. Investigation disclosed that slugs from the Flint factory were sold throughout the country through mail orders at the rate of 30,000 a day.

Acting upon information gathered from the records of the Flint brothers and other sources, Secret Service Agents and Post Office Inspectors, aided by local police, in quick succession, caused the indictment of other slug manufacturers and dealers in Minnesota, Wisconsin, Michigan, New York, Kentucky and Texas.

which is ~~profusely~~ illustrated with ~~many~~ photographs of counterfeit currency. It is the only publication in circulation containing ~~actual~~ photographs of ^{Counterfeit} ~~money~~ money, ~~it being unlawful to print pictures of~~ ^{OK} genuine or counterfeit money.

~~Since~~ this brochure ~~was first issued~~ it has been distributed by the Secret Service to police departments, merchants, banks and high schools. ~~In a number of instances~~ ^{obtained} members of Congress have ~~obtained~~ large blocks ~~of~~ ^{for} to their constituents. During the school year just closed it was successfully used as a textbook in several high schools, ~~receiving~~ ^{OK} universal approval from Boards of Education ~~of this country~~. ~~With the~~ coming of the Fall term ~~it~~ will be more widely used ~~in classrooms~~. To date 148,080 copies have been distributed.

Chief Frank J. Wilson reported to Mr. Irey that the educational campaign conducted during the past four years by the Secret Service has demonstrated that the use of modern educational methods to prevent crime are decidedly more effective in the suppression of note counterfeiting than the century old methods of prosecution and imprisonment. For this reason, on January 1, 1941, the decision was made by the Secret Service to adopt education as a permanent program in the war on counterfeiters.

Attention is called in the report to the fine cooperation the Secret Service received in the "Know Your Money" campaign from local police, mayors and school boards, as a result of which local merchants and others have found a decrease in their counterfeit money losses.

Counterfeiting Losses Cut

Reviewing the work of the Secret Service for the fiscal year, Mr. Irey direct^{ed} attention to its three outstanding accomplishments, viz.:

1. ^{STCT} ~~The making~~ of education of the public in the detection of counterfeit money, a permanent program.
2. ^{STCT} ~~The continued decrease on a large scale~~ of losses to the public through the acceptance of counterfeit bills. ^{STET}
3. The successful prosecution of manufacturers and dealers in worthless slugs.

Prior to the inauguration, in 1937, by Chief Wilson, of the "Know Your Money" educational campaign, the annual loss to the public through the acceptance of counterfeit notes for a four year period (1933-1936) was \$771,000. This was reduced in 1941 to \$91,096. ^{by 88 percent}

Agents of the Secret Service, the report states, exhibited its sound motion picture, "Know Your Money", and lectured on how to detect counterfeit money to 2,749,044 retail merchants. Students in public and other schools and members of civic organizations, to whom the picture was shown and before whom the lecture was given, brought the total to 5,749,989 persons, since January 1940, when the campaign was introduced.

As a text-book to be used in this educational campaign, the Secret Service has issued a 32-page booklet, entitled "Know Your Money",

14
~~15~~

In June of this year Walter S. Hooper, an ex-convict who had served twelve years for a major violation of the narcotic laws was arrested at San Mateo, California, by Narcotics' officers. He was posing as a respectable hardware merchant, and it developed that he was the Pacific Coast ^{narcotics} representative of ██████████ "Mendy" Weiss.

Another member of this notorious gang, Samuel Bernstein, was taken by officers of the Bureau of Narcotics, who apprehended him in the operation of a chemical plant at Moonachie, N.J., where he was found to be experimenting with the alteration and adulteration of narcotic drugs designed for sale in the illicit traffic. He had ~~also~~ been twice convicted on narcotics charge and was regarded as a major figure in the underworld. He is ~~to be tried in the case involving him with Philip Cohen and others.~~ *He was found guilty and sent to seven years in addition to the Brooklyn sentence of 20 years.*

Climaxing a year of intense activity against large gangs of narcotics peddlers, Mr. Irey's report calls attention to the destruction of two such gangs in Chicago by the Bureau of Narcotics: the Nathan Banks gang, in which the principal got fifteen years in prison and five of his lieutenants ten years each; and the Daniel Morbete gang, in which Morbete, Anthony Valenti, Henry Guardino, Peter Galiano and Charles Friedlander, all vicious criminals and substantial violators of the narcotics laws, were given ten years each; Eugene Romano, eight years; and Albert Roginski three years.

[Another physician, in the same State, Dr. W. E. Bailey, ~~resident~~ of Little Rock, was sent to prison for five years, after he had made several illegal sales of morphine to Narcotics' officers. During a six months' period Dr. Bailey had written 3,376 prescriptions calling for 55,165 morphine tablets.

13 (X) [Through the activities of the Bureau of Narcotics, according to Mr. Ireys summation, ~~some by time~~ ^{set} criminals were brought to book. Among these were members of the notorious gang headed by Louis (Lepke) Buchalter and Emanuel Weiss, leader of the notorious "Murder, Inc." Weiss was indicted in Manhattan, in Brooklyn and in Fort Worth, Texas, on narcotics charges. Forfeiting a substantial bond, he became a fugitive. In July, 1940, many of his co-defendants were tried at Fort Worth. [It developed that the Weiss organization planned to distribute narcotics from New York to Illinois and throughout the Southwest. Sixteen members of this gang were convicted. Among them were two notorious and dangerous criminals: Philip Chadwick, sentenced to 12 years imprisonment; and Charles Schiffman, sentenced to 10 years imprisonment. Included with Weiss in the Brooklyn indictment were Philip Cohen, Samuel Bernstein, Albert Angelson and Abraham Lorber, who were given long prison terms. Weiss, Cohen, James Russo alias Feraco and Buchalter are under indictment in New York City for murder. Weiss was captured by Narcotics' officers at Kansas City, Mo., in April 1941, while posing as the president of a mining company, and returned to New York to stand trial on the Narcotics and murder charges.

year just ended several States enacted laws placing further safeguards about the sale of these preparations; and as often as it has been done the addicts have moved to States where the restrictions are less *stringent*

a
[] development in the illicit narcotics traffic has been the increase in the number of violations among persons registered under the Harrison Narcotic Law to dispense such drugs lawfully. This Mr. Irey attributes to the fact that peddlers and addicts were driven in increasing numbers to seek supplies through diversion from the legitimate trade. Two such cases will serve as illustrations.

12
#10
[] Francesco A'Vessa, owner of a drug store in New York City, was caught selling narcotics. He pleaded guilty in May 1941 and was sentenced to imprisonment for a year and a day. The charge against him was the unlawful sale of paregoric in large quantities. In trying to cover up his tracks he *had* required purchasers to drink at least two ounces of the drug at the time of the sale. This case was so flagrant that the court, in passing sentence, expressed the hope that Congress would make more restrictive the laws affecting the sale of paregoric and similar preparations.

[] In Leachville, Arkansas, a physician, Dr. Vernon R. Fox, and two druggists, Robert Lee Eblen and Joe Curtis Garrett, were detected selling and filling prescriptions for narcotics in violation of the Harrison Narcotic Law. All three were *sentenced* ~~sent to prison~~. In this case there were 16 illegal sales, covering 3,145 morphine tablets, for which 397 pretended prescriptions were written in many fictitious names and variously dated.

~~17~~
Insert A
There was a decline in the amount of illicit narcotics seized in the internal traffic while there was an increase in the amount of drugs seized at ports and borders. The combined total of seizures for the fiscal year 1941, 5,863 ounces approximated very closely the combined seizures for the fiscal year 1940, 5,854 ounces but these amounts were far below the average for the three preceding years--- 21,209.

~~10~~
Mr. Irey found some satisfaction in the marihuana eradication program, in which the Bureau of Narcotics, in cooperation with other Treasury agencies, and with the assistance of Federal, State and local authorities, destroyed an estimated 33,235 acres of growing marihuana. This was almost a 300 percent increase.

The scarcity of narcotic drugs in the illicit traffic, and the shortage of smuggled drugs in many sections of the country, have forced peddlers and addicts to resort to burglary, robbery, forgery and other crimes to get their supplies. Robberies and burglaries of pharmacies and other registered establishments are of frequent occurrence; cases involving the forgery of narcotic prescriptions by addicts or peddlers have increased. Wholesale drug houses and manufacturing chemists who are ~~required~~ ^{Required} to keep a large supply of crude narcotic drugs in stock have so carefully safeguarded their stocks ~~in metal~~ vaults and by ~~guards~~ that large losses of these drugs have been comparatively few.

~~11~~
Insert B
Many addicts ~~are~~ still are attempting to satisfy their cravings for narcotics by resorting to paregoric or similar so-called exempt preparations. During the year several states passed legislation placing further safeguards about narcotic preparations of this type; in consequence many cases have been noted where drug addicts migrate to adjoining states where these restrictions did not apply.

In its patrol work over merchant shipping, the Coast Guard sighted and identified 269,531 foreign and domestic vessels during the year.

In recent months the Coast Guard took ~~into protective custody~~ ^{stet} 2 German, 27 Italian and 35 Danish merchant vessels immobilized in ports of the United States.

During the year Coast Guard vessels cruised 2,236,454 miles and Coast Guard aircraft flew 125,744 miles. In the prevention of narcotics smuggling, 3,598 vessels were trailed. Regattas patrolled numbered 481, and vessels boarded 34,948, of which 708 were reported for violations.

Narcotics Violations Decrease

In the matter of narcotics violations, the illicit traffic in heroin continues to carry the flag, Mr. Ireys report shows; but in that activity drug seizures declined more than 50 percent, so far as the internal or domestic trade ~~is~~ ^{is} concerned. Opium led the van at seaports and along the borders. Seizures of both crude and smoking opium showed heavy increases.

~~In contrast with this~~ there was a decrease in the number of persons arrested by the Bureau of Narcotics for violations of the Federal narcotics laws (excluding marihuana), 1,313 persons being arrested in the fiscal year 1941 as compared with 2,796 in the previous year. There was some increase in the number of persons arrested for violations of the Marihuana Tax Act - 1,010 as compared with 788 for the fiscal year 1940. The combined arrests for all types of narcotics violations decreased from 3,584 to 2,823.

Coast Guard Had Busy Year

②
The Coast Guard, ~~national~~ national maritime law enforcement agency of the Government, had a very active year, Mr. Irey's report discloses. "There was a complete absence of organized liquor smuggling by sea", it states. This was due to two factors, ^{Each} ~~was~~ traceable to world conditions. Foreign shipping was brought under ^{more} strict control, and smugglers had difficulty obtaining stocks of cheap alcohol and liquor from Europe.

During the year the Coast Guard trailed 3,595 vessels to prevent contact with small boats used in the smuggling trade. Coast Guard aircraft, Mr. Irey says, in cooperation with the Alcohol Tax Unit located 708 illicit stills, 92 of which were seized, with 3,860 gallons of non-tax paid liquor and 246,320 gallons of mash.

In the enforcement of the neutrality laws the Coast Guard, during the fiscal year sealed 9,098 radio apparatus on merchant vessels owned, controlled or operated by the governments or nationals of belligerent countries, to prevent unauthorized radio transmissions while the vessels were in ~~United States~~ United States ^{waters} X

84
Armaments on 613 merchant ships were inspected to determine if they were armed for defensive or offensive purposes and thereby establishing whether the vessels should be treated as commercial ships or ships of war.

Customs Seizures

Narcotics seizures by the Bureau of Customs for the fiscal year aggregated 800, a gain of 200 over the preceding year. This, coupled with a decrease in shipping, due to world conditions, drove prices of illicit narcotics ~~to~~ to new highs, indicating, the report says, an increasing scarcity of these drugs.

Total seizures of all kinds of smuggled commodities totaled 8000, an increase over the previous year. Smuggled liquors showed a decrease.

Mexican raw opium and marihuana continued to trickle across the border into the Southwest.

Southern California and the Pacific Coast ports received some raw opium from Mexico and the Far East. This region, however, was so closely policed by Customs agents that, although there were many indications of an increase in attempted smuggling, most of it was aborted.

Customs officers also broke up a conspiracy of certain Japanese seamen to smuggle narcotics into Pacific Coast ports on April 2, when they arrested, at San Francisco, a Japanese crew member of the

NITTA MARU, who was attempting to bring in 186 ounces of smoking opium packed in tins of Far Eastern origin. A Customs officer, posing as a longshoreman, went aboard the vessel and took delivery

One of the largest individual seizures of narcotics during the fiscal year was made at Baltimore on March 22, 1941. It consisted of one hundred and twenty-one 5-tael tins of smoking opium, weighing 774 ounces. A Filipino steward on an American vessel was arrested, tried,

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"This Department appreciates the thoroughness with which the Customs Agency Service has completed this long and tedious task, and suggests that the officers of the Treasury Department concerned be commended for the efficient manner in which the investigation was completed."

National Defense Activities

National defense occupied much of the time and attention of the enforcement agencies of the Treasury, Mr. Irey reported. They met these unusual tasks with high resolve and admirable success, which in no way interfered with the usual course of their varied duties. The results of the fiscal year's work in each of these agencies, Mr. Irey stated, is most gratifying:

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Income tax dodgers, ~~run~~ narcotics and fur smugglers, and other criminals whose unlawful pursuits cheated the Treasury out of millions of taxes, were ~~run to cover and put in~~ ^{sent to} prison.

Close cooperation of the Treasury enforcement agencies in their varied work is commended by Mr. Irey, and attention is directed to the help they received from other Government agencies and from State and local police and such world-famed organizations as the Royal Canadian Mounted Police ~~in breaking up gangs of criminals~~

The Japanese fishing boats operating out of Honolulu, and the three fishing companies which buy and sell their "catch", handle their finances and do their buying, have long been under suspicion by U. S. Government agencies. Acting for the Department of Commerce, the Customs Agency Service, which ~~does~~ ^{performs} ~~investigatory~~ ^{IVE} work ^{FOR THAT AGEN}, the Intelligence Unit of the Bureau of Internal Revenue, and the Coast Guard, supporting both agencies with its service when needed, worked for many months on this case. Many of the Japanese involved in this conspiracy had American-born Japanese wives and American-born Japanese children and ~~their~~ relatives. Placing the registry of their boats under the names of such relatives they thus sought to evade the U.S. Navigation Laws. In some instances these Japanese lived in Japan, in others they made regular trips to Japan, ostensibly ~~for~~ ^{for} medical treatment or to take the baths.

Some of the nineteen fishing boats were covered by mortgages which had been financed through the fishing companies under indictment, mortgages said to be too heavy for the individual Japanese owners to carry. The financing of these boats was one of the suspicious threads in the conspiracy.

In view of world conditions this is regarded as the most momentous case developed by any of the enforcement agencies of the Treasury during the fiscal year ended June 30, and in recognition of its importance, and of the brilliant way in which it was handled, Acting Secretary of Commerce Wayne C. Taylor wrote Secretary Morgenthau:

Treasury Department
MK

For Release afterwar reports,
Wednesday, July 30, 1941

Press Room

70

26-78

Seizure of nineteen Japanese fishing boats in Hawaiian waters and the subsequent forfeiture of six to the United States Government was revealed today when Elmer L. Irey, Chief Coordinator of Treasury law enforcement agencies, submitted his annual report to Secretary Morgenthau.

Seventy-one Japanese, most of them aliens, but a few of American birth, and three Honolulu fishing companies were indicted in March, 1941, as the result of coordinated efforts of the Customs Agency Service, the United States Coast Guard ~~and~~ the Intelligence Unit of the Bureau of Internal Revenue. ^{and} The indictments charged conspiracy to violate the navigation laws of the United States, and allege the use of false "bills of sale," and false "managing owners' oaths," in registering the vessels.

The specific charge involved is violation of an Act of Congress passed in 1793, which requires that all vessels of American registry must be American owned. None of these Japanese ships was so owned, Mr. Irey's report indicates.

Also involved in this case is a further conspiracy to defraud the Treasury out of income taxes.

man

TREASURY DEPARTMENT
Washington

FOR RELEASE, AFTERNOON NEWSPAPERS,
Wednesday, July 30, 1941.

Press Service
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The specific charge involved is violation of an Act of Congress passed in 1793, which requires that all vessels of American registry must be American owned. None of these Japanese ships was so owned, Mr. Irey's report indicates.

Also involved in this case is a further conspiracy to defraud the Treasury out of income taxes.

The Japanese fishing boats operating out of Honolulu, and the three fishing companies which buy and sell their "catch", handle their finances and do their buying, have long been under suspicion by U. S. Government agencies. Acting for the Department of Commerce, the Customs Agency Service, which does all of its investigatory work, the Intelligence Unit of the Bureau of Internal Revenue, and the Coast Guard, supporting both agencies with its service when needed, worked for many months on this case. Many of the Japanese involved in this conspiracy had American-born Japanese wives and American-born Japanese children and other relatives. Placing the registry of their boats under the names of such relatives they thus sought to evade the U. S. Navigation Laws. In some instances these Japanese lived in Japan, in others they made regular trips to Japan, ostensibly to get medical treatment or to take the baths.

Some of the nineteen fishing boats were covered by mortgages which had been financed through the fishing companies under indictment, mortgages said to be too heavy for the individual Japanese owners to carry. The financing of these boats was one of the suspicious threads in the conspiracy.

In view of world conditions this is regarded as the most momentous case developed by any of the enforcement agencies of the Treasury during the fiscal year ended June 30, and in recognition of its importance, and of the brilliant way in which it was handled, Acting Secretary of Commerce Wayne C. Taylor wrote Secretary Morgenthau:

"This Department appreciates the thoroughness with which the Customs Agency Service has completed this long and tedious task, and suggests that the officers of the Treasury Department concerned be commended for the efficient manner in which the investigation was completed."

National Defense Activities

National defense occupied much of the time and attention of the enforcement agencies of the Treasury, Mr. Irey reported. They met these unusual tasks with high resolve and admirable success, which in no way interfered with the usual course of their varied duties. The results of the fiscal year's work in each of these agencies, Mr. Irey stated, is most gratifying.

Income tax dodgers, rum, narcotics and fur smugglers, and other criminals whose unlawful pursuits cheated the Treasury out of millions of taxes, were sent to prison.

Close cooperation of the Treasury enforcement agencies in their varied work is commended by Mr. Irey, and attention is directed to the help they received from other Government agencies and from State and local police and such world-famed organizations as the Royal Canadian Mounted Police.

Customs Seizures

Narcotics seizures by the Bureau of Customs for the fiscal year aggregated 800, a gain of 200 over the preceding year. This, coupled with a decrease in shipping, due to world conditions, drove prices of illicit narcotics to new highs, indicating, the report says, an increasing scarcity of these drugs.

Total seizures of all kinds of smuggled commodities totaled 8,000, an increase over the previous year. Smuggled liquors showed a decrease.

Mexican raw opium and marihuana continued to trickle across the border into the Southwest.

Southern California and the Pacific Coast ports received some raw opium from Mexico and the Far East. This region, however, was so closely policed by Customs agents that, although there were many indications of an increase in attempted smuggling most of it was aborted.

Customs officers also broke up a conspiracy of certain Japanese seamen to smuggle narcotics into Pacific Coast ports on April 2, when they arrested, at San Francisco, a Japanese crew member of the NITTA MARU, who was attempting to bring in 186 ounces of smoking opium packed in tins of Far Eastern origin. A Customs officer, posing as a longshoreman, went aboard the vessel and took delivery.

One of the largest individual seizures of narcotics during the fiscal year was made at Baltimore on March 22, 1941. It consisted of one hundred and twenty-one 5-tael tins of smoking opium, weighing 774 ounces. A Filipino steward on an American vessel was arrested, tried, convicted and sent to prison.

Seizures of a number of soft metal tubes of smoking opium, in the autumn of 1940, at San Francisco and at New York, led to an investigation which disclosed that these tubes had been packed in the British Opium Monopoly plant in Singapore and shipped to the British Monopoly at Hong Kong.

During the year there were several seizures by Customs' and Narcotics' officers of so-called "chop-stick" opium, bearing Arabic characters, indicating it was of Persian origin. This opium had been smuggled from the Far East by way of Curacao, Netherlands West Indies.

Of unusual interest was the arrest by Customs' officers, at Blaine, Washington, of Leo E. Morland, a British subject, who had in his possession fifty-seven bars of gold, which he had attempted to smuggle into the country. The gold, valued at \$55,000, was concealed in a false compartment of a trunk. It originated in New Guinea and Australia, and was taken to New Zealand and smuggled from there into Canada.

Customs officers at New York, in May of this year, seized 124 bales of Oriental rugs from Persia, of an estimated forfeiture value of \$89,000, which had come into the country on false invoices and were undervalued.

During the fiscal year 1941 (11 months) the Customs Service sent 301 persons to prison, an increase of 98 over the previous year.

Coast Guard Had Busy Year

The Coast Guard, national maritime law enforcement agency of the Government, had a very active year, Mr. Irey's report discloses.

"There was a complete absence of organized liquor smuggling by sea", it states. This was due to two factors, each traceable to world conditions. Foreign shipping was brought under more strict control, and smugglers had difficulty obtaining stocks of cheap alcohol and liquor from Europe.

During the year the Coast Guard trailed 3,595 vessels to prevent contact with small boats used in the smuggling trade. Coast Guard aircraft, Mr. Irey says, in cooperation with the Alcohol Tax Unit located 708 illicit stills, 92 of which were seized, with 3,860 gallons of non-tax paid liquor and 246,320 gallons of mash.

In the enforcement of the neutrality laws the Coast Guard, during the fiscal year sealed 9,098 radio apparatus on merchant vessels owned, controlled or operated by the governments or nationals of belligerent countries, to prevent unauthorized radio transmissions while the vessels were in United States waters.

Armaments on 613 merchant ships were inspected to determine if they were armed for defensive or offensive purposes and thereby establishing whether the vessels should be treated as commercial ships or ships of war.

In its patrol work over merchant shipping, the Coast Guard sighted and identified 269,531 foreign and domestic vessels during the year.

In recent months the Coast Guard took into protective custody 2 German, 27 Italian and 35 Danish merchant vessels immobilized in ports of the United States.

During the year Coast Guard vessels cruised 2,236,454 miles and Coast Guard aircraft flew 125,744 miles. In the prevention of narcotics smuggling, 3,598 vessels were trailed. Regattas patrolled numbered 481, and vessels boarded 34,948, of which 708 were reported for violations.

Narcotics Violations Decrease

In the matter of narcotics violations, the illicit traffic in heroin continues to carry the flag, Mr. Irey's report shows; but in that activity drug seizures declined more than 50 per cent, so far as the internal or domestic trade is concerned. Opium led the van at seaports and along the borders. Seizures of both crude and smoking opium showed heavy increases.

There was a decrease in the number of persons arrested by the Bureau of Narcotics for violations of the Federal narcotics laws (excluding marihuana), 1,813 persons being arrested in the fiscal year 1941 as compared with 2,796 in the previous year. There was some increase in the number of persons arrested for violations of the Marihuana Tax Act - 1,010 as compared with 788 for the fiscal year 1940. The combined arrests for all types of narcotics violations decreased from 3,584 to 2,823.

There was a decline in the amount of illicit narcotics seized in the internal traffic while there was an increase in the amount of drugs seized at ports and borders. The combined total of seizures for the fiscal year 1941, 5,863 ounces, approximated very closely the combined seizures for the fiscal year 1940, 5,854 ounces, but these amounts were far below the average for the three preceding years--- 21,209.

Mr. Irey found some satisfaction in the marihuana eradication program, in which the Bureau of Narcotics, in cooperation with other Treasury agencies, and with the assistance of Federal, State and local authorities, destroyed an estimated 33,235 acres of growing marihuana. This was almost a 300 percent increase.

The scarcity of narcotic drugs in the illicit traffic, and the shortage of smuggled drugs in many sections of the country, have forced peddlers and addicts to resort to burglary, robbery, forgery and other crimes to get their supplies. Robberies and burglaries of pharmacies and other registered establishments are of frequent occurrence; cases involving the forgery of narcotic prescriptions by addicts or peddlers have increased. Wholesale drug houses and manufacturing chemists who are required to keep a large supply of crude narcotic drugs in stock have so carefully safeguarded their stocks that large losses of these drugs have been comparatively few.

Many addicts still are attempting to satisfy their cravings for narcotics by resorting to paregoric or similar so-called exempt preparations. During the year several states passed legislation placing further safeguards about narcotic preparations of this type; in consequence many cases have been noted where drug addicts migrated to adjoining states where these restrictions did not apply.

A development in the illicit narcotics traffic has been the increase in the number of violations among persons registered under the Harrison Narcotic Law to dispense such drugs lawfully. This Mr. Irey attributes to the fact that peddlers and addicts were driven in increasing numbers to seek supplies through diversion from the legitimate trade. Two such cases will serve as illustrations.

Francesco A'Vessa, owner of a drug store in New York City, was caught selling narcotics. He pleaded guilty in May 1941 and was sentenced to imprisonment for a year and a day. The charge against him was the unlawful sale of paregoric in large quantities. In trying to cover up his tracks he had required

purchasers to drink at least two ounces of the drug at the time of the sale. This case was so flagrant that the court, in passing sentence, expressed the hope that Congress would make more restrictive the laws affecting the sale of paregoric and similar preparations.

In Leachville, Arkansas, a physician, Dr. Vernon R. Fox, and two druggists, Robert Lee Eblen and Joe Curtis Garrett, were detected selling and filling prescriptions for narcotics in violation of the Harrison Narcotic Law. All three were sentenced. In this case there were 16 illegal sales, covering 3,145 morphine tablets, for which 397 pretended prescriptions were written in many fictitious names and variously dated.

Another physician, in the same State, Dr. W. E. Bailey, of Little Rock, was sent to prison for five years, after he had made several illegal sales of morphine to Narcotics officers. During a six months' period Dr. Bailey had written 3,376 prescriptions calling for 55,165 morphine tablets.

Through the activities of the Bureau of Narcotics, according to Mr. Ireys summation, some big time criminals were brought to book. Among these were members of the notorious gang headed by Louis (Lepke) Buchalter and Emanuel Weiss, leader of the notorious "Murder, Inc." Weiss was indicted in Manhattan, in Brooklyn and in Fort Worth, Texas, on narcotics charges. Forfeiting a substantial bond, he became a fugitive. In July, 1940, many of his co-defendants were tried at Fort Worth.

It developed that the Weiss organization planned to distribute narcotics from New York to Illinois and throughout the Southwest. Sixteen members of this gang were convicted. Among them were two notorious and dangerous criminals: Philip Chadwick, sentenced to 12 years imprisonment; and Charles Schiffman, sentenced to 10 years imprisonment. Included with Weiss in the Brooklyn indictment were Philip Cohen, Samuel Bernstein, Albert Angelson and Abraham Lorber, who were given long prison terms. Weiss, Cohen, James Russo alias Feraco and Buchalter are under indictment in New York City for murder. Weiss was captured by Narcotics' officers at Kansas City, Mo., in April 1941, while posing as the president of a mining company, and returned to New York to stand trial on the Narcotics and murder charges.

In June of this year Walter S. Hooper, an ex-convict, who had served twelve years for a major violation of the narcotic laws was arrested at San Mateo, California, by Narcotics officers. He was posing as a respectable hardware merchant, and it developed that he was the Pacific Coast narcotics representative of "Mendy" Weiss.

Another member of this notorious gang, Samuel Bernstein, was taken by officers of the Bureau of Narcotics, who apprehended him in the operation of a chemical plant at Moonachie, N. J., where he was found to be experimenting with the alteration and adulteration of narcotic drugs designed for sale in the illicit traffic. He had been twice convicted on narcotics charge and was regarded as a major figure in the underworld. He was found guilty and sentenced to seven years in addition to the Brooklyn sentence of ten years.

Climaxing a year of intense activity against large gangs of narcotics peddlers, Mr. Irey's report calls attention to the destruction of two such gangs in Chicago by the Bureau of Narcotics: the Nathan Banks gang, in which the principal got fifteen years in prison and five of his lieutenants ten years each; and the Daniel Morbete gang, in which Morbete, Anthony Valenti, Henry Guardino, Peter Galiano and Charles Friedlander,

all vicious criminals and substantial violators of the narcotics laws, were given ten years each; Eugene Romano, eight years; and Albert Roginski three years.

Counterfeiting Losses Cut

Reviewing the work of the Secret Service for the fiscal year, Mr. Irey directed attention to its three outstanding accomplishments, viz:

1. The making of education of the public in the detection of counterfeit money a permanent program.
2. The continued decrease on a large scale of losses to the public through the acceptance of counterfeit bills.
3. The successful prosecution of manufacturers and dealers in worthless slugs.

Prior to the inauguration, in 1937, by Chief Wilson, of the "Know Your Money" educational campaign, the annual loss to the public through the acceptance of counterfeit notes for a four year period (1933-1936) was \$771,000. This was reduced in 1941 by 88 percent to \$91,096.

Agents of the Secret Service, the report states, exhibited its sound motion picture, "Know Your Money", and lectured on how to detect counterfeit money to 2,749,044 retail merchants. Students in public and other schools and members of civic organizations, to whom the picture was shown and before whom the

lecture was given, brought the total to 5,749,989 persons, since January 1940, when the campaign was introduced.

As a text-book to be used in this educational campaign, the Secret Service has issued a 32-page booklet, entitled "Know Your Money", which is illustrated with photographs of counterfeit currency. It is the only publication in circulation containing photographs of counterfeit money, it being unlawful to print pictures of genuine or counterfeit money.

This brochure has been distributed by the Secret Service to police departments, merchants, banks and high schools. In a number of instances, members of Congress have obtained large blocks for their constituents. During the school year just closed it was successfully used as a text-book in several high schools, receiving universal approval from Boards of Education. With the coming of the Fall term it will be more widely used. To date 148,080 copies have been distributed.

Chief Frank J. Wilson reported to Mr. Irey that the educational campaign conducted during the past four years by the Secret Service has demonstrated that the use of modern educational methods to prevent crime are decidedly more effective in the suppression of note counterfeiting than the century old methods of prosecution and imprisonment. For this reason, on January 1, 1941, the decision was made by the Secret Service to adopt education as a permanent program in the war on counterfeiters.

Attention is called in the report to the fine cooperation the Secret Service received in the "Know Your Money" campaign from local police, mayors and school boards, as a result of which local merchants and others have found a decrease in their counterfeit money losses.

Second in importance to making and passing counterfeit money is the growing use of slugs in coin-operated machines. "This form of American business is suffering stupendous monetary losses from a growing evil akin to counterfeiting," Mr. Irey said. Millions of worthless coin slugs have been used to operate vending machines. Owners of small retail stores are the victims of this widespread fraud. Telephone and traction companies, cigarette vendors and restaurants sustain a heavy annual loss. The slug racket, Mr. Irey's report stated, has resulted in the startling yearly loss of \$5,000,000.

It took years of effort before the Secret Service could obtain an interpretation of the counterfeiting laws which would permit Federal prosecution of slug makers and dealers. In December, 1940, Max Wasserman, a slug dealer, was convicted in Federal Court in Omaha, Nebraska. In March of this year, Secret Service agents arrested Philip O. and Eugene Flint, owners of two slug factories at Dayton, Ohio. At their plants agents seized 451,000 completed slugs of the size of 5¢, 10¢ and 25¢

coins, 26 dies for making slugs, and 4,000 pounds of metal. Investigation disclosed that slugs from the Flint factory were sold throughout the country through mail orders at the rate of 30,000 a day.

Acting upon information gathered from the records of the Flint brothers and other sources, Secret Service Agents and Post Office Inspectors, aided by local police, in quick succession, caused the indictment of other slug manufacturers and dealers in Minnesota, Wisconsin, Michigan, New York, Kentucky and Texas.

Losses to the public through the acceptance of counterfeit coins other than slugs during the year totaled \$49,857.56 against \$51,737.42 the previous year.

A new form of counterfeiting was uncovered by the Secret Service when Agents in New York arrested Louis Carlo Avila, Angelo M. Castellano, Pompey Thomas De Carolis and Ralph Joseph Zirpoli for conspiring to make counterfeit 25¢ Department of Agriculture food stamps. The plates were seized before the printing began.

Forged Government checks is another racket that the Secret Service is devoting much attention to, this report discloses. Last year 14,161 such cases were investigated, as a result of which reimbursements were obtained and other collections and recoveries were obtained for the Government in the amount of \$248,721.

A recent case of forged Government checks resulted in the arrest of Samuel Newton Hedges, aged 62, superintendent of the paint and finishing shop, Senate Office Building, since 1917. An investigation by the Secret Service, at the instigation of Senator Byrd of Virginia, established the fact that in 1934 Hedges began to place fictitious names on the payroll of his shop, securing their monthly checks and forging their names to the same. The total amount of the peculation involved 361 checks and \$41,790.85. Hedges admitted guilt, and is out on bond, awaiting action of the District of Columbia grand jury.

As many Government checks are cashed by merchants, the Secret Service is promoting a "Know Your Endorser" campaign, through which it is planned to teach business men and cashiers to demand proper identification when cashing such checks.

The Secret Service made a total of 2,949 arrests during the year, as compared with 3,281 in 1940. These arrests represented the following violations:

198 for making or passing counterfeit bills.

554 for making or passing counterfeit coins.

1,859 for forging Government checks.

338 for miscellaneous offenses.

Convictions were obtained in 2,451 cases. There are 894 cases awaiting court action. Convictions were obtained in 97.1 percent of the cases of the Secret Service brought to trial.

Big Income Tax Evaders

Reporting for the Intelligence Unit of the Bureau of Internal Revenue, over which he also presides, Mr. Irey found that 172 persons from all walks of life were indicted for evasion of income and other taxes; 192 individuals were tried during the year and 156 were convicted. In addition to prison sentences, fines aggregating \$300,000 were assessed. Additional taxes and penalties totaling \$33,810,418.30 were recommended for assessment in cases investigated during the year.

Criminal proceedings were instituted against 15 other individuals on miscellaneous charges, due to investigations made by the Intelligence Unit. Seventeen individuals, some of whom were indicted prior to the present fiscal year, were tried and 16 were convicted.

Two outstanding cases were those of Joseph M. Schenck, one of the most important figures in the moving picture industry, and George Scalise, a powerful figure in organized labor. Both were charged with income tax evasions, Schenck of \$250,000 for several years, and Scalise of \$104,682 for 1937 to 1939. Schenck stood trial, with his principal accountant, Joseph H. Moskowitz, was convicted and sent to prison for three years and to pay a fine of \$20,000. Moskowitz also was convicted, and went to prison for a year and a day, and was fined \$10,000. Scalise pleaded guilty and was sent to prison for three and one half years.

Smuggling Ring Broken Up

The Enforcement Division of the Alcohol Tax Unit, in protecting the revenue on alcoholic beverages, also had a very busy year, Mr. Ireys report shows. Illicit stills numbering 11,824 were seized, 26,010 arrests made and 6,898,178 gallons of mash confiscated.

In cooperation with the Customs Service and the Royal Canadian Mounted Police, the Alcohol Tax Unit, after persistent sleuthing, uncovered one of the largest illicit liquor conspiracies ever organized in this country. This was the Hyman Frank-Abe Moss-Hyman Projansky gang, which operated like a well oiled business, having distilleries in Chicago, fleets of trucks operating between Chicago and Detroit, and from Chicago into Ohio, Indiana and Southern Illinois, and smuggling into Canada. So huge were its operations that it defrauded the Government of \$2,500,000 in excise taxes, and the Dominion of Canada out of large excise and war taxes. The leaders of the gang were all caught and sent to prison. More than twenty of their subordinates entered pleas of guilty. The dragnet caught some thirty-five persons. Tied in with rum running was a fur smuggling conspiracy, which was also uncovered and those engaged in it sent to jail.

PRESS RELEASE:

The Bureau of Customs announced today that reports from the collectors of customs show the current import quota of 8,883,259 pounds for 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 chiefly used in the manufacture of blankets and blanketing, and other than linters), provided in the President's proclamation of September 5, 1939, for the twelve months period commencing September 20, 1940, has been filled.

(Prepared by the Bureau of Customs)

JM:fs

26-79

July 29, 1941

MR. SCHWARZ:

This is a carbon copy of a Bureau of Customs release forwarded to your office on July 28. I have been advised by telephone this morning that the original has not been received by your office. When the release has been mimeographed please have 10 extra copies forwarded to Miss Henry, Room 403, Wilkins Bldg., 1512 H. St., N. W.

J. B. McArthur

26-6779

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The Bureau of Customs announced today that reports from the collectors of customs show the current import quota of 8,883,259 pounds for 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 chiefly used in the manufacture of blankets and blanketing, and other than linters), provided in the President's proclamation of September 5, 1939, for the twelve months period commencing September 20, 1940, has been filled.

(Prepared by the Bureau of Customs)

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TREASURY DEPARTMENT
Washington

FOR IMMEDIATE RELEASE,
Tuesday, July 29, 1941.

Press Service
No. 26-79

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TREASURY DEPARTMENT
Washington

FOR RELEASE MORNING NEWSPAPERS,
Tuesday, August 5, 1941.
7/31/41

Press Service
No. 26-80

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Secretary of the Treasury Morgenthau today made public preliminary statistics of corporation income and (declared value) excess-profits tax returns for 1939, filed through December 31, 1940, prepared under the direction of Commissioner of Internal Revenue Guy T. Helvering. The preliminary report will be published at a later date.

RETURNS TABULATED

The returns covered by this release are, in general, for the calendar year ending December 31, 1939. However, a considerable number of returns for a fiscal year, other than the calendar year, ending within the period July 1939 through June 1940, are tabulated with the calendar year returns for 1939. There are also included part year returns for which the greater part of the accounting period falls in 1939.

Data are tabulated from Forms 1120 and 1120A filed by domestic corporations and resident foreign corporations not exempt from tax under section 101, Internal Revenue Code as amended; also from Forms 1120L filed by domestic life insurance companies and by foreign life insurance companies carrying on insurance business within the United States or holding reserve funds upon business transacted within the United States. The data are tabulated from the returns as filed by the taxpayer, and prior to revisions that may be made as a result of audit by the Bureau of Internal Revenue. Amended returns and tentative returns are not included in the tabulations.

TAXES PROVIDED BY INTERNAL REVENUE CODE AS AMENDED

The corporation income tax rates in sections 13 and 14 of the Internal Revenue Code as amended became effective for taxable years beginning after December 31, 1938, and the (declared value) excess-profits tax rates in section 600 of the Code as amended became effective for income-tax taxable years ending after June 30, 1939. Consequently, the majority of returns covered by this release are filed under the provisions of the Internal Revenue Code as amended.

The corporation income and (declared value) excess-profits tax rates are the same for all returns covered by this release, since the Internal Revenue Code, approved February 10, 1939, contains the tax rates which were in force on January 2, 1939 -- those of the Revenue Act of 1938. Moreover, the income and (declared value) excess-profits tax rates, applicable to all returns for 1939 filed through December 31, 1940, are the same as those applicable to the majority of returns for 1938 filed through December 31, 1939.

The name of the existing excess-profits tax in section 600 of the Internal Revenue Code was changed to "Declared Value Excess-profits Tax", effective February 10, 1939 (see section 506 of the Second Revenue Act of 1940, approved October 8, 1940). The new name is used throughout this release, even though it did not appear on the returns for 1939, many of which were filed prior to the date of approval of the Second Revenue Act of 1940.

NUMBER OF RETURNS, NET INCOME OR DEFICIT, TAX, AND DIVIDENDS PAID
IN CASH AND ASSETS OTHER THAN CORPORATION'S OWN STOCK ⁶³ 53

X The number of corporation income and (declared value) excess-profits tax returns for 1939 filed through December 31, 1940, is 515,960, of which 199,479 show net income for (declared value) excess-profits tax computation of \$8,826,713,029, while 270,138 show a deficit of \$2,092,147,535, and 46,343 have no income data (inactive corporations). The income tax is \$1,216,450,292, the (declared value) excess-profits tax \$15,805,962, and the total tax \$1,232,256,254. The total amount of dividends paid in cash and assets other than corporation's own stock is \$5,746,738,970, of which \$5,562,273,122 is reported on returns with net income and \$184,465,848 on returns with no net income.

(4) A comparison of the data for 1939 with the data for 1938 shows that the total number of returns decreased 4,539 or 0.9 per cent, the number of returns with net income for (declared value) excess-profits tax computation increased 29,595 or 17.4 per cent, the number of returns with no net income decreased 31,008 or 10.3 per cent, and the number of returns with no income data (inactive corporations) decreased 3,126 or 6.3 per cent. The net income for (declared value) excess-profits tax computation increased \$2,300,733,772 or 35.3 per cent, and the deficit decreased \$760,945,735 or 26.7 per cent. The income tax increased \$362,872,361 or 42.5 per cent, the (declared value) excess-profits tax increased \$9,818,326 or 164.0 per cent, and the total tax increased \$372,690,687 or 43.4 per cent.

DEFINITIONS OF ITEMS TABULATED AND CLASSIFICATIONS ³⁰
OF THE RETURNS ⁵⁰ 14

In this release "Gross income" for 1939 equals "Total income" (item 14, page 1, Forms 1120 and 1120A), plus the sum of "Cost of goods sold", "Cost of operations" (items 2 and 5, respectively, page 1, Forms 1120 and 1120A) and the negative items reported as sources of income.

"Net income" or "Deficit" for 1939 shown in this release is the amount reported for (declared value) excess-profits tax computation (item 28, page 1, Forms 1120 and 1120A), and is equal to the difference between "Total income" and "Total deductions" (items 14 and 27, respectively, page 1, Forms 1120 and 1120A). The classification of the 1939 returns with net income and with no net income is based on net income for (declared value) excess-profits tax computation.

The amount tabulated as "Income tax" for 1939 represents an amount prior to the allowance of credit claimed for income tax paid to a foreign country or United States possession.

The "(Declared value) excess-profits tax" for 1939 is the amount reported as a tax liability (item 8, Schedule A, page 2, Form 1120, and item 40, page 1, Form 1120A). This amount is the same as that taken as a deduction in the computation of net income for income tax purposes, which is reported as item 29, page 1, Forms 1120 and 1120A, unless the return is rendered on a cash basis. If the cash basis of accounting is used, the deduction is the amount of excess-profits tax actually paid within the taxable year covered by the return.

Corporations are classified industrially on the one business activity which accounts for the largest percentage of "Total receipts". Therefore, the industrial groups contain corporations not engaged exclusively in the industries in which they are classified. "Total receipts" means the sum of the following items: gross sales (where inventories are an income-determining factor); gross receipts (where inventories are not an income-determining factor); interest on loans, notes, mortgages, bonds, bank deposits, etc.; taxable interest on obligations of the United States; rents; royalties; capital gain; gain from sale or exchange of property other than capital assets; dividends; and other income required to be included in gross income.

The major industrial groups for 1939 are comparable with those for 1938. The industrial classification for 1939 and 1938 is based on the Standard Industrial Classification, issued by the Division of Statistical Standards, Bureau of the Budget, Executive Office of the President. Since the Standard Industrial Classification, as at present designed, is on an establishment basis, certain modifications were necessary to make it applicable to corporation income tax returns which are filed on an ownership basis.

In analyzing the data compiled from returns classified under the major industrial group "Insurance carriers, agents, etc.", allowance should be made for the two special deductions from gross income permitted life insurance companies under section 203(a), Internal Revenue Code as amended, relating to reserve funds required by law, and reserve for dividends. On 1939 returns with net income this deduction is \$17,344,708 and on returns with no net income \$899,758,292.

DESCRIPTION OF TABLES

Table 1, pages 5 - 6, All returns are segregated by major industrial groups and by returns with net income and returns with no net income. Totals for the following items are shown for each segregation to which the items are applicable: Number of returns, gross income, net income or deficit, income tax, (declared value) excess-profits tax and dividends paid in cash and assets other than corporation's own stock.

Table 2, pages 7 - 8 . All returns are segregated as in Table 1. Totals for the following items are shown: Dividends received on stock of domestic corporations; and interest received on Government obligations, amount subject to (declared value) excess-profits tax and amount wholly tax-exempt.

Table 3, page 9 , contains a historical summary of certain items for the years 1930 - 1939. The data prior to 1934 are not strictly comparable with those for subsequent years by reason of the discontinuance, under the Revenue Act of 1934, of the privilege of filing consolidated returns except by railroad corporations. Furthermore, certain data for 1936 - 1939 are not strictly comparable with those for 1934 and 1935. For 1936 - 1939, gross income, net income, deficit, and tax liability, as well as the classification of the returns by those with net income and with no net income, are materially affected by several provisions of the Revenue Act of 1936 and subsequent acts, especially by the provisions relating to the method of reporting dividends received on stock of domestic corporations.

TREASURY DEPARTMENT
Washington

FOR RELEASE MORNING NEWSPAPERS,
Tuesday, August 5, 1941.
7/31/41

Press Service
No. 26-80

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holding reserve funds upon business transacted within the United States. The data are tabulated from the returns as filed by the taxpayer, and prior to revisions that may be made as a result of audit by the Bureau of Internal Revenue. Amended returns and tentative returns are not included in the tabulations.

TAXES PROVIDED BY
INTERNAL REVENUE CODE AS AMENDED

The corporation income tax rates in sections 13 and 14 of the Internal Revenue Code as amended became effective for taxable years beginning after December 31, 1938, and the (declared value) excess-profits tax rates in section 600 of the Code as amended became effective for income-tax taxable years ending after June 30, 1939. Consequently, the majority of returns covered by this release are filed under the provisions of the Internal Revenue Code as amended.

The corporation income and (declared value) excess-profits tax rates are the same for all returns covered by this release, since the Internal Revenue Code, approved February 10, 1939, contains the tax rates which were in force on January 2, 1939 -- those of the Revenue Act of 1938. Moreover, the income and (declared value) excess-profits tax rates, applicable to all returns for 1939 filed through December 31, 1940, are the same as those applicable to the majority of returns for 1938 filed through December 31, 1939.

The name of the existing excess-profits tax in section 600 of the Internal Revenue Code was changed to "Declared Value Excess-profits Tax", effective February 10, 1939 (see section 506 of the Second Revenue Act of 1940, approved October 8, 1940). The new name is used throughout this release, even though it did not appear on the returns for 1939, many of which were filed prior to the date of approval of the Second Revenue Act of 1940.

NUMBER OF RETURNS, NET INCOME
OR DEFICIT, TAX, AND DIVIDENDS PAID IN CASH
AND ASSETS OTHER THAN CORPORATION'S OWN STOCK

The number of corporation income and (declared value) excess-profits tax returns for 1939 filed through December 31, 1940, is 515,960, of which 199,479 show net income for (declared value) excess-profits tax computation of \$8,826,713,029, while 270,138 show a deficit of \$2,092,147,535, and 46,343 have no income data (inactive corporations). The income tax is \$1,216,450,292, the (declared value) excess-profits tax \$15,805,962, and the total tax \$1,232,256,254. The total amount of dividends paid in cash and assets other than corporation's own stock is \$5,746,738,970, of which \$5,562,273,122 is reported on returns with net income and \$184,465,848 on returns with no net income.

A comparison of the data for 1939 with the data for 1938 shows that the total number of returns decreased 4,539 or 0.9 per cent, the number of returns with net income for (declared value) excess-profits tax computation increased 29,595 or 17.4 per cent, the number of returns with no net income decreased 31,008 or 10.3 per cent, and the number of returns with no income data (inactive corporations) decreased 3,126 or 6.3 per cent. The net income for (declared value) excess-profits tax computation increased \$2,300,733,772 or 35.3 per cent, and the deficit decreased \$760,945,735 or 26.7 per cent. The income tax increased \$362,872,361 or 42.5 per cent, the (declared value) excess-profits tax increased \$9,818,326 or 164.0 per cent, and the total tax increased \$372,690,687 or 43.4 per cent.

DEFINITIONS OF ITEMS TABULATED
AND CLASSIFICATIONS OF THE RETURNS

In this release "Gross income" for 1939 equals "Total income" (item 14, page 1, Forms 1120 and 1120A), plus the sum of "Cost of goods sold", "Cost of operations" (items 2 and 5, respectively, page 1, Forms 1120 and 1120A) and the negative items reported as sources of income.

"Net income" or "Deficit" for 1939 shown in this release is the amount reported for (declared value) excess-profits tax computation (item 28, page 1, Forms 1120 and 1120A), and is equal to the difference between "Total income" and "Total deductions" (items 14 and 27, respectively, page 1, Forms 1120 and 1120A). The classification of the 1939 returns with net income and with no net income is based on net income for (declared value) excess-profits tax computation.

The amount tabulated as "Income tax" for 1939 represents an amount prior to the allowance of credit claimed for income tax paid to a foreign country or United States possession.

The "(Declared value) excess-profits tax" for 1939 is the amount reported as a tax liability (item 8, Schedule A, page 2, Form 1120, and item 40, page 1, Form 1120A). This amount is the same as that taken as a deduction in the computation of net income for income tax purposes, which is reported as item 29, page 1, Forms 1120 and 1120A, unless the return is rendered on a cash basis. If the cash basis of accounting is used, the deduction is the amount of excess-profits tax actually paid within the taxable year covered by the return.

Corporations are classified industrially on the one business activity which accounts for the largest percentage of "Total receipts". Therefore, the industrial groups contain corporations not engaged exclusively in the industries in which they are classified. "Total receipts" means the sum of the following items: gross sales (where inventories are an income-determining factor); gross receipts (where inventories are not an income-determining factor); interest on loans, notes, mortgages, bonds, bank deposits, etc.; taxable interest on obligations of the United States; rents; royalties; capital gain; gain from sale or exchange of property other than capital assets; dividends; and other income required to be included in gross income.

The major industrial groups for 1939 are comparable with those for 1938. The industrial classification for 1939 and 1938 is based on the Standard Industrial Classification, issued by the Division of Statistical Standards, Bureau of the Budget, Executive Office of the President. Since the Standard Industrial Classification, as at present designed, is on an establishment basis, certain modifications were necessary to make it applicable to corporation income tax returns which are filed on an ownership basis.

In analyzing the data compiled from returns classified under the major industrial group "Insurance carriers, agents, etc.", allowance should be made for the two special deductions from gross income permitted life insurance companies under section 203(a), Internal Revenue Code as amended, relating to reserve funds required by law, and reserve for dividends. On 1939 returns with net income this deduction is \$17,344,708 and on returns with no net income \$899,758,292.

DESCRIPTION OF TABLES

Table 1, pages 5 - 6. All returns are segregated by major industrial groups and by returns with net income and returns with no net income. Totals for the following items are shown for each segregation to which the items are applicable: Number of returns, gross income, net income or deficit, income tax, (declared value) excess-profits tax and dividends paid in cash and assets other than corporation's own stock.

Table 2, pages 7 - 8. All returns are segregated as in Table 1. Totals for the following items are shown: Dividends received on stock of domestic corporations; and interest received on Government obligations, amount subject to (declared value) excess-profits tax and amount wholly tax-exempt.

Table 3, page 9, contains a historical summary of certain items for the years 1930 - 1939. The data prior to 1934 are not strictly comparable with those for subsequent years by reason of the discontinuance, under the Revenue Act of 1934, of the privilege of filing consolidated returns except by railroad corporations. Furthermore, certain data for 1936 - 1939 are not strictly comparable with those for 1934 and 1935. For 1936 - 1939, gross income, net income, deficit, and tax liability, as well as the classification of the returns by those with net income and with no net income, are materially affected by several provisions of the Revenue Act of 1936 and subsequent acts, especially by the provisions relating to the method of reporting dividends received on stock of domestic corporations.

Table 1. - Corporations, 1939, returns filed through December 31, 1940, by major industrial groups and by returns with net income and with no net income; number of returns, gross income, net income or deficit, income tax, (declared value) excess-profits tax, and dividends paid in cash and assets other than corporation's own stock

(Money figures in thousands of dollars)

Major industrial groups 1/	Total number of returns 2/	Returns with net income 3/						Returns with no net income 3/				
		Number of returns	Gross income 4/	Net income 5/	Income tax	(Declared value) Excess-profits tax 5/	Dividends paid in cash and assets other than corporation's own stock	Number of returns	Gross income 4/	Deficit 5/	Dividends paid in cash and assets other than corporation's own stock	
1 All industrial groups	515,960	199,479	105,457,187	8,826,715	1,216,450	15,806	5,562,275	270,138	26,977,788	2,092,148	184,466	1
2 Mining and quarrying	14,454	5,622	1,712,484	250,590	56,882	588	199,291	7,198	1,162,870	119,414	18,580	2
3 Metal mining	2,587	555	687,735	134,585	18,766	184	120,457	1,020	155,417	11,751	869	5
4 Anthracite mining	150	25	18,133	507	77	5	587	96	183,728	18,545	462	4
5 Other coal mining	2,055	505	390,472	18,257	2,802	42	12,195	1,515	425,550	24,425	819	5
6 Petroleum	5,974	1,892	405,560	69,695	10,854	71	47,720	5,582	545,627	57,561	15,921	6
7 Nonmetallic mining and quarrying	1,916	818	211,288	27,407	4,556	86	18,101	942	45,551	5,752	295	7
8 Mining and quarrying not allocable	1,774	51	1,477	541	27	1	435	445	7,198	1,421	6	8
9 Manufacturing	89,347	45,002	49,985,528	5,948,528	624,575	9,701	2,176,241	45,181	8,510,698	590,572	55,359	9
10 Food and kindred products	10,144	5,040	9,058,129	418,789	67,375	640	256,660	4,697	1,069,050	51,626	5,027	10
11 Beverages	5,191	1,656	1,443,685	150,967	25,598	185	72,554	1,321	252,165	17,027	262	11
12 Tobacco manufactures	507	116	1,296,268	129,169	21,148	7	94,106	181	23,160	1,187	15	12
13 Textile-mill products	4,925	2,578	3,166,755	189,459	51,729	1,842	69,972	2,252	728,121	58,456	3,151	13
14 Apparel and products made from fabrics	8,513	5,725	1,755,675	51,644	8,502	506	19,165	4,694	610,192	17,601	559	14
15 Leather and products	2,157	1,080	992,294	46,506	7,605	150	22,553	1,050	248,375	10,449	317	15
16 Rubber products	565	226	1,010,560	64,766	10,457	115	50,696	219	73,654	1,687	315	16
17 Lumber and timber basic products	2,975	1,297	617,558	38,288	5,991	129	22,844	1,552	507,070	20,888	5,045	17
18 Furniture and finished lumber products	4,587	2,156	978,264	58,028	9,548	194	27,141	2,551	254,157	14,585	402	18
19 Paper and allied products	2,415	1,425	1,545,985	120,417	19,582	315	54,659	744	224,872	19,828	638	19
20 Printing and publishing industries	11,890	4,817	1,778,018	157,999	25,814	227	92,682	6,511	490,564	29,454	1,500	20
21 Chemicals and allied products	7,049	5,568	4,095,205	553,738	84,947	1,401	350,512	5,417	259,738	17,912	1,289	21
22 Petroleum and coal products	753	550	4,150,859	196,590	20,542	192	172,524	525	1,279,042	16,828	14,502	22
23 Stone, clay and glass products	5,626	1,771	1,520,928	157,645	25,805	357	87,986	1,752	184,471	11,795	664	23
24 Iron, steel, and products	6,816	3,917	4,976,695	544,662	56,006	1,421	170,540	2,685	1,045,495	46,157	1,028	24
25 Nonferrous metals and their products	2,621	1,868	1,550,774	152,202	24,848	554	66,914	1,195	106,116	4,740	155	25
26 Electrical machinery and equipment	1,727	860	1,751,699	187,240	50,226	276	110,162	784	155,688	8,707	97	26
27 Machinery, except transportation equipment and electrical	6,299	3,289	5,178,895	530,945	55,254	959	170,898	2,798	565,485	25,484	1,882	27
28 Automobiles and equipment, except electrical	916	457	5,486,897	584,159	60,459	292	219,628	418	231,550	18,092	58	28
29 Transportation equipment, except automobiles	847	539	719,989	84,769	14,150	565	58,479	445	150,948	11,284	294	29
30 Other manufacturing	5,502	2,587	957,886	108,757	18,010	295	55,790	2,955	220,689	14,798	502	30
31 Manufacturing not allocable	1,968	682	280,456	21,595	5,424	102	8,200	861	49,553	4,042	94	31
32 Public utilities	23,895	10,536	9,152,441	1,525,801	215,685	1,198	1,174,122	11,478	5,958,511	555,274	55,278	32
33 Transportation 6/	15,764	6,605	4,254,764	474,757	72,551	1,055	291,569	8,025	5,555,253	296,295	7,412	33
34 Communication	3,885	1,650	1,584,097	457,265	47,807	55	565,906	1,977	184,620	12,608	925	34
35 Other public utilities 7/	4,244	2,551	5,515,580	611,779	95,524	91	518,847	1,476	440,458	46,571	26,945	35
36 Trade	141,474	65,174	54,500,018	1,051,271	165,821	2,645	499,709	75,035	8,245,249	218,710	11,519	36
37 Wholesale	56,826	19,587	16,559,117	597,775	61,924	1,611	184,505	16,454	5,204,568	68,920	4,745	37
38 Retail	88,284	35,195	15,195,932	526,802	84,887	766	264,754	51,086	4,224,851	122,275	5,910	38
39 Department, general merchandise, dry goods	6,169	3,016	4,050,950	202,126	53,746	97	99,567	5,044	379,878	10,892	512	39
40 Limited-price variety stores	570	160	945,242	69,228	11,757	4	45,556	202	10,291	425	1,909	40
41 Mail-order houses	274	92	111,895	4,258	751	1	2,365	171	17,448	1,075	52	41
42 Food stores	6,492	1,901	3,084,448	64,975	10,635	111	40,973	4,579	585,939	9,555	797	42
43 Package liquor stores	1,702	654	45,024	778	98	10	80	1,008	40,510	980	10	43
44 Drug stores	5,705	1,807	440,902	15,478	2,049	26	6,560	5,762	171,979	4,676	29	44
45 Apparel	11,471	4,518	1,271,862	41,505	6,635	69	15,530	6,942	500,488	16,555	462	45
46 Furniture and house furnishings	5,467	2,415	581,723	22,278	3,551	69	7,455	2,977	186,816	8,962	209	46
47 Eating and drinking places	8,848	2,058	551,606	14,256	2,158	41	6,986	6,558	378,558	15,585	156	47
48 Dealers in automobiles, accessories, tires, batteries	10,795	5,155	2,104,846	24,618	5,440	67	6,982	5,545	916,542	12,184	271	48
49 Filling stations	2,020	669	170,884	7,486	1,198	7	4,187	1,295	76,249	1,798	14	49
50 Hardware	5,847	1,584	155,448	5,625	508	12	975	1,974	74,075	5,208	47	50

For footnotes, see pages 10 and 11.

Table 1. - Corporations, 1959, returns filed through December 31, 1940, by major industrial groups and by returns with net income and with no net income; number of returns, gross income, net income or deficit, income tax, (declared value) excess-profits tax, and dividends paid in cash and assets other than corporation's own stock - Continued

(Money figures in thousands of dollars)

Major industrial groups 1/ - Continued	Total number of returns 2/	Returns with net income 3/						Returns with no net income 5/				
		Number of returns	Gross income 4/	Net income 3/	Income tax	(Declared value) Excess-profits tax 5/	Dividends paid in cash and assets other than corporation's own stock	Number of returns	Gross income 4/	Deficit 3/	Dividends paid in cash and assets other than corporation's own stock	
Trade (Cont'd)												
Retail (Cont'd)												
51 Lumber and coal yards	8,555	4,222	755,455	25,482	5,657	85	10,058	5,964	524,601	11,982	757	51
52 Other retail trade	14,893	6,255	952,547	26,412	5,781	119	16,006	3,296	482,502	19,814	674	52
53 Retail trade not allocable	2,400	1,179	217,640	6,618	986	55	1,913	1,155	81,357	4,591	75	53
54 Trade not allocable	16,564	8,414	2,744,969	106,597	17,010	268	50,449	7,493	815,850	27,514	866	54
Service												
55 Personal service	45,008	14,114	2,265,445	179,975	27,001	351	85,011	26,916	1,402,607	99,874	2,965	55
56 Business service	14,485	4,646	618,169	52,185	4,717	84	12,428	9,297	621,595	45,585	517	56
57 Automobile repair services	7,576	2,757	544,556	45,075	6,587	71	25,556	4,235	178,851	10,062	265	57
58 Amusement	4,822	1,245	94,245	5,569	474	15	1,027	5,405	115,865	4,527	68	58
59 Other, including schools	10,428	5,575	822,904	85,974	12,867	102	59,109	5,769	556,559	26,665	1,902	59
60 Service not allocable	7,447	1,852	180,488	15,184	2,552	59	7,018	4,015	149,865	12,950	210	60
61	252	61	5,103	189	25	1	75	146	2,279	288	5	61
Finance, insurance, real estate and lessors of real property												
62 Banks and trust companies	157,150	55,646	5,900,267	1,776,514	151,558	915	1,574,846	86,686	2,890,928	840,416	78,721	62
63 Mortgage and title companies	18,058	11,114	1,587,917	271,224	14,569	256	195,982	4,992	507,251	74,194	19,668	63
64 Investment trusts and investment companies	1,712	549	25,811	3,611	485	7	2,904	902	54,654	18,482	1,207	64
65 Holding companies 8/	806	490	148,452	100,722	2,807	56	155,255	278	16,476	10,508	5,991	65
66 Other corporations holding securities 9/	717	522	889,569	650,719	29,756	22	528,787	165	51,591	55,858	9,190	66
67 Security and commodity-exchange brokers and dealers	5,521	2,097	225,859	174,152	7,556	25	155,408	1,253	16,269	54,259	2,718	67
68 Commercial credit and finance companies	2,205	852	95,540	15,257	1,711	62	7,220	1,251	54,522	17,275	1,249	68
69 Industrial and personal loan companies	2,651	1,419	206,485	61,459	9,065	25	46,648	1,059	19,499	5,527	512	69
70 Other finance companies	2,302	1,495	115,853	51,665	5,059	14	18,825	661	9,454	2,092	109	70
71 Insurance carriers, agents, etc.	2,888	524	46,137	13,659	1,984	20	11,802	1,550	16,594	26,425	1,500	71
72 Real estate, including lessors of buildings	7,898	5,405	1,670,024	214,326	24,568	69	104,509	4,072	1,282,493	299,442	24,048	72
73 Lessors of real property, except buildings	101,402	28,517	829,726	152,065	18,409	521	74,178	64,562	1,085,864	277,050	8,504	73
74 Finance, insurance, real estate and lessors of real property not allocable	4,584	1,874	158,032	81,521	15,068	51	75,769	2,215	28,546	17,465	1,582	74
75	8,608	2,992	105,104	27,755	2,745	29	25,788	5,926	48,534	26,065	2,862	75
76 Construction	17,196	5,600	1,470,281	70,244	10,701	467	26,742	10,461	778,860	57,679	1,509	76
Agriculture, forestry and fishery												
77 Forestry	9,500	2,859	419,972	40,461	5,685	141	22,290	5,797	190,901	27,912	1,376	77
78 Fishery	519	111	15,902	2,240	328	7	1,861	359	6,954	5,552	289	78
79 Agriculture and services	581	104	21,097	1,010	156	5	255	248	10,816	1,262	11	79
80 Agriculture, forestry and fishery not allocable	8,595	2,624	384,972	57,212	5,199	151	20,176	5,205	175,114	25,107	1,075	80
81	7	-	-	-	-	-	-	5	57	12	1	81
82 Nature of business not allocable, except trade	18,178	896	72,975	5,550	746	18	4,021	5,388	57,565	12,296	1,592	82

For footnotes, see pages 10 and 11.

Table 2. - Corporations, 1939, returns filed through December 31, 1940, by major industrial groups and by returns with net income and with no net income: dividends received on stock of domestic corporations and interest received on Government obligations

(Money figures in thousands of dollars)

Major industrial groups 1/	Returns with net income 5/				Returns with no net income 3/				
	Dividends received on stock of domestic corporations 10/	Interest received on Government obligations			Dividends received on stock of domestic corporations 10/	Interest received on Government obligations			
		Total	Subject to (declared value) excess-profits tax 11/	Wholly tax-exempt 12/		Total	Subject to (declared value) excess-profits tax 11/	Wholly tax-exempt 12/	
1 <u>All industrial groups</u>	1,779,462	463,836	262,685	201,151	126,486	299,605	57,507	242,099	1
2 <u>Mining and quarrying</u>	56,480	2,236	1,578	860	4,888	761	451	350	2
3 <u>Metal mining</u>	26,190	1,180	608	573	116	28	9	19	3
4 <u>Anthracite mining</u>	88	15	13	2	640	215	199	15	4
5 <u>Other coal mining</u>	1,472	474	525	149	2,143	228	193	35	5
6 <u>Petroleum</u>	7,669	384	317	67	1,925	297	24	273	6
7 <u>Nonmetallic mining and quarrying</u>	922	178	113	65	59	13	4	9	7
8 <u>Mining and quarrying not allocable</u>	188	5	15/	5	6	2	2	15/	8
9 <u>Manufacturing</u>	549,247	25,181	13,593	11,588	17,718	1,505	747	758	9
10 <u>Food and kindred products</u>	27,301	2,090	1,215	878	338	165	83	82	10
11 <u>Beverages</u>	3,544	429	199	250	67	25	24	1	11
12 <u>Tobacco manufactures</u>	4,508	592	369	223	97	14	6	9	12
13 <u>Textile-mill products</u>	4,536	1,141	644	498	557	165	75	92	13
14 <u>Apparel and products made from fabrics</u>	1,180	509	195	116	58	35	22	14	14
15 <u>Leather and products</u>	1,145	192	121	71	84	4	2	2	15
16 <u>Rubber products</u>	4,528	82	71	11	50	87	13/	37	16
17 <u>Lumber and timber basic products</u>	2,179	250	176	74	300	57	27	30	17
18 <u>Furniture and finished lumber products</u>	1,788	659	465	194	118	50	19	30	18
19 <u>Paper and allied products</u>	5,826	930	690	241	182	17	5	13	19
20 <u>Printing and publishing industries</u>	18,600	2,181	1,244	937	436	150	115	35	20
21 <u>Chemicals and allied products</u>	70,224	5,818	1,604	2,212	276	125	49	76	21
22 <u>Petroleum and coal products</u>	93,519	1,251	506	745	10,650	49	34	15	22
23 <u>Stone, clay and glass products</u>	7,124	1,082	667	418	197	39	24	15	23
24 <u>Iron, steel, and products</u>	18,826	1,972	1,229	744	545	152	110	42	24
25 <u>Nonferrous metals and their products</u>	8,745	506	315	190	48	3	2	1	25
26 <u>Electrical machinery and equipment</u>	12,386	1,981	847	1,134	41	12	11	2	26
27 <u>Machinery, except transportation equipment and electrical</u>	10,501	3,705	1,939	1,766	379	150	81	70	27
28 <u>Automobiles and equipment, except electrical</u>	44,349	879	538	541	462	117	2	115	28
29 <u>Transportation equipment, except automobiles</u>	3,867	609	411	198	2,564	55	24	31	29
30 <u>Other manufacturing</u>	3,339	593	235	157	399	80	33	47	30
31 <u>Manufacturing not allocable</u>	1,483	151	118	14	75	3	3	1	31
32 <u>Public utilities</u>	271,558	6,594	4,468	2,106	21,721	1,133	380	753	32
33 <u>Transportation 6/</u>	49,904	4,847	3,467	1,179	19,675	998	334	664	33
34 <u>Communication</u>	177,751	165	67	98	1,067	15	1	14	34
35 <u>Other public utilities 7/</u>	43,924	1,783	955	830	980	119	44	75	35
36 <u>Trade</u>	50,693	4,617	2,707	1,910	2,025	415	224	191	36
37 <u>Wholesale</u>	32,758	2,106	1,176	930	981	156	84	71	37
38 <u>Retail</u>	18,208	2,094	1,530	744	685	206	113	93	38
39 <u>Department, general merchandise, dry goods</u>	8,088	668	336	332	106	45	22	24	39
40 <u>Limited-price variety stores</u>	1,083	9	8	1	15/	-	-	-	40
41 <u>Mail-order houses</u>	15	21	8	12	15	7	5	1	41
42 <u>Food stores</u>	1,670	579	490	89	88	25	5	19	42
43 <u>Package liquor stores</u>	15/	15/	15/	-	15/	-	-	-	43
44 <u>Drug stores</u>	1,157	9	5	5	15	2	15/	2	44
45 <u>Apparel</u>	643	210	172	38	54	12	4	3	45
46 <u>Furniture and house furnishings</u>	276	67	38	30	128	28	14	15	46
47 <u>Eating and drinking places</u>	966	38	22	15	9	18	14	3	47
48 <u>Dealers in automobiles, accessories, tires, batteries</u>	351	30	20	10	46	10	5	5	48
49 <u>Filling stations</u>	146	194	91	103	1	1	1	15/	49
50 <u>Hardware</u>	31	2	1	15/	15	1	15/	15/	50

Table 2. - Corporations, 1939, returns filed through December 31, 1940, by major industrial groups and by returns with net income and with no net income: dividends received on stock of domestic corporations and interest received on Government obligations - Continued

(Money figures in thousands of dollars)

Major industrial groups - Continued	Returns with net income 5/				Returns with no net income 3/				
	Dividends received on stock of domestic corporations 10/	Interest received on Government obligations			Dividends received on stock of domestic corporations 10/	Interest received on Government obligations			
		Total	Subject to (declared value) excess-profits tax 11/	Wholly tax-exempt 12/		Total	Subject to (declared value) excess-profits tax 11/	Wholly tax-exempt 12/	
<u>Trade (Cont'd)</u>									
<u>Retail (Cont'd)</u>									
51 Lumber and coal yards	784	111	73	38	85	27	20	7	51
52 Other retail trade	833	134	75	59	112	9	3	6	52
53 Retail trade not allocable	179	23	11	12	14	21	19	2	55
54 <u>Trade not allocable</u>	1,651	417	182	255	359	54	27	27	54
55 <u>Service</u>	16,514	525	307	217	4,467	268	157	111	55
56 Personal service	1,236	96	43	55	430	55	25	28	56
57 Business service	3,786	147	80	66	99	105	77	29	57
58 Automobile repair services	22	8	5	5	21	13/	13/	13/	58
59 Amusement	10,733	88	44	42	5,704	20	11	9	59
60 Other, including schools	720	188	134	54	213	90	44	45	60
61 Service not allocable	18	1	1	13/	13/	-	-	-	61
62 <u>Finance, insurance, real estate and lessors of real property</u>	1,042,909	422,910	238,969	183,941	73,279	294,967	55,395	239,573	62
63 Banks and trust companies	18,059	374,784	219,015	155,769	4,681	71,098	24,895	46,203	63
64 Mortgage and title companies	281	405	285	120	551	1,549	195	1,354	64
65 Investment trusts and investment companies	102,172	1,170	638	552	7,689	19	14	6	65
66 Holding companies 8/	640,854	2,040	1,522	518	13,716	13	7	6	66
67 Other corporations holding securities 9/	170,991	3,762	1,788	1,974	5,227	565	57	508	67
68 Security and commodity-exchange brokers and dealers	3,126	2,664	877	1,988	960	1,507	179	1,328	68
69 Commercial credit and finance companies	8,070	70	54	16	65	10	4	3	69
70 Industrial and personal loan companies	1,070	88	26	62	13	62	19	43	70
71 Other finance companies	6,454	60	51	9	341	251	42	190	71
72 Insurance carriers, agents, etc.	64,513	55,229	13,088	20,141	30,005	218,570	29,525	189,045	72
73 Real estate, including lessors of buildings	10,660	1,710	858	852	4,341	695	251	434	73
74 Lessors of real property, except buildings	2,655	448	275	173	255	52	14	18	74
75 Finance, insurance, real estate and lessors of real property not allocable	14,244	2,479	693	1,787	5,437	614	182	432	75
76 <u>Construction</u>	5,752	759	424	335	537	249	94	155	76
77 <u>Agriculture, forestry and fishery</u>	5,277	951	771	159	1,492	234	59	175	77
78 Forestry	257	13	12	2	8	4	2	1	78
79 Fishery	32	10	1	9	13/	1	1	13/	79
80 Agriculture and services	4,988	907	758	149	1,485	229	56	174	80
81 Agriculture, forestry and fishery not allocable	-	-	-	-	-	-	-	-	81
82 <u>Nature of business not allocable, except trade</u>	1,153	84	49	54	359	54	22	32	82

For footnotes, see pages 10 and 11.

Table 3. - Corporations, 1930-59, in aggregate and by returns with net income and with no net income: number of returns, gross income, net income or deficit, income tax, (declared value) excess-profits tax, and dividends paid in cash and assets other than corporation's own stock; also number of returns of inactive corporations

(Money figures in thousands of dollars)

	1959 ^{14/}	1958	1957	1956	1955	1954	1953	1952	1951	1950	
1 Returns with net income and with no net income:											
2 Number of returns	469,617	471,032	477,858	478,857	477,115	469,804	446,842	451,884	459,704	465,056	1
3 Gross income ^{4/}	132,454,975	119,995,842	141,967,077	132,277,955	113,936,170	100,851,255	95,642,420	81,083,738	107,515,239	156,062,059	2
4 Net income less deficit ^{5/}	6,734,565	3,672,882	7,553,991	7,326,218	1,695,950	94,170	20/2,547,367	20/5,645,574	20/3,287,545	1,551,218	3
5 Income tax	1,216,450	15/855,578	16/1,232,837	17/1,169,765	710,156	588,375	416,095	19/285,576	398,994	711,704	4
6 (Declared value) Excess-profits tax ^{5/}	15,806	5,988	45,355	21,613	18/24,969	18/7,673	21/6,976	-	-	-	5
7 Dividends paid in cash and assets other than corporation's own stock	5,746,759	5,015,455	7,514,017	7,379,353	5,940,620	19/4,859,379	3,127,459	3,885,601	6,151,088	19/8,184,241	6
8 Returns with net income ^{3/} :											
9 Number of returns	199,479	189,884	192,028	205,161	164,231	145,101	109,786	82,646	175,898	221,420	7
10 Gross income ^{4/}	105,457,187	80,068,505	108,989,095	104,765,755	77,441,506	62,920,954	46,752,566	51,707,965	52,051,055	19/89,561,495	8
11 Net income ^{3/}	8,826,713	6,525,979	9,654,837	9,476,241	5,164,725	4,275,197	2,985,972	2,155,113	3,685,568	6,428,815	9
12 Income tax	1,216,450	15/855,578	16/1,232,837	17/1,169,765	710,156	588,375	416,095	19/285,576	398,994	711,704	10
13 (Declared value) excess-profits tax ^{5/}	15,806	5,988	45,355	21,613	18/24,969	18/7,673	21/6,976	-	-	-	11
14 Dividends paid in cash and assets other than corporation's own stock	5,562,275	4,780,202	7,308,774	7,179,220	4,651,002	19/3,822,599	2,385,889	2,320,588	5,871,880	19/6,823,050	12
15 Returns with no net income ^{3/} :											
16 Number of returns	270,138	301,148	285,810	275,696	312,882	324,703	337,056	369,258	285,806	241,618	13
17 Gross income ^{4/}	26,977,788	39,927,558	52,977,981	27,514,178	36,494,664	37,910,299	36,890,055	49,575,775	55,464,204	46,500,564	14
18 Deficit ^{5/}	2,092,148	2,855,098	2,280,846	2,152,024	3,468,774	4,181,027	5,535,559	7,796,687	6,970,915	4,877,595	15
19 Dividends paid in cash and assets other than corporation's own stock	184,466	255,251	205,245	200,112	1,289,618	1,056,781	741,570	1,565,215	2,279,203	1,561,191	16
20 Number of returns of inactive corporations	46,545	49,469	51,259	51,922	56,518	59,094	57,238	56,752	56,700	55,700	17

For footnotes, see pages 10 and 11.

Footnotes for Tables 1, 2 and 3

- 1/ The major industrial groups for 1939 are comparable with those for 1938 published in the "Preliminary Report, Statistics of Income for 1938, Corporation Income and Excess-Profits Tax Returns". The industrial classification for 1939 and 1938 is based on the Standard Industrial Classification, issued by the Division of Statistical Standards, Bureau of the Budget, Executive Office of the President. Since the Standard Industrial Classification, as at present designed, is on an establishment basis, certain modifications were necessary to make it applicable to corporation income tax returns which are filed on an ownership basis.
- 2/ Includes number of returns of inactive corporations.
- 3/ "Net income" or "Deficit" for 1939 (Table 1) and for 1936-1939 (Table 3) is the amount reported for (declared value) excess-profits tax computation (item 28, page 1, Forms 1120 and 1120A for 1939), and is equal to the difference between "Total income" and "Total deductions" (items 14 and 27, respectively, page 1, Forms 1120 and 1120A). "Net income" or "Deficit" for 1933-1935 (Table 3) is the amount reported for income-tax computation, and for 1930-1932 (Table 3) is the current year net income (before deduction of prior year loss). The classification of the returns by those with net income and with no net income for 1939 (Table 1) and for 1937-1939 (Table 3) is based on net income for (declared value) excess-profits tax computation; for 1933-1936 (Table 3) on net income for income-tax computation, and for 1930-1932 (Table 3) on current year net income (before deduction of prior year loss). For 1936, the amount of "Net income" or "Deficit" tabulated is greater than the item used for the classification of the returns by the amount of the excess-profits tax deducted in the computation of the income tax.
- 4/ "Gross income" for 1939 (Table 1) and for 1932-1939 (Table 3) equals "Total income" (item 14, page 1, Forms 1120 and 1120A for 1939) plus the sum of "Cost of goods sold", "Cost of operations" (items 2 and 5, respectively, page 1, Forms 1120 and 1120A for 1939), and the negative items reported as sources of income. "Gross income" for 1930 and 1931 (Table 3) equals "Total income", plus the sum of "Cost of goods sold" and the negative items reported as sources of income. Taxable interest on Government obligations is included in "Gross income" for 1936-1939 and is excluded from "Gross income" for 1930-1935 ("Gross income" for 1934 and 1935 is adjusted to exclude this item).
- 5/ The name of the existing excess-profits tax was changed to "Declared Value Excess-Profits Tax", effective February 10, 1939 (see section 506 of the Second Revenue Act of 1940, approved October 8, 1940). The new name is used throughout this release, even though it did not appear on the returns for 1939, many of which were filed prior to the date of approval of the Second Revenue Act of 1940.
- 6/ Includes "Toll roads and toll bridges" which were classified in "Other public utilities" for 1938, and excludes "Natural gas pipe lines" which are classified in "Other public utilities" for 1939 (see note 7).
- 7/ Includes "Natural gas pipe lines" which were classified in "Transportation" for 1938, and excludes "Toll roads and toll bridges" which are classified in "Transportation" for 1939 (see note 6).
- 8/ Consists of corporations who at any time during the taxable year owned 50 percent or more of the voting stock of another corporation and whose income from such stock was 50 percent or more of the amount of dividends received.
- 9/ Consists of corporations (other than investment trusts and investment companies) who (a) at no time during the taxable year owned 50 percent or more of the voting stock of another corporation or (b) at any time during the taxable year owned 50 percent or more of the voting stock of another corporation but whose income from such stock was less than 50 percent of the amount of dividends received.
- 10/ Dividends from domestic corporations subject to taxation under Title I of the effective revenue act (column 2, Schedule G, page 3, Form 1120 and column 2, Schedule E, page 2, Form 1120A), which is the amount used for the computation of the dividends received credit. Excludes dividends from corporations organized under the China Trade Act, 1922, corporations entitled to the benefits of section 251 of the Internal Revenue Code as amended and foreign corporations, which dividends are not used for the computation of dividends received credit.
- 11/ Consists of interest on United States savings bonds and Treasury bonds owned in principal amount of over \$5,000 reported as item 8, page 1, Form 1120 and 1120A.
- 12/ Consists of interest on obligations of States, Territories, or political subdivisions thereof, or the District of Columbia, or United States possessions, obligations of the United States issued on or before September 1, 1917, Treasury notes, Treasury

Footnotes for Tables 1, 2 and 3 - Continued

bills and Treasury certificates of indebtedness, United States savings bonds and Treasury bonds owned in principal amount of \$5,000 or less, and obligations of instrumentalities of the United States.

13/ Less than \$500.

14/ Preliminary figures.

15/ Consists of \$41,569,498 normal tax and \$7,778,581 surtax on undistributed profits reported on returns for a fiscal year ending in period July through November, 1938 (and on returns for a part year beginning in 1937 and ending in 1938, the greater part of the accounting period falling in 1938), and \$804,230,054 income tax reported on returns for the calendar year 1938 and on returns with fiscal year ending in period January through June, 1939 (and on returns for a part year beginning and ending in 1938, and for a part year beginning in 1938 and ending in 1939, the greater part of the accounting period falling in 1938).

16/ Consists of \$1,056,939,166 normal tax and \$175,897,696 surtax on undistributed profits.

17/ Consists of \$59,289,827 income tax reported on returns with fiscal year ending in period July through November, 1936 (and on returns for a part year beginning in 1935 and ending in 1936, the greater part of the accounting period falling in 1936), and \$965,503,111 normal tax and \$144,972,284 surtax on undistributed profits reported on returns for the

calendar year 1936 and on returns with fiscal year ending in period January through June, 1937 (and on returns for a part year beginning and ending in 1936, and for a part year beginning in 1936 and ending in 1937, the greater part of the accounting period falling in 1936).

18/ Includes a small amount of excess-profits tax which appears on returns with no net income for income tax purposes because the credit for interest received on certain obligations of the United States and its instrumentalities, which is allowed against net income in the computation of the income tax, is not allowed against net income in the computation of the excess-profits tax. (See article 1(d), Treasury Decision 4469, "Regulations relating to excess-profits tax imposed by section 702 of the Revenue Act of 1934".)

19/ Revised. For dividends paid in cash and assets other than corporation's own stock, for 1934 and 1930, see Statistics of Income for 1935, Part 2, page 9, footnote 2. For income tax for 1932, see Statistics of Income for 1933, page 37. For gross income for 1930, see Statistics of Income for 1931, pages 32-33.

20/ Deficit in excess of net income.

21/ The excess-profits tax for 1933 became effective June 30, 1933, under section 216 of the National Industrial Recovery Act.

Reserve Banks and Branches, following which public announcement will be made by the Secretary of the Treasury of the amount and price range of accepted bids. Those submitting tenders will be advised of the acceptance or rejection thereof. The Secretary of the Treasury expressly reserves the right to accept or reject any or all tenders, in whole or in part, and his action in any such respect shall be final. Payment of accepted tenders at the prices offered must be made or completed at the Federal Reserve Bank in cash or other immediately available funds on August 6, 1941.

~~(S)~~
The income derived from Treasury bills, whether interest or gain from the sale or other disposition of the bills, shall not have any exemption, as such, and loss from the sale or other disposition of Treasury bills shall not have any special treatment, as such, under Federal tax Acts now or hereafter enacted. The bills shall be subject to estate, inheritance, gift, or other excise taxes, whether Federal or State, but shall be exempt from all taxation now or hereafter imposed on the principal or interest thereof by any State, or any of the possessions of the United States, or by any local taxing authority. For purposes of taxation the amount of discount at which Treasury bills are originally sold by the United States shall be considered to be interest.

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

ALPHA

TREASURY DEPARTMENT

Washington

FOR RELEASE, MORNING NEWSPAPERS,
Friday, August 1, 1941

~~(C)~~

The Secretary of the Treasury, by this public notice, invites tenders for \$ 100,000,000, or thereabouts, of 91-day Treasury bills, to be issued on a discount basis under competitive bidding. The bills of this series will be dated August 6, 1941, and will mature November 5, 1941, 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, August 4, 1941. Tenders will not be received at the Treasury Department, Washington. Each tender must be for an even multiple of \$1,000, and 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.

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 10 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

26-81

TREASURY DEPARTMENT

FOR RELEASE, MORNING NEWSPAPERS,
Friday, August 1, 1941.

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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 Secretary of the Treasury of the amount and price range of accepted bids. Those submitting tenders will be advised of the acceptance or rejection thereof. The Secretary of the Treasury expressly reserves the right to accept or reject any or all tenders, in whole or in part, and his action in any such respect shall be final. Payment of accepted tenders at the prices offered must be made or completed at the Federal Reserve Bank in cash or other immediately available funds on August 6, 1941.

The income derived from Treasury bills, whether interest or gain from the sale or other disposition of the bills, shall not have any exemption, as such, and loss from the sale or other disposition of Treasury bills shall not have any special treatment, as such, under Federal tax Acts now or hereafter enacted. The bills shall be subject to estate, inheritance, gift, or other excise taxes, whether Federal or State, but shall be exempt from all taxation now or hereafter imposed on the principal or interest thereof by any State, or any of the possessions of the United States, or by any local taxing authority. For purposes of taxation the amount of discount at which Treasury bills are originally sold by the United States shall be considered to be interest.

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

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Rec'd 7/24/41 A.R.R.
mrl

26-82

PRESS RELEASE:

The Bureau of Customs announced today preliminary figures for imports of coffee subject to quota limitations under the President's proclamation of the Inter-American Coffee Agreement on April 15, 1941.

The following tabulation lists the coffee quotas which have been filled, and shows import figures for the quotas now under telegraphic control as of July 26, 1941. Total imports under the other coffee quotas are shown as of July 19, 1941.

Quota Period	: revised ^{1/}	:	Entered for Consumption
Country of Production	: Quota (lbs)	: As of (Date)	: Pounds
Quota Period - 12 months from October 1, 1940:			
Dominican Republic	16,138,333		(Import quota filled)
Guatemala	71,950,208		" " "
Venezuela	56,484,233		" " "
Colombia	423,632,012		" " "
Costa Rica	26,897,267		" " "
Brazil	1,250,722,887		" " "
El Salvador	80,691,799	July 19, 1941	69,394,142
Honduras	2,689,700	"	2,009,947
Nicaragua	26,224,775	"	23,154,333
Cuba	10,758,933	July 26, 1941	8,414,634
Ecuador	20,173,016	"	19,732,082
Haiti	36,983,708	"	36,696,002
Peru	3,362,191	"	3,090,570
Mexico	63,880,975	"	60,520,232
Non-signatory countries:			
All types of coffee	47,742,641	July 26, 1941	46,594,769 ^{2/}
Quota Period - April 22 to August 31, 1941, incl:			
Non-signatory countries:			
Mocha coffee	2,645,520	July 26, 1941	1,497,648 ^{2/}

^{1/} Quotas increased by Inter-American Coffee Board, as of June 1, 1941.
^{2/} Under the terms of an Executive order, effective June 14, 1941, the increased import quota for non-signatory countries is subject to the allocation of a maximum of 20,000 bags for coffee of the Mocha type which may be entered for consumption from April 21 to August 31, 1941, inclusive.

J. D. Arthur

TREASURY DEPARTMENT
Washington

FOR IMMEDIATE RELEASE
Thursday, July 31, 1941.

Press Service
No. 26-82

The Bureau of Customs announced today preliminary figures for imports of coffee subject to quota limitations under the President's proclamation of the Inter-American Coffee Agreement on April 15, 1941.

The following tabulation lists the coffee quotas which have been filled, and shows import figures for the quotas now under telegraphic control as of July 26, 1941. Total imports under the other coffee quotas are shown as of July 19, 1941.

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The Treasury also had word of a 100 per cent investment in the Defense securities by the officers and men of the United States Coast Guard patrol boat COLFAX. ~~Chief~~ Chief Boatswain S. A. E. H. Petersen is the commanding officer of the ship. The executive officer is Boatswain John J. McSally, Jr.

In Texas, the Dallas News announced that eighty employees had signed up at the first call for regular purchases of the bonds and M. M. Donosky, treasurer of the newspaper, said that many more would join in the program after vacation time.

ooOoo

A handwritten signature or set of initials, possibly "J. J. McSally", written in dark ink on the right side of the page.

26-83

For Friday pms

Telephone operators in Missouri these days are saying, "Defense Bonds?" instead of ~~"Number, Please?"~~ the familiar "Number, Please?"

The automatic time signal records in Tulsa, Oklahoma, meanwhile are repeating, "Now is the time to buy Defense Bonds; the time is"

These two innovations are part of a nationwide effort on the part of telephone companies to aid in the sale of Defense Savings Bonds and Stamps, the Treasury Department reported today.

The American Telephone and Telegraph Company was one of the first large corporations to ~~adopt~~ arrange a systematic savings plan for the purchase of Defense Bonds by its employees. Local telephone companies, such as the Michigan Bell Telephone Company, the Southwestern Bell Telephone Company and the Chesapeake and Potomac Telephone Company, have adopted similar ~~plans~~ payroll plans.

~~The Treasury also has urged a 100 percent investment in the Defense securities by the public and~~

more

TREASURY DEPARTMENT
Washington

FOR RELEASE, AFTERNOON NEWSPAPERS,
Friday, August 1, 1941.
7/31/41.

Press Service
No. 26-33

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TREASURY DEPARTMENT
Washington

FOR RELEASE, MORNING NEWSPAPERS,
Friday, August 1, 1941.
7/31/41.

Press Service
No. 26-84

Secretary Morgenthau today announced the final details with respect to the two tax series of Treasury notes which go on sale this morning at the Federal Reserve Banks. The Series A-1943 notes, in the denominations of \$25, \$50 and \$100, provide a return of about 1.92 percent a year, are designed to be attractive to the small taxpayer, and their presentation in payment of income taxes will be limited to \$1,200 from any taxpayer in any one tax year. The Series B-1943 notes will be issued in denominations of \$100, \$500, \$1,000, \$10,000 and \$100,000, will provide a return of about 0.43 percent a year, and the amount of these notes which may be presented in payment of taxes will be limited only by the amount of taxes due.

The owner's name and address, and the date of issue, will be entered on each note at the time of its issue by a Federal Reserve Bank. The month in which payment is received by a Federal Reserve Bank or Branch, or by the Treasurer of the United States, will determine the purchase price and issue date of each note. Particular attention is called to the fact that checks or other remittances not immediately available should be received by a Federal Reserve Bank or Branch, or by the Treasurer of the United States, in time to be cleared and the funds actually available to the Treasury before the end of a month in order to get that month's dating.

These notes are being offered for sale to taxpayers for their convenience in setting aside regularly the funds which will be required to meet the unprecedented taxes they will pay next year on this year's income. The interest earned on these notes, which will be credited with the principal in payment of income tax liability, is expected to be attractive to taxpayers generally. For this reason many will doubtless purchase an amount of notes sufficient to meet the estimated tax liability for the next two years, or as much thereof as their means will permit, since the notes bear interest to August 1, 1943, unless sooner redeemed. The notes will be acceptable in payment of any Federal income taxes at any time commencing with the third month after the month of purchase, but not before January 1, 1942. If not presented in payment of income taxes, they can be redeemed at the Federal Reserve Bank of issue for cash, in the case of Series A-1943 notes without advance notice, and in the case of Series B-1943 notes after 30 days from the date of issue and on 30 days advance notice. Such redemption will be at the purchase price paid for the notes. In other words, the taxpayer, in this case, gets back just the amount he paid for the notes and no more.

The official circular is attached.

THE UNITED STATES OF AMERICA

TREASURY NOTES

Tax Series A-1943

Tax Series B-1943

Dated August 1, 1941

Due August 1, 1943

Issued at Par and Accrued Interest

Acceptable at Par and Accrued Interest in Payment of Federal Income Taxes

1941
Department Circular No. 667
Fiscal Service
Bureau of the Public Debt

TREASURY DEPARTMENT,
OFFICE OF THE SECRETARY,
Washington, July 22, 1941.

I. OFFERING OF NOTES

1. The Secretary of the Treasury, pursuant to the authority of the Second Liberty Bond Act, as amended, offers for sale, to the people of the United States, through the Federal Reserve Banks, at par and accrued interest, two issues of nontransferable notes of the United States, designated Treasury Notes of Tax Series A-1943, and Treasury Notes of Tax Series B-1943. As hereinafter provided, the notes of both series will be acceptable at par and accrued interest in payment of Federal income taxes: *Provided, however*, that not exceeding \$1,200 principal amount of notes of Tax Series A-1943, and the accrued interest thereon, will be accepted from any one owner in any period of twelve consecutive months in payment of taxes due from such owner. If not presented in payment of taxes, the notes will be redeemable at the purchase price as hereinafter provided.

2. Descriptions of the notes of both series, and their terms are hereinafter fully set forth. The notes will be placed on sale beginning August 1, 1941, and the sale will continue until December 31, 1941, unless earlier terminated, as to either or both series, by the Secretary of the Treasury.

II. DESCRIPTION OF NOTES

1. *General.*—The notes of both series will be dated August 1, 1941, and will mature August 1, 1943. The owner's name and address, and the date of issue will be entered on each note at the time of its issue by a Federal Reserve Bank. The month in which payment is received by a Federal Reserve Bank or Branch, or by the Treasurer of the United States, will determine the purchase price and issue date of each note. The notes may not be transferred. No hypothecation of the notes on any account will be recognized by the Treasury Department, and they will not be accepted to secure deposits of public money. Except as herein provided, the notes will be subject to the general regulations of the Treasury Department, now or hereafter prescribed, governing bonds and notes of the United States.

2. *Denominations and interest.*—The notes of Tax Series A-1943 will be issued in denominations of \$25, \$50, and \$100, and interest thereon will accrue during each month after August 1941, in the amount of 16 cents on each \$100 principal amount, that is, 4 cents on each \$25, 8 cents on each \$50, and 16 cents on each \$100 denomination of note. The notes of Tax Series B-1943 will be issued in denominations of \$100, \$500, \$1,000, \$10,000 and \$100,000, and interest thereon will accrue each month after August 1941, in the amount of 4 cents on each \$100 principal amount, that is 4 cents on each \$100, 20 cents on each \$500, 40 cents on each \$1,000, \$4 on each \$10,000, and \$40 on each \$100,000 denomination of note. In no case, however, shall interest accrue beyond the month in which the note is presented in payment of taxes, or beyond its maturity. Exchanges of authorized denominations of each series from higher to lower, but not from lower to higher, may be arranged at the Federal Reserve Bank of issue.

3. *Purchase price, and tax-payment value.*—The notes of both series will be sold at par during August 1941, and will be sold at par and accrued interest during each subsequent month while they remain on sale, the purchase price for a note of any denomination of either series advancing each month after August 1941, in the amount of one month's interest on that note. Tables, showing for

each month from August 1941, to August 1943, for each denomination of each series, the principal amount of the notes with accrued interest added, are appended to this circular. The total shown for any denomination for any month—August through December 1941—while the notes remain on sale, is the purchase price, or cost, of the note during that month. Also, the total shown for any denomination for any month thereafter is the tax-payment value, or the amount at which the note will be acceptable during that month in payment of Federal income taxes as herein provided.

4. *Acceptability in payment of taxes.*—The notes of both series (but not more than \$1,200 principal amount of notes of Tax Series A-1943 from any one owner in any period of twelve consecutive months) will be acceptable, at par and accrued interest, in payment of Federal income taxes (current and back personal and corporation taxes, and excess-profits taxes). The conditions of presentation, surrender and acceptance of the notes in payment of such taxes are set forth in Section IV of this circular.

5. *Payment or redemption for cash.*—The notes of either series may not be called by the Secretary of the Treasury for redemption prior to maturity. If such notes are not presented in payment of taxes: (1) they will be payable at maturity, or (2) they will be redeemable prior to maturity, at the owner's option and request, as hereinafter provided in Section V and in either case payment will be made only at the price paid for the notes.

6. *Taxation.*—Income derived from the notes shall be subject to all Federal taxes, now or hereafter imposed. The notes shall be subject to estate, inheritance, gift or other excise taxes, whether Federal or State, but shall be exempt from all taxation now or hereafter imposed on the principal or interest thereof by any State, or any of the possessions of the United States, or by any local taxing authority.

III. PURCHASE OF NOTES

1. *Applications and payment.*—Applications will be received by the Federal Reserve Banks and Branches, and by the Treasurer of the United States, Washington, D. C. Banking institutions generally may submit applications for account of customers, but only the Federal Reserve Banks and the Treasurer of the United States are authorized to act as official agencies. Every application must be accompanied by payment in full, at par and accrued interest to the month in which payment is received by a Federal Reserve Bank or Branch, or the Treasurer of the United States. Any form of exchange, including personal checks, will be accepted subject to collection, and should be drawn to the order of the Federal Reserve Bank or of the Treasurer of the United States, as the case may be. Any depositary, qualified pursuant to the provisions of Treasury Department Circular No. 92 (revised February 23, 1932, as supplemented) will be permitted to make payment by credit for notes applied for on behalf of itself or its customers up to any amount for which it shall be qualified in excess of existing deposits.

2. *Reservations.*—The Secretary of the Treasury reserves the right to reject any application in whole or in part, and to refuse to issue or permit to be issued hereunder any notes in any case or in any class or classes of cases if he deems such action to be in the public interest, and his action in any such respect shall be final. If an application is rejected, in whole or in part, any payment received therefor will be refunded. The Secretary of the Treasury, in his discretion, may designate agencies other than those herein provided for the sale of, or for the handling of applications for, Treasury notes to be issued hereunder.

3. *Delivery of notes.*—Upon acceptance of full-paid applications, notes will be duly issued and, unless delivered in person, will be delivered by registered mail within the Continental United States, the Territories and Insular Possessions of the United States, the Canal Zone and the Philippine Islands. No deliveries elsewhere will be made.

4. *Form of application.*—In applying for notes under this circular, care should be exercised to specify whether those of Tax Series A-1943, or Tax Series B-1943 are desired, and there must be furnished the name and address of the individual, corporation or other entity in which the notes are to be issued; and if address for the delivery of the notes is different, appropriate instructions should

be given. The name should be in the same form as that used in the Federal income tax return of the purchaser. The use of an official application form is desirable, but not necessary. Appropriate forms may be obtained on application to any Federal Reserve Bank or Branch, and banking institutions generally will supply such forms.

IV. PRESENTATION IN PAYMENT OF TAXES

1. After three months from month of purchase (as shown by the date of issue on each note), but not before January 1, 1942, during such time, and under such rules and regulations as the Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury, shall prescribe, notes issued hereunder in the name of a taxpayer (individual, corporation, or other entity) may be presented and surrendered by such taxpayer, his agent, or his estate, to the Collector of Internal Revenue, to whom the tax return is made, and will be receivable by the Collector at par and accrued interest from August 1941, to the month, inclusive (but no accrual beyond August 1943), in which presented in payment of any Federal income taxes (current and back personal and corporation taxes, and excess-profit taxes) assessed against the original purchaser or his estate, but not more than \$1,200 principal amount of notes of Tax Series A-1943, and the accrued interest thereon, may be accepted by the Collector in any period of twelve consecutive months in payment of Federal income taxes due from such owner. The notes must be forwarded to the Collector at the risk and expense of the owner, and, for his protection, should be forwarded by registered mail, if not presented in person.

V. CASH REDEMPTION AT OR PRIOR TO MATURITY

1. *General.*—Any Treasury note of Tax Series A-1943 or Tax Series B-1943 will be redeemed for cash at the purchase price at or before maturity. Notes of Tax Series A-1943 may be redeemed before maturity without advance notice, but notes of Tax Series B-1943 may be redeemed before maturity only after 60 days from date of issue and on 30 days' advance notice. The timely surrender of a note of Tax Series B-1943, bearing a properly executed request for payment, will be accepted as constituting the advance notice required hereunder.

2. *Execution of request for payment.*—The owner in whose name the note is inscribed must appear before one of the officers authorized by the Secretary of the Treasury to witness and certify requests for payment, establish his identity, and in the presence of such officer sign the request for payment appearing on the back of the note, adding the address to which check is to be mailed. After the request for payment has been so signed, the witnessing officer should complete and sign the certificate provided for his use.

3. *Officers authorized to witness and certify requests for payment.*—Any officers authorized to witness and certify requests for payment of United States Savings Bonds, as set forth in Treasury Department Circular No. 530, Fourth Revision, as amended, are hereby authorized to witness and certify requests for cash redemption of Treasury notes issued under this circular. Such officers include United States postmasters, certain other post office officials, and the executive officers of all banks and trust companies incorporated in the United States or its organized territories, including officers at branches thereof who are certified to the Treasury Department as executive officers.

4. *Presentation and surrender.*—Notes bearing properly executed requests for payment must be presented and surrendered to the Federal Reserve Bank of issue, at the expense and risk of the owner. For the owner's protection, notes should be forwarded by registered mail, if not presented in person.

5. *Disability or death.*—In case of the disability or death of the owner, and the notes are not to be presented in payment of Federal income taxes due from his estate, instructions should be obtained from the Federal Reserve Bank of issue before the request for payment is executed, or the notes presented.

6. *Partial redemption.*—Partial cash redemption of notes of either series, corresponding to an authorized denomination, may be made in the same manner, appropriate changes being made in the request for payment. In case of partial redemption of a note, the remainder will be reissued with the same date of issue as the note surrendered.

TREASURY NOTES—TAX SERIES A-1943

Purchase Price and Tax-Payment Value During Successive Months

Table, showing for each month from August 1941, to August 1943, for notes of each denomination, the principal amount with accrued interest added. The total shown for any denomination, for any month—August through December 1941—while the notes remain on sale, is the Purchase Price, or Cost, of the note during that month. Also, the total shown for any denomination for any month thereafter is the Tax-Payment Value, or the amount at which the note will be acceptable during that month in payment of Federal income taxes.

	\$25	\$50	\$100
PURCHASE PRICE			
August, 1941.....	\$25.00	\$50.00	\$100.00
September, 1941.....	25.04	50.08	100.16
October, 1941.....	25.08	50.16	100.32
November, 1941.....	25.12	50.24	100.48
December, 1941.....	25.16	50.32	100.64
TAX-PAYMENT VALUE			
January, 1942.....	\$25.20	\$50.40	\$100.80
February, 1942.....	25.24	50.48	100.96
MARCH, 1942.....	25.28	50.56	101.12
April, 1942.....	25.32	50.64	101.28
May, 1942.....	25.36	50.72	101.44
JUNE, 1942.....	25.40	50.80	101.60
July, 1942.....	25.44	50.88	101.76
August, 1942.....	25.48	50.96	101.92
SEPTEMBER, 1942.....	25.52	51.04	102.08
October, 1942.....	25.56	51.12	102.24
November, 1942.....	25.60	51.20	102.40
DECEMBER, 1942.....	25.64	51.28	102.56
January, 1943.....	25.68	51.36	102.72
February, 1943.....	25.72	51.44	102.88
MARCH, 1943.....	25.76	51.52	103.04
April, 1943.....	25.80	51.60	103.20
May, 1943.....	25.84	51.68	103.36
JUNE, 1943.....	25.88	51.76	103.52
July, 1943.....	25.92	51.84	103.68
August, 1943.....	25.96	51.92	103.84

TREASURY NOTES—TAX SERIES B-1943

Purchase Price and Tax-Payment Value During Successive Months

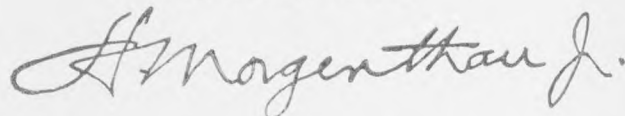
Table, showing for each month from August 1941, to August 1943, for notes of each denomination, the principal amount with accrued interest added. The total shown for any denomination, for any month—August through December 1941—while the notes remain on sale, is the Purchase Price, or Cost, of the note during that month. Also, the total shown for any denomination for any month thereafter is the Tax-Payment Value, or the amount at which the note will be acceptable during that month in payment of Federal income taxes.

	\$100	\$500	\$1,000	\$10,000	\$100,000
PURCHASE PRICE					
August, 1941.....	\$100.00	\$500.00	\$1,000.00	\$10,000	\$100,000
September, 1941.....	100.04	500.20	1,000.40	10,004	100,040
October, 1941.....	100.08	500.40	1,000.80	10,008	100,080
November, 1941.....	100.12	500.60	1,001.20	10,012	100,120
December, 1941.....	100.16	500.80	1,001.60	10,016	100,160
TAX-PAYMENT VALUE					
January, 1942.....	\$100.20	\$501.00	\$1,002.00	\$10,020	\$100,200
February, 1942.....	100.24	501.20	1,002.40	10,024	100,240
MARCH, 1942.....	100.28	501.40	1,002.80	10,028	100,280
April, 1942.....	100.32	501.60	1,003.20	10,032	100,320
May, 1942.....	100.36	501.80	1,003.60	10,036	100,360
JUNE, 1942.....	100.40	502.00	1,004.00	10,040	100,400
July, 1942.....	100.44	502.20	1,004.40	10,044	100,440
August, 1942.....	100.48	502.40	1,004.80	10,048	100,480
SEPTEMBER, 1942.....	100.52	502.60	1,005.20	10,052	100,520
October, 1942.....	100.56	502.80	1,005.60	10,056	100,560
November, 1942.....	100.60	503.00	1,006.00	10,060	100,600
DECEMBER, 1942.....	100.64	503.20	1,006.40	10,064	100,640
January, 1943.....	100.68	503.40	1,006.80	10,068	100,680
February, 1943.....	100.72	503.60	1,007.20	10,072	100,720
MARCH, 1943.....	100.76	503.80	1,007.60	10,076	100,760
April, 1943.....	100.80	504.00	1,008.00	10,080	100,800
May, 1943.....	100.84	504.20	1,008.40	10,084	100,840
JUNE, 1943.....	100.88	504.40	1,008.80	10,088	100,880
July, 1943.....	100.92	504.60	1,009.20	10,092	100,920
August, 1943.....	100.96	504.80	1,009.60	10,096	100,960

in handling the sale of these notes should be very similar to that now in effect with respect to United States Savings Bonds of Defense Series F and G. I very much appreciate the valuable assistance being rendered in that connection by the banking institutions of the country as well as in the handling of our regular Treasury issues. I am certain that I can count on your cooperation in this further important phase of the National Defense Program.

"It is important that the taxpayers of the Nation become aware of the unprecedented taxes they will have to pay next year on this year's income, and they should be encouraged to set aside funds now with which to meet those later payments. The new tax series notes provide an orderly method of laying aside the amounts each taxpayer will require for that purpose. I would therefore appreciate it if the Treasury could have your continued cooperation in acquainting your customers with the facts concerning these tax notes and your assistance in handling their applications and remittances with your Federal Reserve Bank."

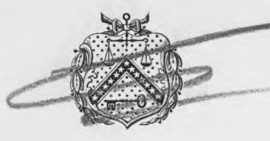
Very truly yours,

A handwritten signature in cursive script, reading "H. Morgenthau Jr.", written in dark ink.

Secretary of the Treasury. "

File

26-85



THE SECRETARY OF THE TREASURY
WASHINGTON

The following letter was sent today by Secretary Morgenthau to all banking institutions in the country in connection with the new offering of tax notes:

" You have doubtless learned through the press or your district Federal Reserve Bank the basic features of the two tax series of Treasury notes which I propose to offer for sale on August 1. The Series A-1943 notes in the denominations of \$25, \$50 and \$100, providing a return of about 1.92 percent a year, are designed to be attractive to the small taxpayer and their presentation in payment of income taxes will be limited to \$1,200 from any taxpayer in any one tax year. The Series B-1943 notes will be issued in denominations of \$100, \$500, \$1,000, \$10,000 and \$100,000, they will provide a return of about 0.48 percent a year, and the amount of these notes which can be presented in payment of taxes will be limited only by the amount of taxes due.

" A table of values appears on each note and in Treasury Department Circular No. 667 governing the issue. It should be understood that principal and accrued interest will be credited by the Collector of Internal Revenue against the owner's tax liability at the value stated in the table for the month in which the notes are presented in payment of that liability. If the owner purchases more notes than he requires for his tax payments, or if for any other reason he wishes to cash the notes in, he will get back only the purchase price paid for the notes. Cash redemption may be accomplished only through the Federal Reserve Bank of issue and under the conditions specified in the official circular.

" I have asked the Federal Reserve Bank of your district to send you copies of the official offering circular, a booklet giving the salient features of the notes, for quick reference purposes, and a supply of application forms. It is my feeling that the procedure to be followed

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Friday, 7/31/41
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TREASURY DEPARTMENT
Washington

FOR RELEASE, MORNING NEWSPAPERS,
Friday, August 1, 1941.
7/31/41

PRESS SERVICE
No. 26-85

The following letter was sent today by Secretary Morgenthau to all banking institutions in the country in connection with the new offering of tax notes:

"You have doubtless learned through the press or your district Federal Reserve Bank the basic features of the two tax series of Treasury notes which I propose to offer for sale on August 1. The Series A-1943 notes in the denominations of \$25, \$50 and \$100, providing a return of about 1.92 percent a year, are designed to be attractive to the small taxpayer and their presentation in payment of income taxes will be limited to \$1,200 from any taxpayer in any one tax year. The Series B-1943 notes will be issued in denominations of \$100, \$500, \$1,000, \$10,000 and \$100,000, they will provide a return of about 0.43 percent a year, and the amount of these notes which can be presented in payment of taxes will be limited only by the amount of taxes due.

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"I have asked the Federal Reserve Bank of your district to send you copies of the official offering circular, a booklet giving the salient features of the notes, for quick reference purposes, and a supply of application forms. It is my feeling that the procedure to be followed in handling the sale of these notes should be very similar to that now in effect with respect to United States Savings Bonds of Defense Series F and G. I very much appreciate the valuable assistance being rendered in that connection by the banking institutions of the country as well as in the handling of our regular Treasury issues. I am certain that I can count on your cooperation in this further important phase of the National Defense Program.

"It is important that the taxpayers of the Nation become aware of the unprecedented taxes they will have to pay next year on this year's income, and they should be encouraged to set aside funds now with which to meet those later payments. The new tax series notes provide an orderly method of laying aside the amounts each taxpayer will require for that purpose. I would therefore appreciate it if the Treasury could have your continued cooperation in acquainting your customers with the facts concerning these tax notes and your assistance in handling their applications and remittances with your Federal Reserve Bank.

Very truly yours,

H. MORGENTHAU, JR.

Secretary of the Treasury."

File

TREASURY DEPARTMENT

Washington

FOR RELEASE, MORNING NEWSPAPERS,
Tuesday, August 5, 1941.
8/4/41

Press Service

26-86

The Secretary of the Treasury announced last evening that the tenders for \$100,000,000, or thereabouts, of 91-day Treasury bills, to be dated August 6 and to mature November 5, 1941, which were offered on August 1, were opened at the Federal Reserve Banks on August 4.

The details of this issue are as follows:

Total applied for - \$293,242,000
Total accepted - 100,232,000

Range of accepted bids:

High	- 100.				
Low	- 99.970	Equivalent rate approximately	0.119	percent	
Average price	- 99.973	" " " "	0.106	" "	

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

Em

TREASURY DEPARTMENT
Washington

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Tuesday, August 5, 1941.
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(56 percent of the amount bid for at the low price was accepted)

August 2, 1941

STATUTORY DEBT LIMITATION
AS OF JULY 31, 1941

Section 21 of the Second Liberty Bond Act, as amended, provides that the face amount of obligations issued under authority of that Act "shall not exceed in the aggregate \$65,000,000,000 outstanding at any one time."

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 of bonds, savings bonds, certificates, bills, notes, savings certificates, stamps, etc., which may be outstanding at any one time		\$65,000,000,000
Outstanding as of July 31, 1941:		
Interest-bearing:		
Bonds -		
Treasury	\$30,215,058,700	
Savings (maturity value)*	5,800,801,350	
Depository	40,214,000	
Adjusted Service	<u>739,018,756</u>	\$36,795,092,806
Treasury notes	\$ 9,169,889,500	
Certificates of indebtedness	2,352,000,000	
Treasury bills (maturity value)	<u>1,603,332,000</u>	<u>13,125,221,500</u>
		<u>\$49,920,314,306</u>
Matured obligations, on which interest has ceased		<u>167,021,350</u>
Face amount of obligations issuable under above authority		<u><u>\$14,912,664,344</u></u>

Reconcilement with Daily Statement of the United States Treasury
July 31, 1941

Total face amount of outstanding public debt obligations issued under authority of the Second Liberty Bond Act, as amended		\$50,087,335,656
Deduct, unearned discount on Savings bonds (difference between current redemption value and maturity value)		<u>1,151,351,624</u>
		<u>\$48,935,984,032</u>
Add other public debt obligations outstanding but not subject to the statutory limitation:		
Interest-bearing (Pre-War, etc.)	\$ 196,046,600	
Matured obligations on which interest has ceased	12,712,760	
Bearing no interest	<u>367,796,736</u>	<u>576,556,096</u>
Total gross debt outstanding as of July 31, 1941		<u><u>\$49,512,540,128</u></u>

*Approximate maturity value. Principal amount (current redemption value) according to preliminary public debt statement \$4,649,449,726.

[Handwritten signature]
26-87

August 5, 1941.

STATUTORY DEBT LIMITATION
AS OF JULY 31, 1941

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Total face amount of bonds, savings bonds, certificates bills, notes, savings certificates, stamps, etc., which may be outstanding at any one time		\$65,000,000,000
Outstanding as of July 31, 1941:		
Interest-bearing:		
Bonds -		
Treasury	\$30,215,058,700	
Savings (maturity value)*	5,800,801,350	
Depositary	40,214,000	
Adjusted Service	739,018,756	\$36,795,092,806
Treasury notes	<u>\$ 9,169,889,500</u>	
Certificates of indebtedness	2,352,000,000	
Treasury bills (maturity value)	<u>1,603,332,000</u>	<u>13,125,221,500</u>
		<u>\$49,920,314,306</u>
Matured obligations on which interest has ceased	<u>167,021,350</u>	50,087,335,656
Face amount of obligations issuable under above authority		<u>\$14,912,664,344</u>
<u>Reconcilement with Daily Statement of the United States Treasury</u> <u>July 31, 1941</u>		
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Matured obligations on which interest has ceased	12,712,760	
Bearing no interest	<u>367,796,736</u>	576,556,096
Total gross debt outstanding as of July 31, 1941		<u>\$49,512,540,128</u>

*Approximate maturity value. Principal amount (current redemption value) according to preliminary public debt statement \$4,649,449,726.

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This Report on Traffic in Opium
And Other Dangerous Drugs,
for the year ended December 31, 1940,
by the Bureau of Narcotics,
~~U. S. Treasury Department~~
U. S. Treasury Department, is
for release to afternoon
newspapers, Friday, August 8, 1941

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TREASURY DEPARTMENT
Washington

Press Service
No. 26-88

This report on Traffic In Opium and Other Dangerous Drugs for the year ended December 31, 1940, by the Bureau of Narcotics, U.S. Treasury Department, is for release to afternoon newspapers, Friday, August 8, 1941.

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U. S. TREASURY DEPARTMENT
BUREAU OF NARCOTICS

TRAFFIC IN OPIUM
AND OTHER DANGEROUS DRUGS

FOR THE
YEAR ENDED DECEMBER 31, 1940

REPORT BY THE GOVERNMENT OF THE
UNITED STATES OF AMERICA



UNITED STATES
GOVERNMENT PRINTING OFFICE
WASHINGTON : 1941

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TREASURY DEPARTMENT,
BUREAU OF NARCOTICS,
Washington, April 1, 1941.

The HONORABLE THE SECRETARY OF THE TREASURY.

SIR: I have the honor to transmit, in accordance with Article 21 of the Convention of 1931 for Limiting the Manufacture and Regulating the Distribution of Narcotic Drugs, the report of the Government of the United States on the Traffic in Opium and Other Dangerous Drugs, for the calendar year ended December 31, 1940, in the established form for distribution through the Secretary of State to the nations signatory to the International Drug Conventions of 1912 and 1931. Copy of this report will be transmitted to Congress as required by the act of June 14, 1930.

Respectfully,

H. J. ANSLINGER,
Commissioner of Narcotics.



REPORT BY THE GOVERNMENT OF THE UNITED STATES OF AMERICA FOR THE CALENDAR YEAR ENDED DECEMBER 31, 1940, ON THE TRAFFIC IN OPIUM AND OTHER DANGEROUS DRUGS

A. GENERAL

I. Laws and Publications.

The usual Federal law, enacted annually, making an appropriation for narcotic enforcement was approved March 25, 1940, and allotted the sum of \$1,303,280 for the enforcement of the Federal narcotic drug laws for the fiscal year ending June 30, 1941.

The revenue accruing to the Government from application of the Federal narcotic laws for the year 1940 was \$1,337,090.25, made up as follows:

Customs duties on opium released to manufacturers.....	\$520, 209. 90
Customs duties on coca leaves imported.....	77, 647. 01
Internal Revenue collections—registrations, tax stamps, order forms—on opium, coca leaves, and marihuana.....	574, 753. 06
Paid fines and compromises.....	51, 174. 28
Value of seized cars.....	113, 306. 00
Total.....	1, 337, 090. 25

The act of Congress approved June 28, 1940, amended the immigration laws so as to provide for the deportation of any alien convicted for violation of or conspiracy to violate any narcotic drug or marihuana law of the United States or of any State, Territory, possession, or the District of Columbia.

UNIFORM NARCOTIC DRUG ACT

No additional States adopted the Uniform Narcotic Drug Act during the year. Prior to 1940 it had been adopted in 39 States, in the District of Columbia, and in the Territories of Hawaii and Puerto Rico.

The act proves very valuable in coordinating enforcement machinery through mandatory cooperation of State and Federal officers, and it is therefore hoped that the following States will pass it at the forthcoming sessions of their legislatures:

STATES WHICH HAVE NOT PASSED THE UNIFORM NARCOTIC DRUG ACT OR OTHER ADEQUATE NARCOTIC LEGISLATION

Kansas	New Hampshire	Vermont
Maine	North Dakota	Washington
Massachusetts		

The States of California,¹ Pennsylvania,¹ Indiana, Illinois, New York, Connecticut, Florida, and Ohio are commended for the work they have done during the year on the narcotic problem. Iowa and Kansas have made excellent progress on marihuana eradication programs.

On July 1, 1940, the State of California placed into effect corrective legislation to check the prescribing of drugs to addicts by physicians, the filling of such prescriptions by pharmacists, and the procurement of drugs by addicts by means of forged prescriptions. In a check-up in October 1940 it was disclosed that an unusually large amount of narcotics was being supplied to individuals throughout the State, many prescriptions were being written for addicts well known to the State Division, addicts were procuring narcotics from two or more physicians at the same time, and addicts were using different names with various physicians. The Chief of the California Division of Narcotic Enforcement reports that the results already procured by this new legislation are gratifying.

II. Administration.

No changes were made during the year in the administrative arrangements for the implementation of the international conventions, the Bureau of Narcotics, under the supervision of the Commissioner of Narcotics, being charged with these responsibilities. A chart showing the present organization and principal functions of the Bureau is shown on the opposite page.

DECREASE IN DRUG ADDICTION ²

(To opium and its derivatives and the coca leaf and its derivatives)

Reports such as those quoted below, which have been received from many reliable sources during the year, indicate that drug addiction in the United States is steadily decreasing, and that there are few instances where an individual has recently acquired a drug habit. The number of nonmedical drug addicts known to the authorities is estimated at not more than 1 in every 3,000 of the population, a reduction of at least 66 percent in the past two decades.

TYPICAL STATEMENTS RECEIVED FROM POLICE DEPARTMENTS THROUGHOUT THE YEAR

Bellingham, Wash.—"There are two known drug addicts here."

Yakima, Wash.—"Between 1935 and 1940 there has been practically no local narcotic traffic whatsoever, with the exception of a few marihuana cases."

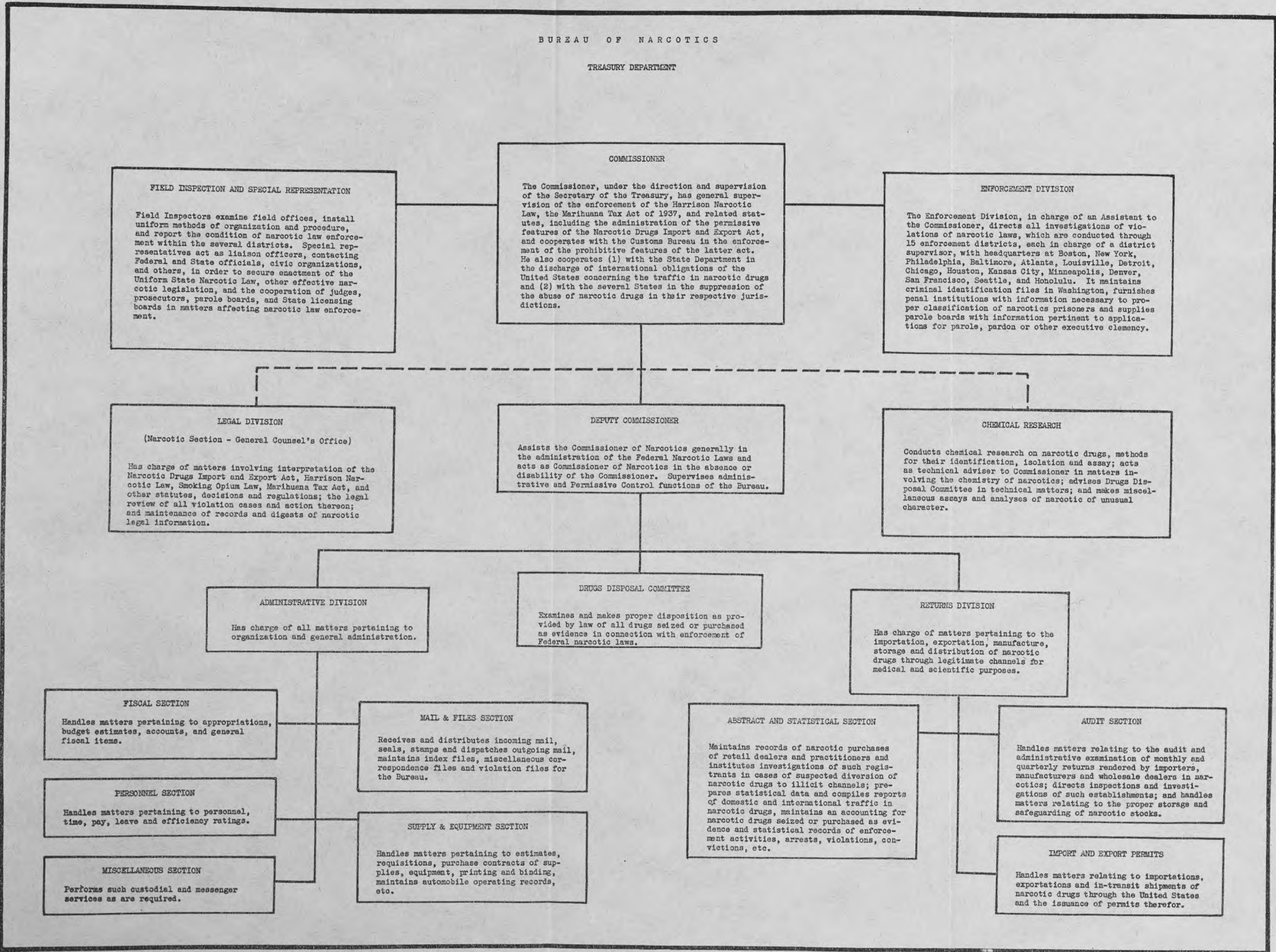
Montesano, Wash.—"The narcotic conditions now obtaining in this locality exhibit an almost total lack of addicts. Within narrow limitations marihuana

¹ California and Pennsylvania have adequate narcotic legislation other than the Uniform Narcotic Drug Act.

² See also Analysis of Illicit Traffic on p. 16.

BUREAU OF NARCOTICS

TREASURY DEPARTMENT



cigarettes find their way here, but I would say that the almost negligible infiltration of this drug is on the wane."

Raymond, Wash.—"There seem to be no addicts here outside of those with cancer, etc. During the twenties there were quite a few addicts."

Anacortes, Wash.—"We have had only one real case of drug addiction in the last 20 years. I believe the woman is dead now."

Centralia, Wash.—"We know of no one locally who is addicted to drugs at present."

Chehalis, Wash.—"Drug addiction is confined to transients who are usually kept moving."

Colfax, Wash.—"We have one medical case."

Kelso, Wash.—"At the present time we have about six known drug addicts in this city."

Kent, Wash.—"There are at present no known drug addicts or dealers among our population."

Mount Vernon, Wash.—"To my knowledge there are no narcotic addicts in Mount Vernon."

Olympia, Wash.—"We have no known addicts except transients. There are a few possible medical cases."

Pasco, Wash.—"There are reportedly a couple of users in this town."

Port Townsend, Wash.—"Once in a while rumors originate about narcotic traffic but on investigation are found to be false."

Shelton, Wash.—"There are no drug addicts in town now to my knowledge. We have one or two stop once in a while, but they do not stay very long."

Walla Walla, Wash.—"In past years we have made several raids on narcotics, but in recent years the narcotic situation has been practically nil."

Wenatchee, Wash.—"I only know of one case of drug addiction."

Toppenish, Wash.—"In 1920 there were around 40 drug addicts and drugs could be obtained very easily. Outside of a few plants of marihuana grown here we know of no drug activities or addicts in or around Toppenish at the present time."

Spokane, Wash.—"It is quite evident that the traffic in narcotics is considerably less now than it was 20 years ago."

Ellensburg, Wash.—"From the information I have been able to gather I would say that during the past there has been considerable drug addiction in this community. At present this has changed and there is very little evidence of addiction."

Vancouver, Wash.—"In 1920 narcotics were very easy to obtain and at that time we had about 18 or 20 local addicts and about 3 distributors. At present we have to my knowledge 5 habitual addicts who obtain drugs on doctor's prescriptions or are using barbituric preparations caused by the scarcity of pure narcotics."

Everett, Wash.—"Number of drug addicts in 1920 was approximately 50; in 1940, approximately 12."

Bremerton, Wash.—"About 5 years ago we had four known drug addicts and at the present time we have only one known addict."

Seattle, Wash.—"During the early twenties, it was a simple matter to go out and round up in a very short period from 5 to 25 known addicts. Due to persistent efforts to stamp out this evil, the situation is 100 percent better now. Six years ago Seattle was unfortunate in having one of the most persistent doctor violators that has existed in the Northwest. His operations caused an influx of addicts from all parts of the United States. This condition resulted in a considerable increase in larcenies in Seattle. Today there are not in Seattle more than 50 known addicts. I feel safe in saying that 90 percent of the addicts are known to the police department. I am pleased to say that taking the situation as a whole

today as compared with 20 years ago, the narcotic traffic in Seattle, due to the continued vigilance of the Seattle Police Department in close cooperation with law enforcement agencies, particularly the Bureau of Narcotics, has been reduced to a point where it can no longer be considered a problem."

Tacoma, Wash.—"The situation with respect to the prevalence of drug addiction in this community 20 years ago was quite serious. The city was infested with many local dope peddlers of which approximately 50 were convicted in Federal court. At the present time this situation is well in hand, due largely to the cooperation readily rendered by the Bureau of Narcotics."

Providence, R. I.—"Not a single complaint relative to narcotic suspects has reached this office and the illicit traffic is reported to be practically at a standstill. The use of barbituric acid preparations which was quite prevalent a year ago among certain groups who were reputed to be drug addicts has practically ceased due to vigilance on the part of police officers who cautioned all druggists as to precautions to be taken."

Washington, D. C.—"It is well apparent that the supply of illicit narcotic drugs has been greatly depleted in recent months. This has been brought about through the arrest by members of our two Bureaus of the persons responsible for the distribution of these illicit drugs. Arrests of this kind are now on the decline. Numerous former habitual drug addicts have told our officers that they have stopped the use of drugs because of the fact that the small quantity of drugs available is so highly adulterated that they cannot afford to use them. I have also noted in recent months a decided decline in the number of drug addicts appearing in our regular police lineups."

COMMENTS OF A DISTRICT SUPERVISOR OF THE BUREAU OF NARCOTICS

I have been in direct contact with narcotic conditions for 40 years. Conditions prior to control legislation³ were such that the sale, distribution and use of narcotic drugs was regular routine business. The result was thousands of cases of addiction. In one section of the small city in Michigan where I was reared, there were about 50 addicts. After narcotic enforcement became effective I could find only 3 or 4 drug addicts in the same locality. There has not come to my attention in any district over which I have had jurisdiction in the last 6 years more than 2 or 3 cases where an individual had recently acquired a drug habit.

We need only to survey the few drug addicts today as compared with the number 25 years ago to determine the change for the better. With the continued support of the public, the various groups of peace officers and courts, the Bureau of Narcotics will continue to reduce drug addiction to practical nonexistence. This will be true if our limited resources are not curbed in the belief that the danger is past. Only a few months of throwing the gates open to the flood would be necessary for this vice to spread again to the shocking proportions it had reached 25 years ago.

The following letter shows the situation which has recently arisen when drug addicts, unable to obtain heroin or morphine because of scarcity, dilution, or prohibitive price, resort to the use of the various barbituric acid derivatives to satisfy their craving:

THE CITY OF OKLAHOMA CITY, *January 3, 1941.*

FEDERAL NARCOTIC AGENT,
Oklahoma City.

DEAR SIR: In reference to our conversation, a check of our files discloses 61 old time narcotic users arrested during 1940 who had in their possession or were

³ Act of December 17, 1914, known as the Harrison Narcotic Law.

under the influence of derivatives of barbituric acid. I also find that during 1940 there were about 75 arrests of nonusers of a narcotic drug that were under the influence or had in their possession derivatives of barbituric acid, 5 of which were arrested in automobiles trying to drive under the influence of this drug which in my opinion is more dangerous than trying to drive under the influence of alcohol, owing to its paralyzing effect.

Capt. WALTER ACORD,
Vice Bureau.

The narcotic agent in Oklahoma City who transmitted Captain Acord's report stated that one of these former drug addicts is suffering from barbituric acid poisoning. The addict had been unable to secure any morphine derivatives for some time.

The following is one of many reports received during the year showing that the drugs now obtainable on the illicit market are so highly diluted that they do not establish a real tolerance for the drug, and also showing how addicts are now resorting to substitutes for drugs:

BOARD OF PUBLIC WELFARE,
DISTRICT OF COLUMBIA PENAL INSTITUTIONS.

COMMISSIONER OF NARCOTICS,
Washington, D. C.

DEAR SIR: During the past 6 months I have noticed a considerable decline in the number of drug addicts passing through these institutions who suffer from acute withdrawal symptoms. Prior to this period we have had many admissions of drug addicts, and it is significant that in nearly every instance very acute withdrawal symptoms were evident.

These factors were so noticeable that I started an inquiry among both male and female addicts as to the possible reason for this. The general trend of their replies was to the effect that the drugs were very difficult to procure because of the fact that many of the known peddlers and contact men had been arrested and taken out of circulation. They also seem to be in agreement that the narcotics they are able to procure are adulterated to an unusual degree and the prices are ridiculously high. I have observed that many of the addicts admittedly resorted to the use of barbituric acid derivatives as substitutes for narcotics. I also noticed that there was little desire on their part to persist in the practice but for short periods, mainly I believe because the injection of these compounds is very irritating to the tissues and I have seen many instances where large sloughs and numerous abscesses have been produced over short periods. This fact as well as the prohibition of barbiturates recently enacted which requires prescriptions for these compounds have been discouraging factors to the drug addicts.

In recent months I have noticed many former drug addicts committed here for various offenses who still have scars over their veins, but suffer no withdrawal symptoms. They state in general that they have given up the habit because of the existing conditions.

I have concluded from further questioning of the addicts suffering from withdrawal symptoms that new devices are being resorted to by them as a whole such as the forging of physicians' prescriptions and the raising of those obtained under various pretexes. The addicts that I have questioned also seem to be in agreement that heroin is becoming increasingly difficult to procure and what

small amounts are available contain but a small quantity of the active drug, generally of a poor quality and the prices are very high.

Very truly yours,

WALTER K. ANGEVINE, M. D.,
Medical Officer.

The fact that cocaine addiction has practically disappeared in the United States is borne out by the following conclusions of the United States Public Health Service:

SEPTEMBER 6, 1940.

DR. WALTER J. BRISTOW,
Columbia, S. C.

DEAR DR. BRISTOW: Your letter of August 10 concerning cocaine addiction has been referred to the Public Health Service for consideration and reply.

You are advised that in my experience pure cocaine addiction is now very rare, if not actually nonexistent, in this country. There are, of course, some persons who take cocaine now and then when they can secure it, but cocaine is mostly indulged in by these persons in much the same way as some people get drunk on Saturday or on week ends. According to studies I made some years ago most persons who start to use cocaine eventually become addicted to morphine or heroin through taking these drugs to relieve themselves from the distressing effects (anxiety and restlessness) caused by cocaine, but even this type of temporary cocaine addiction is now quite rare. I had charge of the Lexington narcotic hospital for three years and during that time there were no cases of pure cocaine addiction admitted and I am not aware of any that has been admitted since then. There were, however, some cases who had indulged in cocaine off and on at some time during their addiction career.

By direction of the Surgeon General.

Respectfully,

LAWRENCE KOLB,
Assistant Surgeon General, Division of Mental Hygiene.

In commenting editorially on the traffic in narcotic drugs, the American Medical Association in its Journal dated December 28, 1940, stated:

The Journal commends the enlightened and effective administration of the Bureau of Narcotics. A record such as that here reported (the article summarized accomplishments of the Bureau of Narcotics) indicates effective control. The cooperation of the medical profession has been freely and fully rendered, owing no doubt to recognition by the medical profession of the desire of the Bureau to destroy criminal practice without undue interference with the legitimate prescription of narcotic drugs. Complete cooperation with the Bureau by State licensing agencies will do much to further this significant work.

DRUG "CLINICS" OR FEEDING STATIONS

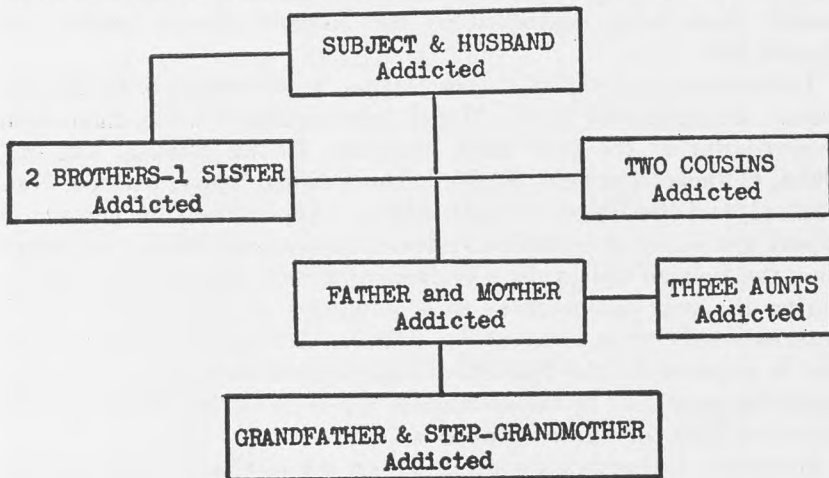
Case of Dr. Henry John Nelson, Mangum, Okla.

On November 14, 1940, narcotic agents reported Dr. Henry John Nelson who was in charge of dispensing narcotic drugs in the Co-Operative Hospital in Mangum, Okla., for violations of Federal narcotic laws. Dr. Nelson was conducting a virtual "clinic" or drug-feeding station for numerous addicts having no medical need for drugs.

In less than a 2-year period he had purchased 19,500 one-quarter grain tablets of morphine sulphate, only 1,497 of which could be accounted for as having been administered by nurses to patients in the hospital. During the same period, 10 other physicians and all the drug stores in Mangum combined purchased 8,100 tablets. So-called "prescriptions" for drugs in "treatment" of drug addiction were written by Dr. Nelson for the same addicts under many different names, and others were written in the names of persons who did not even know the doctor.

Dr. Nelson was convicted on 19 counts of an indictment charging him with violations of the Federal narcotic law. Dr. Nelson was sentenced to 3 years imprisonment and to pay a fine of \$1,000.

CONTAGION OF ADDICTION AS EXEMPLIFIED IN ONE FAMILY



The Seattle Post-Intelligencer on October 21, 1940, published a timely analysis in connection with the bills presented at the last two sessions of the Washington legislature proposing that the State set up "clinics" to dispense narcotic drugs at cost to addicts.

After reviewing the progress which has been made by the United States Government in substantially reducing drug addiction, and contrasting therewith the fallacy of setting up "clinics," the article entitled "New Facts on the Dope Problem" continues:

A fair judgment would seem to be that the present laws, State and Federal, restricting the production, sale, and use of narcotics, have reduced addiction sharply, perhaps to a point near the irreducible minimum. The problem of curing present addicts is a separate and baffling one. The evidence tends to indicate that patients are cured, from a medical standpoint, when they are discharged from Government hospitals, but the tendency is for them to relapse as a result of renewing associations with uncured addicts.

In any event long steps have been taken toward meeting the major problem. It is clearly no time to upset the present system as a whole and attempt to make the State of Washington a haven for the Nation's addicts.

III. Control of International Trade.⁴

Opium and coca leaves.—The system of import certificates and export authorizations in force for the control of imports and exports of opium and coca leaves and their salts, derivatives, and preparations has operated satisfactorily in 1940; and no cases involving forged or falsified import certificates or export or in-transit authorizations have come to the knowledge of the Government during the year.

No changes were made during the year as to the authority responsible for issuing import certificates or export and in-transit authorizations, all of which are issued by the Commissioner of Narcotics. There was likewise no modification in the conditions of issue of such documents, these being controlled by the Narcotic Drugs Import and Export Act.

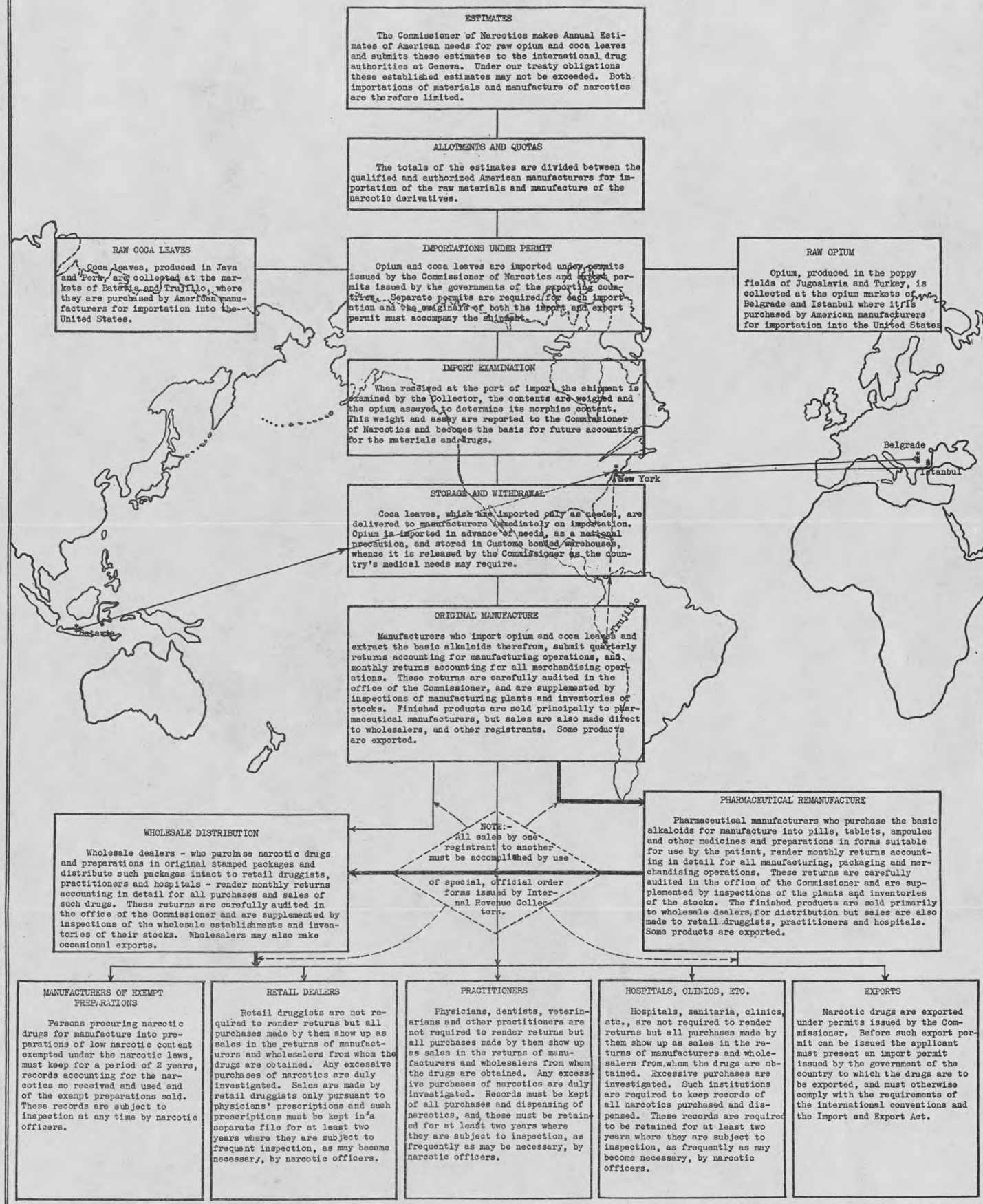
Endorsements of export authorizations, in accordance with the procedure recommended in the Model Administrative Code, have been received during the year from Australia, British Guiana, Canada, Cuba, Curacao, England, Finland, Hong Kong, India, Mexico, New Zealand, and the Union of South Africa. Applications for permits to export quantities of morphine, codeine, cocaine, and dionin, to Argentina, the Belgian Congo, New Guinea, and Saudi Arabia, were denied during the year inasmuch as these countries are not parties to the International Opium Convention of 1912. Adherence to this convention is required by the Narcotic Drugs Import and Export Act as a condition precedent to the issuance of a permit for the exportation of narcotics from the United States.

In-transit authorizations are issued on the merits of the particular case, but in general the requirements relating to exports are applied, the factor of principal consideration being a satisfactory import permit issued by the appropriate authorities of the importing country. Permission was granted during the year for 87 in-transit shipments, all through the port of New York, based on import authority from the countries of destination.

Cannabis.—The Federal marihuana legislation provides for Federal control of cannabis and its preparations, and the regulations issued under that legislation provide for export authorizations for such products. However, no authorizations were issued for the exportation of cannabis or its preparations during 1940. Importations of cannabis are subject to a revenue transfer tax, generally regarded as prohibitive, and it is not expected that any commercial importations of cannabis or its preparations as covered by the international conventions will be made. One permit was issued for the in-transit shipment, through

⁴ See chart on opposite page.

SUPERVISION OF THE LEGITIMATE MANUFACTURE AND DISTRIBUTION OF NARCOTICS
IN THE UNITED STATES.



the port of New York, of a product containing cannabis, consigned from France to Panama.

RESERVE STOCKS OF OPIUM

Before the Mediterranean Sea was closed to shipping on account of the war, the Secretary of the Treasury, Hon. Henry Morgenthau, Jr., had the foresight to obtain a 3 years' supply of crude opium to take care of the medical needs of the United States. This opium is stored in the Treasury Department gold vaults.

From these reserves, the Treasury Department has supplied narcotic drugs for the sick and injured of many countries whose supplies have been cut off due to the war.

The quantities of opium and coca leaves imported and of narcotic preparations exported during 1940 are shown in tables 9, 9-A, 10, and 16, pages 80, 81, and 86.

IV. International Cooperation.

No international treaties or additional arrangements for the informal direct exchange of information in regard to the illicit traffic were concluded during the calendar year 1940. Arrangements of this kind are in effect between the United States and 21 other governments. The American Government appreciates the cooperation extended during the year by enforcement officers of other countries, especially the close cooperation of Canada.

V. Illicit Traffic.

The illicit traffic in narcotic drugs in the United States of America and its possessions displays such varying characteristics in different portions of the country that it has been found convenient to review the situation separately in connection with each drug in the following areas:

1. The Atlantic coast area.
2. The Pacific coast area.
3. The North-South Central area.
4. The Hawaiian Islands.
5. The Philippine Islands.⁵

RAW OPIUM

Based on seizures effected, it would appear that there were few heavy arrivals of raw opium in the United States. In the Atlantic coast area, there were made only two seizures of consequence of raw opium. The largest individual seizure was effected at Calexico, Calif., and consisted of 10 pounds 5 ounces (4 kg. 677 gm.), net, of raw opium. This opium was of Mexican origin and was smuggled

⁵ Separate report on the traffic in opium and other dangerous drugs is submitted by the Commonwealth of the Philippines.

into the United States at Nogales, Ariz., from Culiacan, Mexico, via Nogales, Sonora, Mexico. The seizure next in importance was that involving 161 ounces (4 kg. 564 gm.), net, of raw opium, effected at Douglas, Ariz., which resulted from a conspiracy investigation originating in New York City. Narcotic and customs officers participated in this seizure. The opium was of Mexican origin. A seizure of 7 pounds 5.31 ounces (3 kg. 326 gm.), net, of raw opium of Turkish origin was effected at Jersey City, N. J.

In a seizure made at New York City of 5 pounds 14 ounces (2 kg. 665 gm.), net, of raw opium from a Chinese, evidence was unearthed indicating that the opium was smuggled into the United States from Curacao.

Raw opium of Yugoslav origin, weighing 27.50 ounces (780 gm.), net, was seized from an employee of the Appraiser's Stores in New York City. The opium had been stolen from a consignment imported legally by an American firm from Yugoslavia.

There appeared to be fewer seizures than in 1939 of raw opium at points on, or adjacent to, the Mexican border.

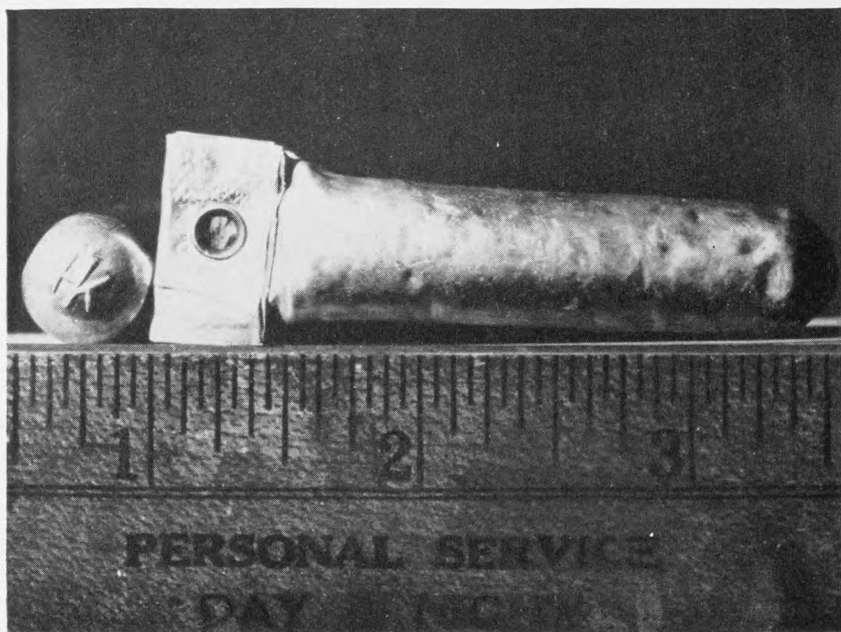
Prices of raw opium in the illicit traffic in New York City fell off slightly from the extremely high level of the previous year. However, the scarcity of raw opium is still evident, and at times, no price quotations were available, as there appeared to be none on the market. Since August 1940, prices have remained constant, whenever such figures were available, \$300 being asked for 1-pound bricks. In the South Central area, no prices have been quoted, but it is believed that no marked change has occurred. The fact that quotations were not available indicated that few sales were being made.

PREPARED OPIUM

During the calendar year, the heaviest arrivals of prepared opium occurred in the Pacific coast area, although the largest individual seizure was effected in the Philippine Islands. This seizure consisted of 500 1-tael tins of prepared opium, of a total net weight of approximately 552 ounces 325 grains (15,670 gm.). The seizure next in importance occurred at San Francisco, Calif., the opium being in 5-tael and 1-tael tins and weighing 242 ounces 292 grains (6 kg. 879 gm.), net. At Seattle, Wash., there were seized twenty-nine 5-tael tins of prepared opium, weighing 190 ounces (5 kg. 386 gm.), net. In the Atlantic coast area, there was only one seizure of material importance, this occurring at Newark, N. J., and consisting of 108 1-tael tins of prepared opium, of a total net weight of 144 ounces (4 kg. 82 gm.). A seizure of twelve 5-tael tins of prepared opium, weighing approximately 73 ounces (2 kg. 70 gm.), was made at New York City. Apparently, the opium was shipped to the United States



Small, soft metal tubes containing prepared opium seized at New York, N. Y., San Francisco, Calif., and Phoenix, Ariz. On the folded-over end of each tube, the words "Hong Kong" and Roman numerals appeared; on the other side, the words "Packing Plant Singapore." These tubes were similar to those understood to be packed by the British Opium Monopoly in Singapore.



from Hong Kong, via the Netherlands and Curacao. At Seattle and San Francisco, the opium seized had been brought into the country on vessels arriving from the Far East, but in southern California, prepared opium of Mexican origin appeared to be available at times.

At San Francisco, Calif.; Phoenix, Ariz.; and New York, N. Y.; seizures were effected of small soft metal tubes of prepared opium, each tube having stamped into the metal at one folded-over end the words "Hong Kong" and the Roman numerals MCMXL in the case of the seizure at San Francisco, MCMXXXX in the case of the seizure at Phoenix, and MCMXXXIX in the case of the seizure at New York. On the other side appeared the words "Packing Plant Singapore." These tubes were similar to those understood to be packed by the British Opium Monopoly in Singapore and distributed among other opium monopolies in the British colonies and possessions in the Far East. Tubes of the same dimensions, bearing the "Packing Plant Singapore" stamping and the words "North Borneo—N. B.," were seized in the Philippine Islands in 1939.

A 6-tael tin of prepared opium, bearing the familiar "Rooster and Elephant" impressions, was seized at New York City. This tin was similar to those described in the annual report of the United States Government on Traffic in Opium and Other Dangerous Drugs for 1935, and was, in fact, the first 6-tael tin encountered in the illicit traffic since 1935.

Seizures of prepared opium continued to be made in the South Central area at points on or near the Mexican border, but these seizures were less frequent than in 1939. This opium, believed to have been prepared from raw opium grown in Mexico, was of low morphine content. There was evidence that Mexican opium was available in the illicit traffic in California, but it did not seem to meet with great popularity among addicts. There was also some indication that New York traffickers were seeking to purchase supplies in Mexico.

The most common marks encountered were "Lam Kee" (Rooster and Elephant) and "Lam Kee Ying" (Eagle brand—1-tael tins) in the Atlantic coast area, "Lam Kee," "Lo Fook Kee" (in 5-tael and 1-tael tins) in the Pacific coast area, and "Red Lion" (Lion and Globe) and "Lam Kee Ying" in the Philippine Islands. These tins appeared to be similar to those alleged to be manufactured in and exported from Macao and the French leased territory of Kwangchow-wan.

With the exception of opium encountered on the Mexican border, practically all of the prepared opium seized came from the Far East.

The total quantity of prepared opium seized during the calendar year 1940 showed a decrease of 75 percent, as compared with the quantity seized during 1939.

The following table shows seizures of prepared opium, by years, from 1932 to 1940, inclusive:

	Ounces	Grains	Kilograms	Grams
1932	5, 220	289	148	006
1933	11, 982	31	339	689
1934	6, 085	410	172	537
1935	12, 485	245	353	968
1936	7, 807	347	221	347
1937	12, 150	58	344	205
1938	21, 270	144	602	982
1939	4, 113	92	116	610
1940	1, 024	164	29	41

It was apparent that the scarcity of prepared opium in the illicit market continued and prices remained correspondingly high. In the Atlantic coast area, the prices quoted on prepared opium per 5-tael tin ranged from \$300 to \$350. In the South Pacific coast area, few price quotations, except for small quantities, were available. At San Francisco, peddlers often demanded as much as \$2 a grain for prepared opium. In the North Pacific coast area, on two occasions, prices of \$425 and \$525 were asked for 5-tael tins of prepared opium. The practice of selling non-narcotic substances falsely labeled as prepared opium spread to New York City, where a Chinese was arrested in possession of eight tins, simulating 5-tael opium tins, which contained a molasses-like substance. In San Francisco, a Japanese was defrauded of \$1,700 when he purchased 70 tins of purported prepared opium, which, in fact, contained a non narcotic substance resembling opium.

Seizures indicated that there is still an ample supply of prepared opium available in China, Macao, Kwangchow-wan, and Hong Kong. Hence, the American narcotics administration continues to view the situation in the Far East with some concern.

MORPHINE

Morphine was seized in each of the areas under consideration. However, the distribution of morphine of the smuggled type (morphine hydrochloride) seemed to be restricted, appearing in the illicit traffic only on the Pacific coast area and in the North Central area, in Kansas City and vicinity. In one case, involving a joint investigation by narcotic and customs officers, resulting in the arrests of several Japanese subjects, a total of 349 ounces 34.4 grains (9 kg. 896 gm.), net, of morphine hydrochloride was seized. This morphine was of the so-called "cotton" variety and was of Japanese origin. Of the total, approximately 189 ounces (5 kg. 358 gm.) were seized on the Pacific coast and 160 ounces (4 kg. 536 gm.) at New York City. Following the conclusion of this investigation no more morphine of the "cotton" type was encountered in the illicit traffic during the remainder of the year.

That the shortage of morphine and all drugs of addiction in the illicit traffic was acute during the year was evidenced by the increasing number of thefts of this drug from pharmacies and drug manufacturers and the forging of prescriptions.

In the North Central area \$200 to \$365 an ounce was asked for morphine hydrochloride with reports that none was available during the later months of the year. In San Francisco during the year \$200 an ounce was demanded with none available in the later months. In the North Pacific coast area during the investigation of the "cotton" morphine case referred to above, "cotton" morphine was purchased at the low price of approximately \$70 an ounce in 14-ounce lots, this purchase being made direct from the smugglers. However, following the conclusion of these cases narcotic officers in that area were unable to discover that "cotton" morphine hydrochloride was being sold during the last half of the year. The total quantity of morphine seized during the calendar year showed an increase as compared with the quantity seized during 1939. This was due principally to the one series of "cotton" morphine cases to which reference has been made.

HEROIN

Heroin was found at times in the illicit traffic in most parts of the United States. Heroin seizures, though considerable in the aggregate, were individually small. The largest individual seizures were effected in the North Central area, consisting of approximately 120 ounces (3 kg. 402 gm.) of heroin either purchased or seized from Daniel Morabito and others in an investigation which was concluded in September 1940. Morabito was shown to be a ring leader in one of the most important illicit drug distributing organizations operating at that time in Chicago, Ill. The next largest amount of drugs secured in a single case was purchased or seized in connection with the case of Michael Miller, Max Friedman, and others, and involved a total of 75 ounces (2 kg. 126 gm.) of heroin. These men were distributing heroin on an extensive scale in New York City. A seizure of pure heroin was made at San Francisco from a crew member of the steamship *President Pierce*, the drug being contained in rubberized silk bags. Investigation disclosed that the heroin was procured in Shanghai. Several small seizures of heroin were effected at United States ports of entry on the Mexican border, the heroin having been smuggled from Mexico.

The traffic in red heroin pills seems to have practically disappeared and no seizures of importance were made.

The total quantity of heroin seized during the calendar year 1940 showed a decrease in comparison with the quantity seized during 1939. There were definite indications of a curtailment in the supply

of heroin in most sections of the country and the degree of adulteration increased. Early in the year in the Atlantic coast area, the price of so-called pure heroin (about 65 percent pure) ranged from \$225 to \$285 an ounce, while heroin of 10 percent purity sold at New York City for \$100 an ounce. Twenty-seven dollars an ounce was asked for heroin of 2 percent. As heroin passed from dealer to dealer and was adulterated by each one in turn, some fantastic prices were demanded, particularly in the later months of the year—\$100 an ounce being asked for 2.03 percent heroin at Boston, and \$41 an ounce being asked for 1.33 percent heroin in New York. In Chicago representative prices were \$40 for 1 ounce of 3.8 percent heroin at the beginning of the year and \$60 an ounce for 1.5 percent heroin in December. In Kansas City heroin could still be bought in December at the rate of \$100 an ounce for 4.2 percent.

COCAINE

In the aggregate, seizures of cocaine were few and small. However, the total quantity of cocaine seized during the calendar year 1940 showed an increase as compared with the total quantity seized during 1939. This was due to two seizures of cocaine at San Francisco, Calif., one of over 247 ounces (7kg. 2 gm.) and the other of approximately 17 ounces (482 gm.). These seizures were made from persons coming from the Far East, the cocaine in one instance originating in Japan and in the other instance in Shanghai. The price of cocaine in the illicit traffic was without noticeable change, and the sale of cocaine continued to be so small as to be without significance.

CODEINE

The illicit traffic in codeine continued to be negligible.

Investigation following a seizure of "Veganin" tablets containing codeine at Nogales, Ariz., disclosed that two defendants in the case, one known to be a drug addict, had proceeded to Nogales, Sonora, Mexico, from Tucson, Ariz., for the express purpose of obtaining these tablets for the satisfaction of addiction.

MARIHUANA (*Cannabis Sativa*, L.)

Marihuana was seized and eradicated by Federal or State authorities in all of the areas under review with the exception of the Philippine Islands; or in a total of 42 of the 48 States within the continental limits of the United States, and in the Territory of Hawaii. (See tables 3-C, 3-D, and 4.)

There was an appreciable increase in the petty smuggling of marihuana into the United States by seamen on vessels touching at Central American, South American, and other ports. There was likewise an increase in the smuggling of marihuana over the border

from Mexico. Due to the ease with which the plant can be cultivated domestically, the smuggling of marihuana was of relatively small importance. Few cases involved interstate transportation.

The abuse of marihuana in the United States consists principally in the smoking, for the narcotic effect, of the resinous flowering tops and crushed portions of the plant, rolled into cigarettes. The price of the cigarettes ranged from 1 cent to \$1 each, the usual price being from 10 to 25 cents per cigarette, and the price of bulk marihuana ranged from \$5 to \$50 per pound.

DEVELOPMENTS IN THE TREND OF THE TRAFFIC

It appeared that on almost every arrival at New York City of vessels making the regular run to Veracruz and to Brazilian ports, American customs officers would discover small quantities of marihuana concealed in various places on the vessels in question. There also appeared to be an increase in the petty smuggling of marihuana from Mexico.

Information obtained during the year indicated that traffickers continued to rely on the Far East for supplies of prepared opium. However, raw and prepared opiums of Mexican origin were found in the illicit traffic in the South Central and Pacific coast areas. Reports received during the latter part of the year 1939 to the effect that so-called "cotton" morphine of Japanese origin was being smuggled into Pacific coast ports were confirmed during the calendar year 1940, as a result of several seizures of considerable quantities of morphine of this type from Japanese crew members of Japanese vessels. In one of these cases, a large quantity of cocaine was also seized, and later in the year, a second seizure of an appreciable amount of cocaine was effected. However, it is believed that these were isolated cases, as cocaine was not encountered in the illicit traffic in any appreciable amounts. In several instances, prepared opium seized on the Atlantic and Pacific coasts and in the Philippine Islands appeared to have been smuggled from Hong Kong. In addition to evidence of the continued movement of drugs, particularly raw opium, from Curacao to the United States, mostly for the use of Chinese crew members of vessels, seizures indicated that Curacao was also a base for the smuggling of larger quantities of raw and prepared opium to Atlantic coast ports. In the South Central and South Pacific coast areas, seizures of raw and prepared opium of Mexican origin decreased slightly. This opium was encountered in the States of Texas, Arizona, and California, but was not as popular as opium with a higher morphine content. Prepared opium in soft metal tubes, and apparently diverted after its purchase from monopoly stocks in Hong Kong, was seized in California, Arizona, and New York.

Traffickers appeared to be dispatching their drugs in even smaller quantities than in 1939 and few seizures were made of narcotic drugs in commercial quantities. In most instances, attempts were made to smuggle the drugs on the persons of crew members of vessels. Although prices in the wholesale illicit traffic of raw and prepared opium were slightly lower than in some periods in the preceding year, it is not believed that this indicated that the demands of the traffic were fully met. In fact, it is probable that the prevailing prices were the utmost that traffickers could afford, and were frequently so high as to be out of reach for many addicts.

At the close of the year, morphine hydrochloride did not appear to be available to any appreciable extent in the illicit traffic. Heroin was available in some sections at extremely high prices and often so highly adulterated as to be almost valueless from the standpoint of addiction.

ANALYSIS OF ILLICIT TRAFFIC

(In opium and its derivatives)

In conformity with the regular practice instituted at the request of the Opium Advisory Committee, there follows an analysis of the illicit traffic, in the country as a whole, and a considered opinion on the significance of the prices of drugs in the illicit traffic and on the conclusions to be drawn from such price movements.

The increasing curtailment in the amount of smuggled drugs which has reached the internal illicit traffic in the past several years, and particularly in 1939, was even further accentuated during 1940 by war conditions which have disrupted shipping routes. Before the war started the illicit narcotic drug traffic in the United States had been suppressed to the point where heroin (the favorite drug of addiction) available in the illicit traffic was only about 5 percent pure, and adulteration has since then gradually become higher due to scarcity. The average addict now obtains what amounts to less than 1 grain of heroin daily. In many cases, the habit is so slight that withdrawal symptoms are scarcely noticeable. The addict is thus undergoing an involuntary reduction cure.

Prices of drugs on the illicit market continued at prohibitive heights during the year, and at times evidence indicated an almost total absence of illicit drugs in large sections of the country. Information shows that many drug addicts are being forced to take cures for economic reasons.

There is reason to believe that the decrease in drug addiction (reviewed on p. 2 of this report) has closely paralleled the scarcity, prohibitive prices, and dilution of drugs on the illicit market.

The shortage in many sections of smuggled drugs has resulted in additional efforts being made by peddlers and addicts to divert drugs from medicinal sources. There was an increase both in the number



235 bottles which contained 334 ounces of paregoric purchased by one addict in Detroit, Mich., from 74 drug stores during a 3-month period, for his own use. He had been addicted to the use of heroin for about 14 years but has been unable to obtain heroin since February 1, 1940, when he resorted to the use of paregoric for the satisfaction of his addiction.

Also showing paraphernalia used in preparing paregoric for injection.

of robberies and in the amounts stolen from pharmacies, wholesale houses, and other sources for legitimate narcotics. Because of the cooperation of the legitimate drug trade in affording maximum protection to large concentration of supplies, however, and also because of close checking maintained by the Bureau of Narcotics, the total amount of drugs thus made available to the illicit traffic was minimized. A significant problem which still persists is the prescribing or dispensing by a relatively small number of physicians in violation of the narcotic laws, of large quantities of narcotic drugs to addicts, not in the course of bona fide medical treatment but solely to satisfy the craving of addicts for their drug of addiction.

Considerable attention was devoted by the Bureau of Narcotics during the year to the problem presented by those persons who because of the scarcity, dilution or prohibitive price of heroin and morphine, have been resorting to paregoric, other so-called exempt preparations⁶ and barbituric acid derivatives to satisfy their addiction. This practice has greatly increased the consumption of paregoric.

It has therefore become necessary to remove from the exemption provision of State narcotic acts and the Federal narcotic act, paregoric and other preparations which might be deviated to illicit uses. Letters have been written to the Governors of those States having a uniform narcotic drug act and whose legislatures meet during 1941, setting forth the essential points of the present situation and soliciting their cooperation in amending the State laws. A similar amendment to the Federal narcotic laws has been recommended by the Bureau of Narcotics for introduction in Congress. Such legislation, which would have the effect of restricting the use of paregoric solely to medicinal needs, is considered necessary in order to eliminate the sales now being made to gratify addiction. It becomes even more urgent due to the fact that this illicit consumption is unnecessarily depleting reserve stocks of opium for medicinal needs at a time when they are difficult to replace due to world conditions.

The following case is cited as an example of the problem presented when narcotic addicts, unable to secure drugs in the illicit market, resort to the use of paregoric for the gratification of addiction:

Evidence was obtained that Carlo J. Zummo, a retail druggist of New Orleans, La., had made numerous sales of paregoric to addicts for the purpose of gratifying the drug addiction of these persons. A check of his records indicated that during a 2-year period his small drug store which did only a very moderate regular business, had disposed

⁶ Exempt preparations are those containing such a small amount of narcotic drugs as to be conditionally exempted from the usual requirement of the law that narcotic drugs be dispensed on prescriptions only. The text of the regulation and the law makes it clear, however, that this exemption is conditional—paregoric is exempt from the provisions of the law only when sold by registered pharmacists in good faith for medicinal purposes.

of over 321 gallons of paregoric. As a result Zummo was indicted in May 1940 for violation of the narcotic laws, and upon his plea of guilty was sentenced to imprisonment for 1 year and 1 day, fined \$25 and placed on probation for 5 years. The facts surrounding this case were reported to the Board of Pharmacy of the State of Louisiana.

Twenty-eight States have thus far passed legislation controlling the barbituric acid preparations. It is not considered advisable for the Federal Government to step in until all of the States have enacted control legislation and until there is evidence of interstate trafficking.

Total narcotic seizures (excluding marihuana) were approximately 4,578 ounces in 1940 as compared to 12,439 in 1939. (In the internal traffic the Bureau of Narcotics seized approximately 2,292 ounces of narcotic drugs in 1940, compared with 3,544 ounces in 1939. The Bureau of Customs seized at ports and borders approximately 2,286 ounces in 1940 as compared to 8,895 in 1939.) These figures are most enlightening, as they show a very large decrease in the totals of seizures of smuggled narcotics. Prior to 1940 it was evident that the gradual falling off in seizures of smuggled drugs was due largely to efficient Treasury Department enforcement activities. However, since the European war has now spread so widely as to practically stop all shipping between the United States and the European continent, one cannot escape the conclusion that shipping curtailment is greatly responsible for the aggravated shortage which developed during 1940.

While the situation is, naturally, encouraging, no one should become complacent in the belief that the enemy is conquered. Heroin is still available in certain districts. On the Pacific coast during 1940 an important case (reviewed on p. 29 of this report) was made which involved large-scale operations by Japanese smugglers after a lapse of several years. On the Mexican border, the situation must also be closely watched. When hostilities finally cease in Europe, an increase in smuggling attempts may be expected, and enforcement officers must be more active and alert than ever in order that narcotic conditions will not be allowed to revert to the undesirable levels which existed during and after the war of 1914-18.

The following are characteristic of reports received during the year from various district supervisors of the Bureau of Narcotics:

Detroit, Mich.—"Illicit narcotic drugs are still very difficult to obtain. Addicts are approaching numerous doctors for their supply and also forging prescriptions. They are also continuing the use of barbituric acid preparations as substitutes for drugs."

Philadelphia, Pa.—"The information we have is that Philadelphia and vicinity is freer of illicit narcotics than at any time since I have been in charge of this district."

Louisville, Ky.—"There is a notable scarcity of illicit drugs on the market, and addicts are besieging country physicians for morphine and are supplementing

what supply can be obtained in that manner with paregoric purchased at drug stores. Several cases were reported involving such violations on the part of registered dealers."

Houston, Tex.—"During March a check by a city detective and a narcotic agent disclosed that about 21 known local addicts who had been addicted to the use of heroin are now using paregoric and drugs containing barbituric acid."

Boston, Mass.—"The scarcity of heroin in the illicit market continues in this district."

New York, N. Y.—"The result of the dilution of the drug upon the addict has been that of an involuntary reduction cure."

Honolulu, T. H.—"From interviews had with various district supervisors in the continental United States it is evident that conditions in Hawaii are similar to those on the mainland regarding the acute shortage of drugs in the illicit traffic. Addicts complain that the scarcity is compelling them to take forced cures, and when illicit drugs are available the price is so high that they are unable to purchase sufficient to satisfy their addiction."

San Francisco, Calif.—"In years past an ounce of morphine or heroin, or a 5-tael tin of opium, could be purchased for much less than \$100. Now an ounce of morphine cannot be bought in San Francisco for \$500, or a 5-tael tin of good opium for less than \$600 or \$700. Heroin is practically unobtainable."

Washington, D. C.—"C. H., an addict of long standing, who has just been arrested for an attempted hold-up, states that he was released from prison about 8 months ago, and that he is not now addicted to the use of drugs; that since his release he has not reverted to the use of drugs due to the poor grade of illicit drugs. Another man, J. M., who had been addicted to the use of drugs for about 20 years up until the first of this year, states that he stopped using heroin because it was so weak that it was useless. He stated he did not have much trouble in stopping the habit like he would have had in the old days when the "stuff" was good. He also said "If I could get good heroin or morphine again I would probably go back to using the drugs. As it is, I won't touch it as it has so much other stuff mixed with it that it is dangerous'."

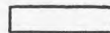
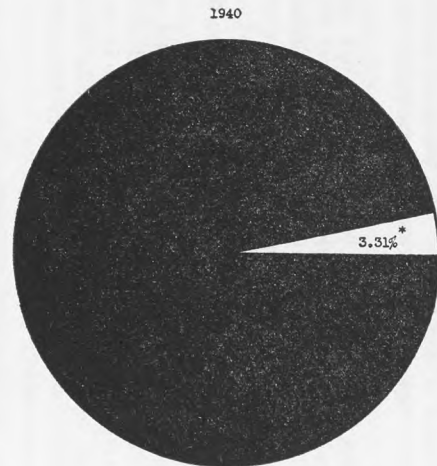
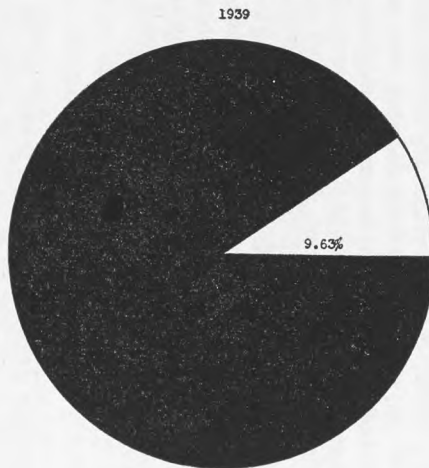
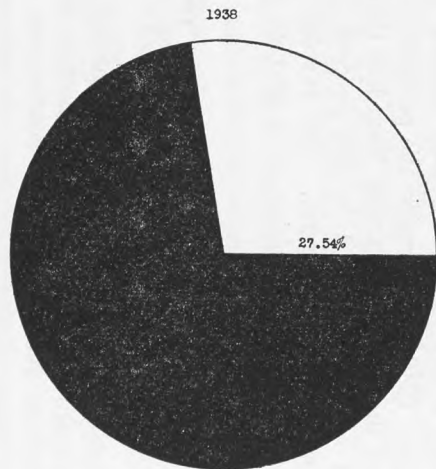
ADULTERATION

Adulteration in varying degrees has been found in the morphine, heroin, and cocaine sold in the illicit traffic. Two hundred twenty-eight separate chemical analyses of morphine seizures, 1,836 analyses of heroin seizures, and 9 analyses of cocaine seizures were made during the calendar year 1940 to determine the percentage of purity, and it was found that the morphine ranged from less than 1 to 100 percent pure; heroin from less than 1 to 100 percent pure; while cocaine ranged from 63 to 98 percent pure. The average percentage of purity was 69.33 percent for morphine, 3.31 percent for heroin, and 97.12 percent for cocaine.

COMPARISON OF NARCOTIC DRUG LAW VIOLATORS IN FEDERAL PRISONS WITH TOTAL PRISON POPULATION

On June 30, 1940, there were 21,201 persons confined in institutions other than United States Public Health Service hospitals at Lexington, Ky., and Fort Worth, Tex., for convictions of Federal offenses, 20,273 being males and 928 females. Of this total, 1,935

AVERAGE PERCENT OF ADULTERATION OF HEROIN FOUND IN ILLICIT TRAFFIC, [CALENDAR YEARS 1938,
1939, AND 1940.



PERCENT OF
PURITY



PERCENT OF
ADULTERATION

*by the time the drug reaches the addict, much of it is less than 1% pure.

were serving sentences imposed for violations of the Federal narcotic drug laws, 1,550 being males and 385 females, and 459 were serving sentences imposed for violations of the Federal marihuana law, 444 being males and 15 females. (See table 5-A.) On the same date there were, out of a total of 584 female prisoners, 283 narcotic drug and marihuana law violators confined in the Federal Reformatory for Women at Alderson, W. Va.

On June 30, 1940, there were 1,162 convicted narcotic drug law violators and 109 marihuana law violators in confinement at the United States Public Health Service hospitals at Lexington, Ky., and Fort Worth, Tex., undergoing treatment looking toward cures of their addiction, all these men having been transferred to the hospitals from Federal penitentiaries.

SEIZURES AND VIOLATIONS

A comparative statement of seizures, violations, and general enforcement statistics under the Federal narcotic drug laws for the 10-year period from 1931 to 1940, inclusive, will be found in the appendix as table 1-C.

The quantities of narcotic drugs seized under the Narcotic Drugs Import and Export Act and customs laws and under the Federal internal-revenue narcotic laws are also shown in the appendix in tables 3 and 3-A. Seizures under the Federal marihuana law by Federal officers and under local laws by State and municipal officers, are shown in tables 3-C and 4.

The division of statistics of cases (tables 1 and 1-A) and of seizures (tables 3 and 3-A) between the two principal Federal narcotic drug laws is approximately accurate, although in a number of indictments under the internal-revenue narcotic laws there were also included charges against the same defendants for violations of the Narcotic Drugs Import and Export Act. Customs enforcement officers investigate violations of the Import and Export Act in connection with their general duty of enforcing all customs laws. The enforcement statistics with reference to the Narcotic Drugs Import and Export Act reflect, in substance, the activities of customs enforcement officers, while those under the Federal internal-revenue narcotic laws reflect generally the activities of narcotic officers, of whom an average number of 226 constituted the force available during the calendar year 1940. The two enforcement branches cooperate closely in the discovery and prevention of attempted illicit introduction of narcotic drugs into the United States.

The Bureau of Narcotics requested the Governors of the various States to furnish, for inclusion in this report, statistical data covering narcotic law enforcement activities during 1940 by State officers acting more or less independently of Federal enforcement officers.

In response, reports were submitted by authorities in 16 States, namely, California, Connecticut, Delaware, Florida, Georgia, Illinois, Indiana, Iowa, Massachusetts, New Jersey, New York, Ohio, Oregon, Pennsylvania, Rhode Island, and Utah. Reports were also received from the police departments in Boston, Mass.; Chicago, Ill.; Detroit, Mich.; and Philadelphia, Pa.

Many State and local enforcement officers collaborate with Federal officers in the investigation of the illicit narcotic traffic, but table 2, appearing in the appendix, reflects the results of enforcement activity in those States which has to a great extent been conducted independently.

EXAMPLES OF SEIZURES

Resumés of the circumstances surrounding the following important seizures illustrate briefly a few of the intricate and devious methods employed in the illicit narcotic traffic:

SIGNIFICANT CASES OF ILLICIT TRAFFIC IN THE ATLANTIC COAST AREA

Case of Iwakichi Kinoshita, oiler on Japanese steamship "Nankai Maru"

The seizure at New York City on April 28, 1940, of 10 pounds (4 kg. 536 gm.) of morphine hydrochloride was the largest individual seizure of morphine effected within the continental limits of the United States during the year. This seizure resulted from an investigation on the Pacific coast which will be reviewed under cases of illicit traffic in that area. The investigation in New York led to the arrest by customs officers of one Iwakichi Kinoshita, oiler on the Japanese steamship *Nankai Maru*, as he attempted to deliver the morphine in a local hotel room. Kinoshita confessed that the morphine had been given to him in Yokohama by a Japanese named Kakeichi Yamada; that during the voyage the morphine was concealed in the engine room under some rags and waste; that he had taken the drugs off the vessel by placing two of the packages in belts wrapped around his body and carrying the remaining three packages suspended at the end of a line, as he walked around the stringpiece of the pier to the street, keeping the morphine packages out of sight suspended on the line. On May 28, 1940, Kinoshita was sentenced at New York City to 5 years' imprisonment. This seizure was called to the attention of the Japanese authorities.

British steamship "Silverwalnut" case

In January 1940, information was received to the effect that 450 tins of prepared opium had been concealed on the steamship *Silverwalnut*, which had just sailed from Hong Kong. In February 1940, agents of the Kerr-Silver Line reported that on December 30, 1939,

while the *Silverwalnut* was en route from Hong Kong, ship's officers discovered 150 tins of prepared opium hidden in a barrel of lime, and that a second search resulted in the discovery of 70 additional tins of prepared opium. The tins were thrown overboard, and, therefore, it was not possible to determine definitely their size or origin, although it is believed that they were 1-tael tins.

"Lam Kee Ying" Brand Opium Ostensibly from Government Monopoly Shop in the French Leased Territory of Kwangchow-wan

During the month of October 1939, twenty-two 5-gallon cans of paint were sold by a New York firm to the steamship *Silverwalnut* for use on board this vessel. Upon the return of the *Silverwalnut* to the port of New York in March 1940, 13 cans of this paint were returned to the selling firm as unsatisfactory. This paint was returned by the paint company to its stock and was resold in July 1940 to a dry-docking company of Weehauken, N. J. In one of these cans of paint, an employee of the dry-docking company found 108 1-tael tins of prepared opium. The company immediately notified narcotic agents at Newark, who made seizure of the opium on August 7, 1940. Joint investigation by narcotic and customs agents failed to identify the person or persons who placed this opium in the paint can. The 1-tael tins of prepared opium were of the "Lam Kee Ying" ("Eagle") brand, similar to those originating in the French leased territory of Kwangchow-wan.

"Lam Kee Macao" Brand Opium Ostensibly from Government Monopoly Shop in the French Leased Territory of Kwangchow-wan

On September 22 and 24, 1940, narcotic agents at New York City arrested two Chinese named Low Bing and Young Yee Hop and seized ten 5-tael tins of prepared opium and five bricks of raw opium, each weighing approximately 1 pound. Previously, the agents in question had purchased from these Chinese two 5-tael tins of prepared opium and one 1-pound brick of raw opium. The total net weight of the prepared opium purchased and seized was 74.23 ounces (2 kg. 104 gm.), while that of the raw opium was 5 pounds 14 ounces (2 kg. 665 gm.). The prepared opium tins were of the familiar "Rooster and Elephant" brand (Lam Kee-Macao), similar to those which have previously been purchased in the French leased territory of Kwangchow-wan. The raw opium bricks bore no identifying marks or labels. The raw opium seized was contained in a biscuit tin which bore the label "Angelus Superior Biscuits—Made in Hong Kong." Chinese characters on one side of the label represented the manufacturer as The Garden Confection & Biscuit Co., Hong Kong. Also found on the premises of Low Bing was a bag of heavy canvas-

like cloth, measuring $13\frac{1}{2}$ inches by $12\frac{1}{2}$ inches. This bag bore on a white strip the word "Curacao" and on a blue strip the words "Perfumery Shop." Investigation indicated that this bag had been used in smuggling opium into the United States from Curacao. In the possession of one of the Chinese were found two pairs of American-made shoes with removable innersoles, giving access to a hidden compartment, believed to have contained $\frac{1}{2}$ pound (227 gm.) each of raw opium, which were allegedly utilized in smuggling opium into the port of New York from vessels coming from Curacao. The defendants in this case will be prosecuted. The seizure has been brought to the attention of the British and Netherlands authorities.

Jacob A. Rasmussen case

A customs guard at Jersey City, N. J., on February 7, 1940, when searching the steamship *Exmouth*, arrived in port from near eastern ports, discovered concealed in the fan-tail, aft of the steering gear, under a wooden platform, six bricks of raw opium, weighing 7 pounds 5.31 ounces (3 kg. 326 gm.), net. The opium bore plain, water-soaked wrappers. According to the master of the *Exmouth*, one Jacob A. Rasmussen, a seaman on the vessel, was arrested at Izmir on December 31, 1939, in possession of a quantity of raw opium. The seizure at Jersey City was called to the attention of the Turkish authorities who subsequently confirmed the report of the arrest at Izmir of Jacob A. Rasmussen, stating that Rasmussen purchased the opium at Izmir from the notorious Greek trafficker, Minos Bouyoucas, who was likewise arrested. The Turkish authorities reported that on July 3, 1940, Rasmussen was condemned, in absentia, to 6 months' imprisonment and was fined 260 Turkish pounds. In the meantime, Rasmussen had arrived at New York City on April 25, 1940, and was taken into custody and questioned. However, he was released because of insufficient evidence linking him with the Jersey City seizure.

Seizure of Tubes of Opium Similar to Prepared Opium Tubes Packed by the British Opium Monopoly in Singapore

On November 15, 1940, narcotic agents at New York City arrested Sang Cheung and Chow Fook, Chinese, and seized six small soft metal tubes of prepared opium, weighing 1,438 grains (93 gm.), net, a 6-tael tin of prepared opium, weighing 8 ounces (227 gm.), net, and a glass jar of prepared opium, weighing $2\frac{1}{2}$ pounds (1 kg. 134 gm.), gross. Previously, there had been purchased from these Chinese nine of the small metal tubes of prepared opium which weighed 1,954 grains (127 gm.), gross. The Chinese will be prosecuted. The tubes of prepared opium were $2\frac{1}{2}$ inches long and one-half inch in diameter and were apparently made of lead foil. An open end was folded over

and sealed with an "eye" around which, on one side, were the words "Hong Kong MCMXXXIX." On the other side of the eyelet were the words "Packing Plant Singapore." On the closed end in raised characters appeared the letters "HK." The 6-tael tin of prepared opium bore on one end the figure of a rooster and on the other an elephant. The glass jar of opium bore no distinguishing marks or labels. The tubes of opium were identical in size and design with others seized at Phoenix, Ariz., and San Francisco, Calif., except that those seized at Phoenix bore the numerals "MCMXXXX," while those seized at San Francisco bore the numerals "MCMXL," which seizures are reviewed elsewhere in this report, and would appear to be similar to prepared opium tubes packed by the British Opium Monopoly in Singapore and distributed among other opium monopolies in the British colonies and possessions in the Far East. They are also identical in size and certain other respects with tubes of prepared opium seized in the Philippine Islands in 1939 (see Annual Report of the Philippine Government for the Calendar Year 1939), in that the tubes seized in the Philippines bore the words "Packing Plant Singapore" on one side, while on the other side appeared the words "North Borneo," and on one end the letters "NB." The 6-tael tin of prepared opium was among the few of that type seized in the United States. Previously, there had been only two seizures in the United States of prepared opium in 6-tael tins, both of these seizures having occurred in the State of California in 1935 (reviewed in the Annual Report on Traffic in Opium and Other Dangerous Drugs for that year). Among papers found on defendants in this case were letters indicating that the actual shippers of the opium seized were Wong Yuen Shee and Ching Kee, Hong Kong. One Wong Kee Cheong, 222 Sai Yung Choy Street, Yaumati, Hong Kong, may also be implicated. This information has been transmitted to the British authorities.

Jennett-Cohen Case

An interesting case developed at New York City as a result of a joint investigation by narcotic and customs agents involved the theft of raw opium from a Government warehouse by an employee therein. Acting on information that the proprietor of a second-hand store in New York City was receiving stolen opium from an employee of the warehouse in question, the investigating agents ascertained that there was at the Appraiser's Stores a consignment of raw opium of 259 cases which had been imported under valid import permit by Merck & Co. from Yugoslavia. It was also disclosed that one Edward J. Jennett was employed in the Appraiser's Stores in repacking opium into its original containers after the opium had been weighed by the customs examiner and sampled by a representative of Merck & Co. Jennett was arrested by customs officers and in his possession were

found 5 pieces of raw opium, weighing 27.50 ounces (780 gm.), net. He admitted that he had stolen the opium from the Stores and intended to sell it to one Sam Cohen, and that previously he had stolen 3 pieces of raw opium and sold them to Cohen for \$80. Sam Cohen was then arrested. He pleaded guilty. On June 20, 1940, Jennett was sentenced to serve 1 year and 9 months in a Federal penitentiary. The case against Cohen is still pending. The 5 pieces of raw opium bore the numerals 11, 13, 14, 14, and 15 and each was stamped at the bottom with a criss-cross impression. They were the product of the Bureau Turco Yugoslav pour l'Exportation de l'Opium, Belgrade.

"Lam Kee-Macao" Brand Opium Ostensibly from Government Monopoly Shop in the French Leased Territory of Kwangchow-wan

Seizures of "Rooster and Elephant brand (Lam Kee-Macao)" prepared opium in tins similar to those which have been purchased in the French leased territory of Kwangchow-wan, were effected in Baltimore, Md., and New York City on June 26 and August 3, 1940. The seizure at Baltimore consisted of two 5-tael tins which were found by customs officers concealed in the fresh-water tank of the steamship *Steel Navigator* after it arrived in port from Singapore. No arrests were made. At New York City, one 5-tael tin of this description was purchased from a Chinese. The case is still pending.

Newman Brothers Case

In January 1940, after a painstaking and prolonged investigation, sufficient evidence was assembled to indict the notorious Newman brothers (Charles, George, and Harry) of New York City. The true family name of these brothers is Neiditch, but it is seldom used. Charles, George, and Harry Newman for a number of years were believed to be the largest dealers in illicit drugs in the United States. In addition to their ostensible occupations of owning and operating hotels of doubtful reputation, they were alleged to have had a hand in many unlawful activities, including gambling, confidence-game operations, stock frauds, liquor smuggling, and narcotic law violations. They formerly owned the Langwell Hotel in New York City, a rendezvous for drug peddlers. However, because of careful methods of operation and discrimination in the selection of their contacts, it was extremely difficult to obtain evidence on which they could be prosecuted, and with the exception of a 4-year term for larceny imposed in 1923 on Charles Newman, these men were successful in avoiding prosecution. They have been associated with such persons as Sidney Goldbarth, Harry Kessler, and such well-known narcotic traffickers as Albert Spitzer, Abe Stein, Sam Bernstein (see Annual Report on Traffic in Opium and Other Dangerous Drugs for 1934), and Irving Halper (see Annual Reports on Traffic in Opium and Other Dan-

gerous Drugs for 1932, 1937, and 1939). They are believed to have been the source of supply for drugs distributed by William ("Big Bill") Hildebrandt (see Annual Reports on Traffic in Opium and Other Dangerous Drugs for 1937 and 1938) in Minneapolis, Minn., by the Kayne-Gordon (see Annual Report on Traffic in Opium and Other Dangerous Drugs for 1936) organization in Chicago, Ill., and by many other large narcotics distributing rings. They had connections with the Lyon-Bacula organization in France. Their organization is believed to have been the recipient of trunks containing narcotics shipped to the United States from Shanghai, China, by Harry Kessler. For more than 2 years customs agents and narcotic officers were assigned to an intensive investigation, the object of which was to end the law-breaking activities of the Newman brothers. With the launching of this investigation the Newmans discontinued much of their narcotic business. When the inquiry of the customs and narcotics officers began to disclose evidence that the Newman brothers may have evaded the payment of income taxes, the Bureau of Internal Revenue came into the inquiry and as a result in January 1940 income-tax evasion indictments were returned against them. Shortly afterward an indictment for conspiracy to violate the Federal narcotic laws was returned and with the cooperation of the Immigration and Naturalization Service and the Department of State a further investigation resulted in the indictment of Charles Newman with two others for a conspiracy to obtain passports by fraudulent representations. Evidence presented to the grand jury in the narcotic case indicated that the Newman brothers prior to 1938 were the source of supply for narcotic drug dealers in Chicago and in Texas, at which time they sold drugs in \$50,000 and \$100,000 lots which they procured from France and other European countries, and from Shanghai, China, in large quantities. On April 26, 1940, Charles, George, and Harry Newman pleaded guilty to the narcotic conspiracy indictment against them and each received sentences of 2 years' imprisonment. The Newman brothers are now serving these sentences in the Federal Correctional Institution, at Sandstone, Minn.

Louis Kravitz, Yanis Tsounias, George L. Mexis Case

In the Report on Traffic in Opium and Other Dangerous Drugs for the year 1939, in referring to the conviction of Louis Buchalter and other members of the notorious Katzenberg-Lvovsky-Buchalter organization, mention was made of the fact that all of the principals in this case had been brought to justice with the exception of Louis Kravitz, a fugitive believed to be in the United States, and Yanis Tsounias and George L. Mexis, believed to be still in Shanghai, China. In October 1940, Louis Kravitz was apprehended and upon his plea of guilty was given a penitentiary sentence of 1 year and 1 day. The

United States Treasury Department through the Department of State has submitted to the Shanghai authorities evidence in great detail showing an extensive traffic in illicit narcotics by Tsounias and Mexis in the hope that action would be taken on this evidence by the Shanghai authorities, but to date no notification of any action has been received.

Emanuel Weiss-Philip Cohen Case ⁷

In March 1940, an indictment was returned in the Southern District of New York against Emanuel Weiss, Philip Cohen, Abe Lorber, Al Angelson, (see Annual Report on Traffic in Opium and Other Dangerous Drugs for 1939), Sam Bernstein (see Annual Report on Traffic in Opium and Other Dangerous Drugs for 1934), and others, as an outgrowth of an investigation by narcotic and customs officers which showed that Weiss and certain of his associates had been implicated in a series of major infractions of the Federal narcotic laws, including the attempted smuggling of approximately 20 pounds (9 kg. 72 gm.) of heroin into this country at Rouses Point, N. Y., in 1937, the sale of large amounts of heroin in New York City, and the setting up in New York City and the operation during the latter part of the year 1939 of a clandestine laboratory in which morphine was adulterated and later distributed in the illicit traffic. Weiss was also indicted in Dallas, Tex., in May 1940, with 28 other persons in a case which will be described in more detail. Weiss is considered one of the most vicious and dangerous criminals in New York City. Following his arrest in this case and subsequent release on \$10,000 bond, he became a fugitive from justice after an indictment charging him (and Louis (Lepke) Buchalter as a codefendant) with murder had been returned against him in June 1940 in Kings County, N. Y. Weiss was later apprehended by narcotic agents and held under \$100,000 bond for prosecution.

Samuel Bernstein et al. case

In October 1940, narcotic officers again arrested Samuel ("Butch") Bernstein (while he was on bond and awaiting trial in the above case) at Moonachie, N. J. Bernstein has a long record as a major violator of the narcotic laws (see Annual Report on Traffic in Opium and Other Dangerous Drugs for 1934). He was operating a clandestine chemical laboratory apparently set up for the purpose of manufacturing morphine or heroin from opium, and also for the purpose of producing an adulterated smoking opium. Arrested with him was John Edwin Jackson, a chemist, until then a highly respected member of the community. Subsequent investigation resulted in the indictment

⁷ (See also p. 39.)

of Bernstein, Jackson, Nathan Horowitz, Arthur Bieler, and Salvatore Mezzasalma.

SIGNIFICANT CASES OF ILLICIT TRAFFIC IN THE PACIFIC COAST AREA

Case of Shigeo Shiraishi, Japanese Seaman, Mrs. Mineko Ogata, Chotaro Minatogawa, Japanese, Shohei Takeda, Japanese Fireman on Japanese Steamship "Tosei Maru," Iwakichi Kinoshita, Oiler on Japanese Steamship "Nankai Maru," Yoshimoto Wada, Crewman on Japanese Steamship "Nanman Maru"; and Other Japanese

Following the appearance in the illicit narcotic traffic on the Pacific coast area during the early part of the year of small amounts of so-called Japanese "cotton" morphine, an intensive investigation was made which resulted in the purchase on March 25, 1940, by narcotic and customs officers of 13 ounces 235 grains (384 gm.) of this morphine at Seattle, Wash., and the arrest of a Japanese, Chotaro Minatogawa. Earlier on the same morning agents of the California State Narcotic Enforcement Division in San Francisco arrested two Chinese named J. C. Young and Lum Wah, alias George Wong, alias Frank Huey, when found in possession of approximately 2 pounds (907 gm.) of morphine in powdered form, commonly referred to as "cotton" morphine. Inasmuch as it was believed that this morphine had been smuggled into the United States from Japan, information concerning the seizure was given immediately to Federal narcotic and customs officers, and a joint investigation soon established both seizures to be the product of one smuggling venture and approximately 46 ounces of the drug were recovered from an employee of the smuggling ring, Mrs. Mineko Ogata at Tacoma, Wash. Further investigation of this smuggling organization by Treasury Department officers in collaboration with the California State authorities resulted in the arrest at New York on April 29, 1940, of Iwakichi Kinoshita, oiler on the Japanese steamship *Nankai Maru*, in possession of 10 pounds (4 kg. 536 gm.) of morphine.

Investigation disclosed that Lum Wah when previously serving a term in a United States Federal penitentiary met a fellow-prisoner, a Japanese, named Shigeo Shiraishi and made arrangements with him for future morphine deals when both were released. Shiraishi subsequently returned to Japan and entered into correspondence with Lum Wah, using the address 944-2 Kawase Machi, Numazu-Shi, Japan. According to Lum Wah, in 1938, he received in San Francisco 3 pounds (1 kg. 361 gm.) of morphine from Shiraishi through a Japanese crew member of a Japanese vessel. In 1939, at New York City, he took delivery of 3 pounds (1 kg. 361 gm.) of morphine from another Japanese seaman acting as carrier for Shiraishi. In November 1939,

he again proceeded to New York and received 3 pounds (1 kg. 361 gm.) of morphine from a Japanese seaman, this deal having been arranged through correspondence with Shiraishi, as in the previous cases.

In January 1940, Lum Wah received a letter from Shiraishi, introducing one Koki Osugi, crewman on the steamship *Tosei Maru*. However, he failed to make contact with this Japanese. In March 1940 he received another letter from Shiraishi, instructing him to proceed to a Japanese laundry in Tacoma, Wash., where he could take delivery of a quantity of morphine. Accordingly, he went to this address, accompanied by J. C. Young, and there met Mrs. Mineko Ogata, who gave him 3 pounds (1 kg. 361 gm.) of morphine, stating that she had just smuggled a quantity of morphine into the United States from Japan, via Vancouver, British Columbia, Canada. It was the morphine obtained from Mrs. Ogata that was in the possession of Lum and Young when they were arrested in San Francisco on March 25.

On April 1, 1940, Chotaro Minatogawa stated in jail that Mrs. Ogata had recently returned from Japan with a quantity of morphine, and that he had been commissioned to dispose of the narcotics for her. On April 3, Mrs. Ogata was arrested by narcotic and customs officers and 45 ounces 392½ grains (1 kg. 301 gm.) of morphine were found concealed in her premises. She confessed that she had recently returned from Japan, carrying with her 15 packages of morphine. She took 8 of these packages ashore at Vancouver on March 9, 1940, concealed on her person, and placed them in a suitcase which she purchased there, checking the suitcase at a bus station. She then returned to the steamship *Hie Maru*, on which she had arrived from Japan, and proceeded to Seattle, at which port she concealed the remaining 7 packages of morphine in her clothing and in her baby's diapers, and smuggled them ashore. She then returned to Vancouver by auto-stage, picked up the 8 packages of morphine and placed them in a paper shopping bag, together with soiled diapers, and smuggled the morphine into the United States on March 15, 1940, at Blaine, Wash. She further confessed that she had delivered 3 pounds (1 kg. 361 gm.) of this morphine to Lum Wah on March 25, and that she also delivered to Minatogawa the morphine which was seized from him.

While it would appear that the morphine seized from Lum Wah, Chotaro Minatogawa, and Mrs. Mineko Ogata was supplied by Shigeo Shiraishi, in the case of Mrs. Ogata, there was another Japanese implicated in the affair, whose name will be furnished subsequently.

On April 8, 1940, Mrs. Ogata received a letter from the Japanese whose identity will be disclosed subsequently, advising that a crew member of the steamship *Tosei Maru* would deliver to her a quantity

of morphine. As a result of this information, investigating officers arrested the above-mentioned Koki Osugi and Shohei Takeda, Japanese firemen on the *Tosei Maru*, on May 8, 1940, after they had smuggled ashore at Seattle 6 pounds (2 kg. 722 gm.) of morphine and twenty-nine 5-tael tins of prepared opium. Lum Wah also received a letter from Japan, from Shiraishi, stating that Osugi would deliver a quantity of morphine to Mrs. Ogata, and suggesting that he proceed to Tacoma and take delivery of the morphine from Mrs. Ogata. Thus, it will be seen that Shiraishi and the unnamed Japanese were also the suppliers of this drug shipment.

Also, on April 8, Lum Wah received a letter from Shiraishi, instructing him to go to New York and there take delivery of certain morphine from a crew member of the steamship *Nankai Maru*. The investigation was carried to New York and there, Iwakichi Kinoshita, oiler on the *Nankai Maru*, on the night of April 28, was arrested as he attempted to deliver 10 pounds (4 kg. 536 gm.) of morphine in a hotel room. This seizure was reviewed in this report with those in the Atlantic coast area.

On May 12, 1940, Lum Wah received a letter signed Shiraishi, stating that he was forwarding 10 pounds (4 kg. 536 gm.) of cocaine which should arrive at San Francisco near the end of May or the first of June, and enclosing one-half of a Japanese 50 sen bill as identification when Lum should meet the carrier. (Previously, Kinoshita had been identified in New York in the same manner.) On July 19, 1940, investigating officers met the carrier, Yoshimoto Wada, crewman on the steamer *Nanman Maru* and a customs agent, posing as the purchaser, arranged for delivery of the cocaine. On the following morning, the customs agent, dressed as a stevedore, boarded the *Nanman Maru* and met Wada in the boiler room. Wada gave him two packages which he took ashore and delivered to waiting officers. He then returned to the boiler room of the vessel, where Wada handed to him the third package. The waiting officers then went aboard the ship and arrested Wada. The seizure consisted of slightly over 15 pounds (6 kg. 804 gm.) of cocaine contained in typical "smuggling belts."

Wada stated that he had been given the cocaine in Kobe by Shinjiro Shimizu, who resides on Hirato Cho, Suma, Ku, Kobe City, Japan, and is the proprietor of the "Shimizu Tekko Jo" iron foundry. Although Shimizu was the actual shipper of the cocaine, Shigeo Shiraishi must have participated, since he signed the letter to Lum Wah.

On May 18, 1940, Chotaro Minatogawa was sentenced at Tacoma, Wash., to 2 years' imprisonment and fined \$1,100 (3,410 Swiss gold francs) to stand committed until the fine is paid.

Iwakichi Kinoshita was sentenced at New York City on May 28, 1940, to serve 5 years in a Federal penitentiary.

Yoshitomo Wada was sentenced at San Francisco on August 3, 1940, to imprisonment for 5 years and to pay a fine of \$1,000.

On August 9, 1940, Koki Osugi was sentenced at Seattle, Wash., to 11 years' imprisonment and fined \$500. At Seattle, on the same date, Shohei Takeda was sentenced to imprisonment for 2 years and fined \$500.

The cases against the other defendants are still pending.

Shigeo Shiraishi is known to authorities in the United States, having been sentenced at Seattle, Wash., on February 20, 1935, to 18 months' imprisonment for moral turpitude, and being deported to Japan on October 24, 1936.

Shinjiro Shimizu is also known, inasmuch as this Japanese was implicated in a seizure of morphine at Los Angeles, Calif., on October 11, 1936. (See seizure reports Nos. 525, 586, 525 (a) and 586 (a), and League of Nations O. C. S./confidential documents 131, 279, and 131 (a).) The investigation in this case disclosed that one Samuel Onuma, Japanese, was implicated in the shipment of these narcotic drugs to the United States. Onuma previously was considered an important smuggler of narcotic drugs in Tacoma, Wash., being arrested in possession of 30 pounds (13 kg. 608 gm.) of morphine in February 1933, sentenced to 9 years' imprisonment, but paroled and deported to Japan. According to correspondence received by Lum Wah from Shigeo Shiraishi, Onuma made a special trip to China from Japan for the purpose of securing narcotic drugs to be shipped from Japan to Lum Wah in the United States. It is understood that Samuel Onuma is now residing in Shanghai.

The facts in these continuing cases have been reported to the Japanese authorities.

*"Lam Kee Ying," "Lo Fook Kee," and "Lam Kee" Brands Opium
Ostensibly From Government Monopoly Shop in the French Leased
Territory of Kwangchow-wan*

On May 30, 1940, a customs guard at San Francisco, Calif., noticed that Clarence Erwin, crewman on the S. S. *President Coolidge*, when coming ashore, was apparently opening a package of cigarettes. During the customary search of Erwin's person, the guard saw that he had a partially filled package of cigarettes in one of his pockets. Thinking it peculiar that Erwin should be opening a package of cigarettes when he had another in his pocket, he took the package from Erwin's hand and immediately noted that it was heavier than an ordinary cigarette package. When the package was opened, it was found to contain one 1-tael tin of prepared opium.

Erwin was taken to his quarters aboard the ship, and in a steel locker beside his bunk were found ten 1-tael tins of prepared opium concealed in packages of cigarettes. It appeared that 1-tael tins of the type

seized, which are generally 2 inches high, 1¼ inches wide, and ¾ of an inch in thickness, were in this instance placed in cigarette packages, the contents having been removed previously. First, in order to open the sealed cigarette packages, the cellophane wrappings were opened without being torn; then the United States revenue stamps across the tops were steamed off; and the cigarettes removed. After the tins had been inserted in the packages, a space of approximately three-quarters of an inch remained at the top. The cigarettes were, therefore, cut in three-quarter inch lengths and placed in regular order on top of the tins. The Revenue stamps were then pasted back in place and the cellophane folded neatly over it.

Further search of Erwin's quarters on May 31 disclosed two 1-tael tins of prepared opium concealed in the hollowed heels of a pair of shoes, and nine 1-tael tins of prepared opium underneath some laundry on top of a locker. When questioned, Erwin led customs officers to a cache of five 1-tael tins of prepared opium which had been landed by him and concealed in the flushing tank in the lavatory of the pier lunchroom.

Each of these 1-tael tins of opium was stamped "Lam Kee Ying," these tins being known familiarly as "Eagle Brand opium," which are alleged to be packed and exported from Kwangchow-wan, French leased territory in China.

A thorough search of the ship resulted in the further seizure of thirty-one 5-tael tins of prepared opium which were found concealed in a spare bunk, buried under suitcases in the crew's quarters in the glory hole. Erwin at first denied ownership of these 5-tael tins.

Twenty-seven of the 5-tael tins were of the familiar "Yick Kee" brand, also believed to originate in Kwangchow-wan, while four of the 5-tael tins were of the equally familiar "Lo Fook Kee" brand, likewise said to be from Kwangchow-wan.

Erwin confessed to customs agents that the 1-tael tins of opium were to be delivered to a Los Angeles Chinese named Frank Wong. This Chinese was immediately arrested. Erwin stated that the thirty-one 5-tael tins were for delivery in Honolulu to a Chinese named Chun Wo, through the connivance of a customs guard named Joseph Tirrell, and that this customs guard had on two previous occasions taken ashore for him for delivery to Chun Wo tins of prepared opium. Search of the premises in Honolulu of Chun Wo led to the discovery of a 5-tael tin of prepared opium of the "Lam Kee—"K'" variety and quantities of prepared opium and opium dross contained in porcelain jars and teacups, these being buried under the ground in a fern bed. Chun Wo and Tirrell were arrested, the latter being suspended from duty. Both were subsequently removed to San Francisco for trial.

Erwin further stated that he had obtained the opium from one George Wong, a Chinese, of Kowloon, Hong Kong.

On July 24, 1940, Frank Wong was found guilty, as charged, and on August 9 was sentenced to serve 1 year and 1 day in a Federal penitentiary.

On September 4, 1940, Clarence Erwin, Chun Wo., and Joseph Tirrell were found guilty in Federal court at San Francisco. On September 5, Chun Wo and Joseph Tirrell received sentences requiring them to serve 3 years each. The case against Erwin is still pending. This information has been transmitted to the British authorities.

On May 30, a customs guard was informed that a Chinese passenger on the *President Coolidge* had opium in his possession. This Chinese, Won Ah Lim, and his three small children were searched. Won was in possession of a 1-tael tin of prepared opium, of the Lo Fook Kee brand, while one of the boys had a package of opium dross concealed on his person. The other boy had an opium pipe and a "toy" holding a small quantity of prepared opium, while the little girl had a package of opium dross concealed under her clothes. Won Ah Lim, an American citizen and an addict, was incarcerated for several weeks, and, as he seemed to have broken himself of his habit, was released after the payment of a fine.

Seizure of Tubes of Opium Similar to Prepared Opium Tubes Packed by the British Opium Monopoly in Singapore

Upon the arrival of the steamship *President Taft* at San Francisco, Calif., on October 2, 1940, the master of the vessel turned over to customs officers four metal tubes of prepared opium, stating that they had been found concealed in a deck locker on A deck of the vessel, when on the high seas. Although the ship was searched thoroughly at sea by ship's personnel, and in port by customs officers, no further contraband was found. Ownership of the opium was not ascertained. The tubes were identical in every respect with lead-foil tubes seized at New York City, which seizure has been reviewed above under "Atlantic coast" seizures. They also appeared to be of the same origin as certain tubes seized at Phoenix, Ariz., which seizure will be discussed below. These soft metal prepared opium tubes would seem to be similar to those understood to be packed by the British Opium Monopoly in Singapore and distributed among other opium monopolies in the British colonies and possessions in the Far East. The British authorities have been informed of this seizure.

"Lam Kee-Macao" Brand Opium Ostensibly From Government Monopoly Shop in the French Leased Territory of Kwangchow-wan

Narcotic agents at San Francisco, Calif., on February 4, 1940, arrested a Chinese named Yee Duck Ming, alias Jins M. Yee, alias Yee Tuck Min, in possession of a 5-tael tin of prepared opium, weighing 6 ounces 291 grains (189 gm.), net, five jars of prepared opium, of a total net weight of 401 grains (26 gm.), and two packages of opium dross, weighing 246 grains (16 gm.), net. The 5-tael tin was of the familiar "Rooster and Elephant" brand ("Lam Kee-Macao"), believed to originate in the French Leased Territory of Kwangchow-wan. The Chinese will be prosecuted.

Seizure of Drugs Allegedly Purchased From a Chinese in Shanghai

In January 1939, information was received that a plumber on the steamship *President Cleveland* was suspected of smuggling small quantities of narcotic drugs into the United States upon arrival from far eastern ports. Customs officers at Pacific coast ports were given the name of this suspect, which was Alexander Dashevsky. On November 19, 1940, Dashevsky arrived at San Francisco, Calif., on the steamship *President Pierce*. As a result of continuous surveillance by customs officers, 5.64 ounces (160 gm.) of pure heroin were found concealed in Dashevsky's overcoat pocket. The officers later learned from Dashevsky that there were additional quantities of drugs concealed aboard the vessel. Subsequent search revealed the presence of 13.11 ounces (372 gm.) of pure heroin and 5.62 ounces (159 gm.) of cocaine concealed in the traps of two spare toilet bowls in the forward thermal room, while in the same room, under a ventilator duct at the bulkhead, were found 11.66 ounces (331 gm.), net, of cocaine. The heroin and cocaine were contained in rubberized silk bags, upon each of which was an impression, evidently made with a rubber stamp, of a five-pointed star within which appeared Japanese characters which if executed slightly differently could be translated "the good brilliant man." Dashevsky, who is a naturalized American citizen of Russian origin, stated that he had been smuggling narcotics into the United States for several years; that the drugs just seized had been purchased from a Chinese in Shanghai; that he met this Chinese through introduction from a Chinese narcotic dealer in Hong Kong from whom he had previously purchased drugs; that he paid \$450, gold, to the Shanghai Chinese; that he owed a balance of approximately "ten or twelve thousand Shanghai dollars" which was to be paid upon the vessel's return to Shanghai. Subsequently, the person for whom the drugs were intended, a Chinese named Wong Kim Keung, alias "Tommy" Wong, was arrested. On December 5, 1940, Dashevsky

was sentenced at San Francisco to 3 years' imprisonment. The case against the Chinese is pending.

"Lo Fook Kee" Brand Opium Ostensibly From Government Monopoly Shop in the French Leased Territory of Kwangchow-wan

A seizure of a 5-tael tin of prepared opium of the "Lo Fook Kee" variety, of probable Kwangchow-wan origin, was effected by narcotic agents at Seattle, Wash., on June 25, 1940. The tin was found washed up on the beach at Ocean Park, Wash., and was turned over to the agents. It was crushed as if by having been bound tightly by a heavy wire to other similar tins, and also had been punctured by its finder in an endeavor to learn the nature of its contents. Hence, part of the opium was missing, and the gross weight of the tin was 4 ounces 330 grains (135 gm.).

"Lam Kee" Brand Opium Ostensibly From Government Monopoly Shop in the French Leased Territory of Kwangchow-wan

Four 5-tael tins of prepared opium of the "Rooster and Elephant" variety were found by ship's officers on the steamship *President Pierce* while it was on the high seas, en route from Honolulu to San Francisco, and turned over to customs officers upon the arrival of the vessel at San Francisco, on January 14, 1940. These tins were discovered concealed in a false compartment of a dresser drawer. Ownership was not established. In addition to the customary stamped impressions of the rooster and elephant appearing on "Lam Kee" tins, these tins bore a small square paper label on which appeared the figure of a rooster similar to the likeness stamped into the metal at the ends and sides of the so-called "Rooster No. 1" opium tins. (See Report on Traffic on Opium and Other Dangerous Drugs for 1939.) In the center of the paper labels appeared the Chinese character "Wan." Painted on the side of one of the four tins was the number "130" in Chinese characters.

Seizure of Prepared Opium Pills Allegedly Purchased from a Chinese in Hong Kong

James John Golden, seaman on the steamship *President Taft*, who was arrested by customs officers at San Francisco, Calif., on April 17, 1940, in possession of two prepared opium pills, weighing about 5 grains (0.32 gm.), net, stated that he purchased these pills and others which he had already consumed orally from a Chinese named "Ching" in Hong Kong. Golden had been an addict for more than a year, claiming that he was formerly just a "pleasure smoker," but that he had developed a "stomach habit," which he satisfied by taking the opium, dissolved in water, orally. On April 27, 1940, Golden was

sentenced to imprisonment for 1 year and 1 day. No doubt the imposition of this sentence was influenced by his previous criminal record. On the voyage from Hong Kong to the United States, the master of the vessel found 10 small tubes of prepared opium which he threw overboard. Search of the crew's quarters resulted in the discovery of 100 prepared opium pills in Golden's clothes. All except 2 of these pills were destroyed. Unfortunately, the markings on the metal tubes of opium were not ascertained. This seizure has been called to the attention of the British authorities.

Seizure of Prepared Opium Pills Allegedly Purchased in Sydney, Australia

At San Francisco on April 16, 1940, Harold Briggs, crew member of the steamship *Monterey*, was arrested by customs officers in possession of two prepared opium pills, weighing 8 grains (0.52 gm.), net. Briggs stated that he purchased these pills and seven others in Sydney, Australia, and that he consumed all except the two pills seized after drinking bouts en route to San Francisco. He claimed that he was not a drug addict, but took the opium to relieve him of illness after a night of drinking, making a solution of the opium and injecting it intravenously by means of a hypodermic needle. On May 4, 1940, the defendant was placed on probation for 1 year. The Australian authorities have been given details in connection with this seizure.

The following cases covering the smuggling of narcotic drugs into the Pacific coast area of the United States from Mexico are of interest:

Customs patrolmen at Nogales, Ariz., becoming suspicious of a shipment labeled "Syrup" from Culiacan, Mexico, to Mexicali, Mexico, via Nogales and Calexico, Calif., entered on In Transit and Transportation and Exportation entries by express, immediately notified customs officers at Calexico. An inspection of the shipment upon its arrival at Calexico disclosed that it consisted of 10 pounds 5 ounces (4 kg. 678 gm.) of raw opium, packed in red peppers. The consignee of the shipment, Manuel Monge, was arrested the same day and is being held for prosecution. The seizure was called to the attention of the Mexican authorities, and it is understood that the matter is now under investigation in Mexico.

A Chinese named Wong May Kwong, arrested by immigration officers at San Diego, Calif., on February 18, 1940, was found to have in his possession two 5-tael tins of prepared opium, of a total net weight of 13½ ounces (374 gm.). The prisoner was turned over to customs officers for prosecution and the case is still pending. The Chinese stated that the opium was of Mexican origin, of very poor

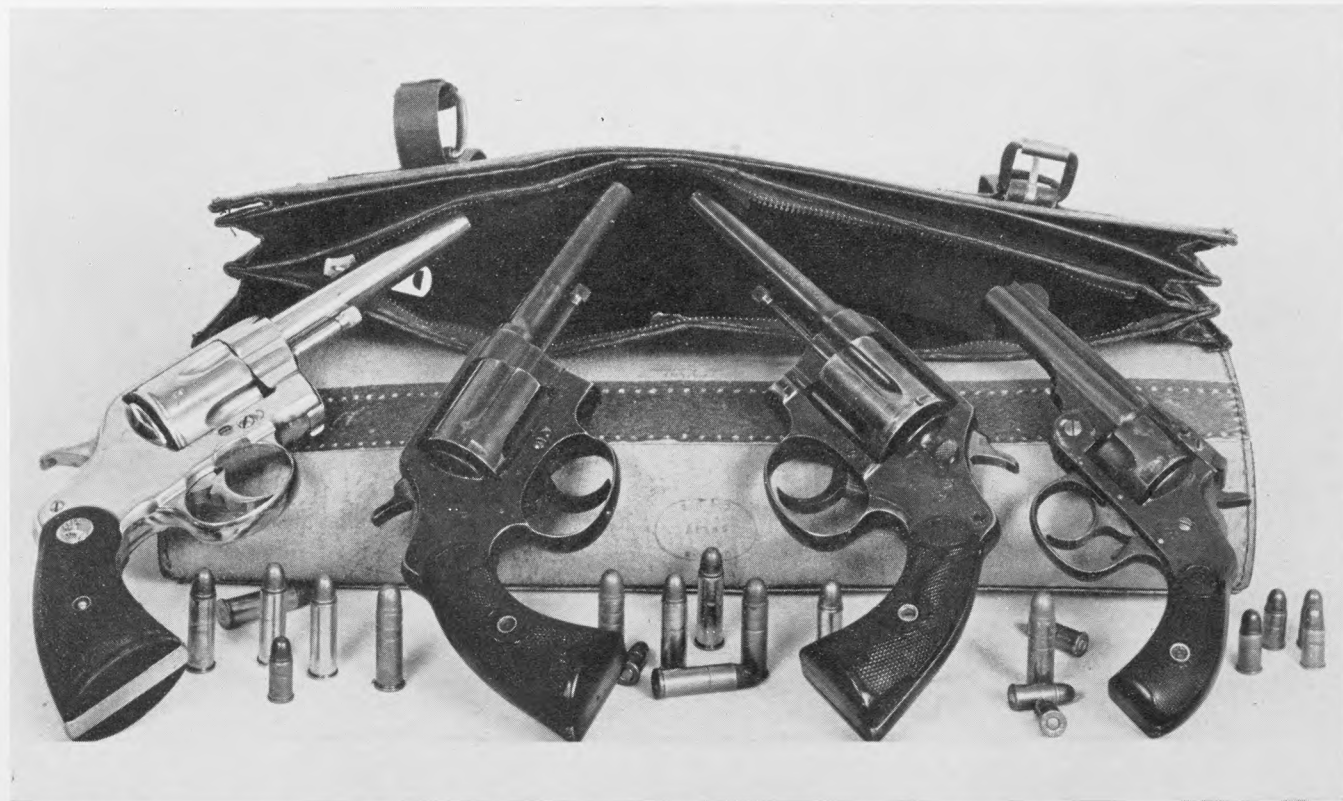
grade, and that he had paid \$50 for each tin. The tins bore no identifying marks or labels. The construction of the tins indicated that they had been made in a first-class sheet metal works plant.

A seizure of a 5-tael tin, containing 3 ounces (85 gm.), net, of prepared opium, two similar empty tins, several empty ointment jars, opium-smoking paraphernalia containing traces of opium, and a complete soldering outfit was effected by narcotic agents at San Diego, Calif., on April 12, 1940, from Charles Dong, alias Tom Way Ting, alias Tom May Teng, Chinese. The 5-tael tins were obviously homemade, since they were smaller than the usual type and were soldered rather crudely at the ends and on one side. The top consisted of a slip cover. They bore no distinguishing marks or labels. Dong pleaded guilty and on April 19, 1940, was given a 5-year sentence. At the time of his arrest this defendant, who is known as a major narcotic law violator in southern California, was on probation under a 10-year suspended sentence. In the former case made in September 1939 it was known that Dong had been obtaining his supply of drugs from Tia Juana, Mexico, through one Albert Miller, a Mexican, who smuggled the drugs into the United States. Evidence in the instant case indicated that the opium had come from Mexico.

Officers learned that Dong had customers in various cities in California and that his distribution was made from a gambling house he conducted in San Diego. In searching Dong's gambling house, agents found 15 lethal weapons, consisting of 6 wooden bludgeons with leather grips and 9 wrapped gas pipes. These were scattered about the premises in a way that a person could lay his hands on one within 3 or 4 feet from any point in the room.

Dong claimed he was not addicted to the use of drugs.

On September 28, 1940, customs patrolmen at Calexico, Calif., pursued a man who had crossed the border from Mexicali, Mexico, and who was suspected of having smuggled narcotic drugs in his automobile. The man attempted to escape by running his automobile into that of the customs officers, but he was captured and a glass jar and two paper "bindles" of prepared opium, of a total net weight of 435 grains (28 gm.), were found concealed in the automobile. The prisoner, who was named Melvin Elmer Darling, admitted that he purchased the opium in Mexicali for \$12. He will be prosecuted. The glass jar of opium bore Chinese characters, a translation of which would appear to mean "the highly valuable tiger brand oil." Seals on the jar bore pictures of tigers and the words in Chinese "Yellow Gold Balm."



Four loaded revolvers which Philip N. Chadwick was carrying in a zipper brief case at the time of his arrest on narcotic charges.

SIGNIFICANT CASES OF ILLICIT TRAFFIC IN THE NORTH-SOUTH CENTRAL
AREA*George Klein Case*

In June 1940, George Klein, alias George Brooks, was arrested in Minneapolis, Minn., after making several sales of heroin in ounce lots to narcotic agents. He pleaded guilty in November 1940, and was sentenced to 12 years' imprisonment.

Brooks, who is not addicted to the use of drugs, has a long criminal record extending back to 1921. He has been arrested, among other places, in Louisville, Ky.; Cedar Rapids, Iowa; Jacksonville, Fla.; New Orleans, La.; Los Angeles, Calif.; Kalamazoo, Mich.; Richmond, Va.; Philadelphia, Pa.; West Palm Beach, Fla.; and Milwaukee, Wis.; for offenses ranging from pickpocketing, carnal knowledge, and conspiracy to bribe, to narcotic law violations.

*Case of Weiss, Chadwick, Beland et al.*⁹

On May 14, 1940, at Dallas, Tex., a gang having its headquarters in New York and its principal object the distribution of illicit drugs in Illinois and Texas, was broken up though the indictment of the following persons: Jake Leftak, Emanuel Weiss (see Report on Traffic in Opium and Other Dangerous Drugs for 1939); Albert Goldstein, Charles Schiffman, Louis Sherman, Tommy Cooper, Mrs. Tommy Cooper, Abe Chapman, James Russo, Henry Grossberg, and Shama Dubinbaum (see Report on Traffic in Opium and Other Dangerous Drugs for 1939), all of New York City; Thomas Stobble, George Taylor (see Report on Traffic in Opium and Other Dangerous Drugs for 1939); Arthur C. Roberts (see Reports on Traffic in Opium and Other Dangerous Drugs for 1932 and 1939), Jerry Siegel, Charles Bernardi, and Jacob Roamer, all of Chicago, Ill.; and Nelson Harris, Jesse Harris, Glenn Cox, Dewey Ross, Marie Ross, Philip N. Chadwick, Mrs. Philip N. Chadwick, Bernard H. Schaffer, Henry Moore, Charles Beland (see Report on Traffic in Opium and Other Dangerous Drugs for 1938), and Cliff Green, all of Texas. This indictment resulted from an investigation which had been carried on by narcotic officers for several months prior to the date of its return.

The inquiry disclosed that Emanuel Weiss, Moe Liss alias Tommy Cooper, Jake Leftak, and Charles Schiffman were ring leaders of the organization. Grossberg supplied the ring with "chemicals" for adulterating the narcotic drugs. Dubinbaum supplied fancy packages and labels. The principal dealer in Chicago was Thomas Stobble alias Dago New. During the course of the conspiracy in January 1939, Charles Schiffman sent to Chicago the defendant Goldstein, and Goldstein was employed there for several months under the supervision of Stobble as a so-called "plant man." He had custody of the

⁹ (See also p. 28.)

illicit narcotics, adulterated them, did some of the distributing, and also carried drugs from New York to Chicago and money from Chicago to New York. In this work in Chicago he came in contact with Arthur C. Roberts, Jerry Siegel, George Taylor, Charles Bernardi, and Jacob Roamer, lesser figures in the conspiracy there. During certain portions of the year 1939 this organization sold in Chicago approximately 360 ounces (10 kg. 206 gm.) of highly diluted heroin weekly. As has been stated, the other principal outlet for the illicit narcotics of the New York traffickers was Illinois and Texas. Abe Chapman and James Russo, prior to their arrests, took large quantities of illicit narcotics to Texas for the conspirators. An important outlet for Chapman was the notorious Charles Beland of Fort Worth. Sometime after the arrest of Russo and Chapman in New Orleans and their subsequent imprisonment, Philip N. Chadwick became the principal distributor for illicit narcotics in the northern Texas area. It was estimated that during certain periods in 1939 this ring sold in the Texas area approximately 500 ounces (14 kg. 175 gm.) of adulterated heroin weekly. Chadwick lived at various addresses in Fort Worth until about January 1939, when he rented a farm in the vicinity of Arlington, Texas, and from that point continued to carry on a narcotic traffic, the distribution having been several hundred ounces of drugs weekly. In May 1939, Chadwick left Fort Worth and did not return, apparently because of reports which he had received that his activities were being scrutinized. With his departure from Fort Worth, Chadwick entrusted the distribution of narcotics to one Nelson Harris. Harris was arrested in 1939. As the investigation disclosed the scope of Chadwick's activities an intensive effort was made to apprehend him which culminated in his arrest at Chicago, Ill., on May 22, 1940.

It is interesting to note the habitual and in some cases desperate, criminal character of many of the defendants in this case. All except 5 of the 29 had previous criminal records. At the time of his indictment in this matter Chadwick was a fugitive in connection with a pay roll robbery in Los Angeles, Calif. (he was carrying 4 loaded revolvers in a brief case when arrested); Schiffman was on parole from an Illinois penitentiary in connection with a sentence for robbery and had a pending charge in New Jersey for a hold-up with a gun; 2 others involved, Emanuel Weiss and James Russo, alias James Feraco, are fugitives and under indictment for murder in Kings County, N. Y., as co-defendants with the notorious Louis (Lepke) Buchalter and Philip Cohen. Russo also had a previous conviction on violations of the Federal narcotic laws and for violation of the postal laws, and a 25-year sentence in New Jersey for robbery.

Arthur C. Roberts' criminal record shows three previous convictions for violations of the Federal narcotic laws; and a conviction for receiving stolen property and for disorderly conduct.

Jerry Siegel had been arrested in 1938 in Chicago, Ill., for robbery. After being released on bond and while awaiting trial in the instant narcotic case, Siegel was murdered in Chicago by persons unknown.

Glenn Cox had four previous convictions for violations of the Federal narcotic laws, and Jake Leftak had one.

Charles Beland had four previous convictions for violations of the Federal narcotic laws and a conviction and 3-year sentence for theft.

Moe Liss, alias Tommy Cooper, had two previous convictions for violations of the Federal narcotic laws, one for carrying a concealed deadly weapon as well as for grand larceny. He has been arrested on several occasions for homicide, and is alleged to be a professional killer.

Thomas Stobble, in addition to two previous convictions for violations of the Federal narcotic laws, was convicted in 1921 for robbery and sentenced to from 3-20 years.

Dewey O. Ross had served six prior sentences for narcotic law violations and two for burglary.

Abe Chapman had two prior convictions for Federal narcotic law violations, and an arrest for theft.

After convictions at Fort Worth, Tex., in July 1940, the following sentences were imposed upon the defendants named:

Charles Schiffman.....	10 years' imprisonment (this sentence is to be served after he completes a 6-year parole violation term for robbery imposed as a result of this investigation).
Jake Leftak.....	2 years' imprisonment.
Philip N. Chadwick.....	12 years' imprisonment (he still faces pay-roll robbery charges).
Mrs. Philip N. Chadwick.....	2 years to serve and thereafter probation for 5 years.
Abe Chapman.....	8 years, imprisonment (to commence after expiration of a 4-year sentence he is now serving).
Nelson Harris.....	2 years' imprisonment.
Bernard H. Schaffer.....	4 years' imprisonment.
Charles Beland.....	Conviction for conspiracy. Sentence pending.
Cliff Green.....	2 years to run concurrently with sentence of 3 years he is now serving.
Tommy Stobble.....	2 years' imprisonment.
Henry Moore.....	Sentence suspended pending cure at U. S. Public Health Service hospital.
Albert Goldstein.....	2 years' imprisonment, suspended for 5 years.
George Taylor.....	2 years' imprisonment, suspended for 5 years.
Arthur Roberts.....	18 months' imprisonment to run consecutively with sentence he is now serving.
Jacob Roamer.....	2 years' imprisonment to run concurrently with sentence he is now serving.
Charles Bernardi.....	2 years' imprisonment, suspended for 3 years.

Louis Sherman and Mrs. Nelson Harris were found not guilty by the jury, and dispositions as to the remaining defendants are pending.

Isadore Kayne and Robert Gordon Case

After having been fugitives from justice for more than 4 years in connection with their indictment for Federal narcotic law violations, Isadore Kayne and Robert Gordon, important figures in the illicit narcotic traffic, were finally apprehended in New York City in July and August 1940. They were taken to Dallas, Tex., where they pleaded guilty and both were sentenced, on August 8, 1940, to 15 years' imprisonment.

Kayne and Gordon had been indicted in Texas in 1936 along with 18 other members of the Ginsberg gang. (Under these indictments, containing 55 counts, Louis Ginsberg, Dallas leader of the drug syndicate, was convicted in 1936 and sent to prison for 50 years and fined \$10,000. The syndicate distributed to jobbers in the Southwest approximately 500 ounces of adulterated heroin weekly which they obtained from Kayne and Gordon in Chicago, and which in turn had been obtained through the Newman¹⁰ brothers in New York City.)

Kayne was also indicted along with the Newman¹⁰ brothers in New York City but in view of the substantial sentence given to him in Texas, the indictment against him in New York City was dismissed.

Smuggling from Mexico

Leopoldo Trevino, Lewis L. Steelman, and Jesus Varela were arrested by customs officers and a narcotic agent at Douglas, Ariz., after they had smuggled 161 ounces (4 kg. 564 gm.), net, of raw opium into the United States from Mexico. The opium was contained in an old gallon cocoa tin and a smaller tin can. This seizure was effected as a follow-up of a conspiracy originating in New York City, and Trevino admitted that the smuggling scheme was planned in Leavenworth Penitentiary last year when he and Steelman were serving sentences there for violation of the narcotic laws. On July 29, 1940, Trevino and Steelman appeared in Federal court at Tucson, Ariz., and entered pleas of guilty. Trevino received a prison sentence of 2½ years, a fine of \$500, and was placed on probation for 5 years to begin at the expiration of the prison sentence; Steelman was sentenced to 3 years' imprisonment, fined \$500, and placed on probation for 5 years to begin at the expiration of the prison sentence; Varela was later sentenced to 13 months' imprisonment, fined \$500, and placed on probation for 5 years to begin at the expiration of the prison sentence. The Mexican authorities were apprised of the facts in this case, and it is understood that they have instituted an investigation in Mexico.

City police at El Paso, Tex., on August 11, September 11, and September 13, 1940, respectively, arrested Trinidad Lozano, Jose Gallardo, and Jose Benito Gomez, Mexican citizens, in possession of

¹⁰Newman brothers case reviewed on p. 26 of this report.)

small quantities of heroin and morphine. Since it appeared in each instance that the drugs were smuggled into the United States from Mexico, the prisoners were turned over to customs officers for prosecution, and the cases are pending. The Mexican authorities were notified of these seizures, as well as of the seizure of a small amount of heroin at El Paso on July 8, 1940, by customs patrolmen from one Arthur Fraley, American citizen. Fraley, who will be prosecuted, obtained the heroin in Juarez, Mexico.

Two persons are being held at Nogales, Ariz., for prosecution by customs officers in connection with their attempt to smuggle 29 tablets containing codeine into the port from Nogales, Sonora, Mexico. The tablets were contained in paper envelopes and a glass vial, marked "Veganin—Anti-Neuralgica—La Campana, Mexico, D. F., Mexico, and Godecke & Co., Berlin." Although there have been many technical seizures during recent years of "Veganin" tablets containing codeine, this is the first instance of a criminal prosecution resulting from such seizure. In this case the defendants, Frank Jones and Rose Carter, proceeded to Nogales, Mexico, from Tucson, Ariz., for the express purpose of securing the codeine tablets for satisfaction of drug addiction.

SIGNIFICANT CASES OF ILLICIT TRAFFIC IN THE HAWAIIAN ISLANDS

Upon the arrival of the steamship *President Coolidge* at Honolulu on January 26, 1940, the master of the vessel reported to customs officers that on January 25, while at sea, he had found sixteen 2-ounce packages of cocaine, of a total net weight of 32 ounces (907 gm.), concealed in a sand locker, and that he had thrown the cocaine overboard. According to the statement of the master, he had received information while in Hong Kong that a quantity of cocaine was concealed on board the ship, and he had instituted many searches, without result. Finally, on January 25, while searching the sand locker which contained 10 or more 100-pound bags of sand, he noticed that all were tied with wire, except 1 which was tied with a grass string. This seemed significant to him and he immediately opened the bag and found therein the 16 packages of cocaine.

NONNARCOTIC SUBSTANCES FALSELY LABELED AS NARCOTIC DRUGS

Seizures in the South Central area of nonnarcotic substances falsely labeled as narcotic drugs and smuggled into the United States from Mexico, were three in number, in comparison with two such seizures in the year 1939.

On January 6, 1940, customs patrolmen at Laredo, Tex., acting on information that Jose Maria L. Garza had smuggled a quantity of morphine into the United States from Mexico, arrested this person and found in his possession two tins bearing the purported label of

E. Merck, Darmstadt, with the serial number 273946 and marked "clorhidrato de morfina." Chemical analysis disclosed that this substance was a mixture of brucine and caffeine. The criminal case is pending. The Report on Traffic in Opium and Other Dangerous Drugs for 1937 reviewed two seizures of nonnarcotic substances bearing the forged label of E. Merck, Darmstadt. The labels were identical with those described above.

On February 20, 1940, narcotic agents at Houston, Tex., purchased 141 grains (9 gm.) of heroin from Mrs. W. L. Knobles. On March 4, 1940, they arrested Mrs. Knobles and one Joe Edgar Bullington and seized 281 grains (18 gm.) of heroin and three bottles of alleged morphine, which was found to be brucine sulfate. The labels on these bottles were forgeries of those of the Merck firm and bore the serial number 6110. These labels are more elaborate than those on the tins described above and are a rather clever forgery of genuine Merck labels. A description of this particular forged label was given in the Report for the year 1939. The defendants in this latter case admitted that they purchased the bottles of brucine in Mexico.

Acting on information that Patrick N. Collino would attempt to smuggle a quantity of narcotic drugs into the United States from Mexico, customs patrolmen stationed themselves near a school in Nogales, Ariz., and observed Collino pick up a package from the ground. He was arrested and examination of the package disclosed that it contained a glass jar of prepared opium, weighing 6 ounces (170 gm.), net, and a glass bottle of purported morphine, bearing the alleged label of E. Merck, Darmstadt. Chemical analysis disclosed that the substance was actually brucine. The label was identical with that described in the seizure from Mrs. W. L. Knobles, et al. Subsequently, two companions of Collino, Domenico Nicolas Prato and Raffaele Quasarano, were arrested. The defendants are being held for prosecution.

These three seizures were called to the attention of the Mexican and German authorities.

When narcotic agents at New York City on September 11, 1940, apprehended a Chinese fugitive, wanted on a narcotic charge at Chicago, Ill., they found in his possession eight 5-tael tins of purported prepared opium. Examination of the contents of the tins disclosed that the substance was of a black, gummy nature, resembling prepared opium, but having no narcotic content. The tins, which bore no marks or labels, were made of copper and resembled 5-tael tins, except that they were somewhat larger.

At Oakland, Calif., during September 1940, a Japanese was defrauded of \$1,700 by two other Japanese in a "bunco game" involving the sale of a number of tins of alleged prepared opium which was subsequently found to be of a nonnarcotic nature. The victim

swore out a grand larceny warrant against the other two Japanese, who are believed to have perpetrated the same trick on other victims.

Seizures of Medicinal Preparations Containing Narcotic Drugs

During the year, there were a great number of seizures, not involving criminal prosecutions, of a codeine preparation called "Gelonida Anti-neuralgica," or "Veganin." The majority of these seizures were effected at New York City, and the manufacturer of the preparation was, in most instances, the firm of Godecke & Co., Berlin. However, there were also effected a number of seizures of "Veganin" at Mexican border ports, the labels bearing the "Godecke" firm name, as well as that of the Mexico City firm of La Campana, S. A. One seizure at Nogales, Ariz., resulted in the arrests of three persons, one of whom, at least, is a drug addict. Seizures of Chinese medicinal preparations containing narcotic drugs appeared to be less frequent than in recent years, the 100 percent examination by customs officers of such shipments, no doubt, acting as a deterrent.

Seizures of Opium Poppy Pods

From figures available, it would appear that there were no important seizures of opium poppy seed pods effected during the period under review.

Illicit Traffic by Post, Express, Railway, and Air

With the exception of a case involving the smuggling of raw opium from Culiacan, Mexico, to Mexicali, Mexico, via Nogales, Sonora, Mexico, Nogales, Ariz., and Calexico, Calif., and a few instances of the smuggling of marihuana (cannabis) from Mexico to Los Angeles, Calif., via El Paso, Tex., there were no significant cases of the transportation of narcotic drugs by post, express, railway, or air.

Drugging of Race Horses

The following are examples of cases made in connection with the drugging of race horses:

Based on information submitted to the Bureau of Narcotics by the New York State Racing Commission indicating that the horse "Sun Plume" had been stimulated with narcotics before winning a race, an investigation was made which resulted in the indictment of several persons for conspiracy to violate the Federal narcotic laws. The case was tried in May 1940, at which time Richard Hohman and Peter Panza, persons not connected with the race track, were convicted. Hohman was sentenced to imprisonment for a year and a day, and Panza to imprisonment for 19 months.

Following a report from the New York State Harness Racing Commission that saliva tests taken from two horses which had competed in a race at Westbury, Long Island, in September 1940, indicated stimulation of the horses by narcotic drugs, an investigation was made by the Bureau of Narcotics. It resulted in the arrest of Edward Horton, a stable manager, and Edward P. Jones, in connection with the unlawful possession by Horton of a quantity of heroin; and in October 1940 Horton was tried, convicted, and sentenced to 2 years' imprisonment. Jones has not yet been brought to trial.

DIVERSIONS

As in the past 4 years, cases involving unusual gravity in the matter of prescribing or dispensing large quantities of narcotic drugs to addicts not in the course of bona fide medical treatment but solely for the purpose of satisfying or catering to drug addiction have been concluded during 1940 against several physicians and druggists who have thus abused their professional function and entirely disregarded the Federal narcotic laws. Such diversions remain a significant problem. Brief summaries of some of the cases follow:

Case of Dr. Alexander S. Waiss, Los Angeles, Calif.

Following a joint investigation by Federal narcotic agents and officers of the California State Narcotic Enforcement Division, Dr. Alexander S. Waiss, a physician practicing in Los Angeles, Calif., was indicted on 60 counts on November 27, 1940, for violations of the Federal narcotic laws.

The inquiry disclosed that the doctor was supplying drugs (by means of so-called prescriptions) to addicts to satisfy their addiction when there was no medical need. It was also ascertained that addicts had passed the word along to other addicts that this doctor would readily supply drugs; that he would prescribe any variety of drugs desired—in other words, the doctor permitted the addict to indicate his own prescription. In line with this practice Dr. Waiss had written "prescriptions" for laudanum, pantopon, dilaudid, and morphine. It was found that at least 12 addicts to whom he furnished "prescriptions" did not have a legitimate medical need for drugs. An extraordinary feature of the case was that every one of the addicts themselves claimed that they really had no need for drugs but they had called on this physician merely because they understood he would supply drugs readily. The case was declared by the Assistant United States Attorney to be a "particularly vicious one" in that several addicts who "were off the stuff" for a period of years, assertedly had resumed its use after being put in contact with Dr. Waiss. The criminal records of the "patients" for whom this physician had been

prescribing narcotics reveal prior arrests and convictions for every type of criminal activity, many of the records being exceedingly lengthy.

On December 9, 1940, Dr. Waiss entered a plea of *nolo contendere* and was later placed on probation for a period of 2 years, upon condition that he refrain from dispensing or prescribing narcotic drugs during the period of such probation.

The facts surrounding these violations of the Federal narcotic drug laws by Dr. Waiss were presented to the Secretary of the Board of Medical Examiners for the State of California with a view to the revocation or suspension of the license theretofore issued him and the consequent withdrawal of his right to purchase, sell, or dispense narcotic drugs.

Case of Dr. Vernon R. Fox, and Robert Lee Eblen and Joe Curtiss Garrett, Druggists, Leachville, Arkansas.

After information had been received that Dr. Vernon R. Fox, of Leachville, Ark., was commercializing in narcotic drugs on a large scale and was selling them to persons having no medical need for such drugs, an investigation was concluded on May 29, 1940, with the arrest of Dr. Fox and the two druggists involved, Robert Lee Eblen and Joe Curtiss Garrett. The transactions which resulted in these arrests were 16 illegal sales covering 3,145 morphine tablets, for which 397 "prescriptions" were written in many fictitious names and variously dated. No examination was made by the doctor at any time to determine the person's alleged need for drugs, and apparently he sold drugs in large quantities to any person having the money to pay for them.

Dr. Fox would take the money from the purchaser, secure the drugs from the druggist or his assistant, and deliver them himself to the purchaser. He would then write a number of fictitious "prescriptions" and give them to the druggist to be placed on file in the Eblen Drug Store to explain the transactions. On 1 occasion \$14 was paid to Dr. Fox for a "prescription" for a 4-day supply of drugs for 2 men; another time \$28 was paid and the doctor wrote "prescriptions" in 5 fictitious names, after which he and the druggist furnished 336 morphine tablets. On other occasions \$50 was paid for 598 tablets, and \$60 for 700 tablets.

During a 9-month period the Eblen Drug Store had purchased 38,000 morphine tablets. In the same period Dr. Fox had written 1,454 so-called prescriptions calling for 31,667 morphine tablets, all of which were filled at the Eblen Drug Store.

Dr. Fox pleaded guilty and was sentenced on November 25, 1940, to serve 2 years in a United States penitentiary and was also placed

on probation for a 5-year period following expiration of his prison sentence, on condition that he handle no narcotic drugs in his practice and refrain from re-registering under the Federal narcotic law during the period of his probation.

Robert Lee Eblen, druggist, pleaded guilty and was also sentenced to serve 2 years in a United States penitentiary, on the grounds that he had furnished large quantities of morphine to Dr. Fox in return for fictitious prescriptions, with full knowledge that the morphine so furnished was intended for illicit sale. He shared equally with Dr. Fox in the profits of these illicit sales. Joe Curtiss Garrett pleaded guilty and was given a 3 years' sentence, which was probated, for the reason that this defendant, although he participated in furnishing morphine on known fictitious prescriptions, did not share in the profits of the illicit sales and took part in the transaction only because he was an employee of Eblen.

The facts regarding these violations by Dr. Fox and Druggists Eblen and Garrett have been reported to the State licensing boards for the State of Arkansas with a view to the revocation or suspension of their licenses.

Case of Dr. W. E. Bailey, Little Rock, Ark.

After making 16 illegal sales of morphine to Federal officers, Dr. W. E. Bailey, of Little Rock, Ark., was arrested on May 10, 1940. Investigation disclosed that in 6 months Dr. Bailey had written 3,376 prescriptions calling for 55,165 morphine tablets; 2,253 of these so-called prescriptions were written for 26 known addicts having no medical need for drugs. On 2 occasions the defendant exchanged 50 grains of morphine to a narcotic agent for watches represented to be stolen property. Later Dr. Bailey was re-arrested while attempting to influence testimony of a Government witness by giving him morphine. In some instances this doctor issued as many as 4 "prescriptions" (these were filled at different drug stores) for the same addict on the same day. Several of the drug addicts in turn sold to other addicts the excess morphine thus obtained.

On November 13, 1940, Dr. Bailey pleaded guilty and was sentenced to serve 5 years in the United States penitentiary and to 5 years probation at the expiration of his sentence. In sentencing him, the United States district judge made the following comments:

You have prescribed more morphine than most doctors in this State would prescribe over a long, long period. You have created destruction of character by your methods.

You have proved yourself unworthy to practice medicine or to prescribe medicine for anyone. You and men like you are tearing down the morale of our youth. The condition is terrible in Arkansas. It became so bad that the Government had to bring special investigators in from other States to cope with it. The practice has got to stop.



Marihuana plant.

I am not going to take any chances on any State medical boards in your case. I am going to place you on probation for 5 years at the conclusion of your sentence on the other counts against you, providing you surrender your certificate to practice medicine in this State. You cannot be trusted to practice here or in any other State.

The facts in this case have been reported to the State medical board of Arkansas.

The following item from the Arkansas Gazette, Little Rock, November 24, 1940, shows the improvement in conditions in Arkansas after the prosecution of a number of physicians who had been "prescribing" or dispensing large quantities of drugs to addicts not in the course of bona fide medical treatment:

Arkansas no longer is the mecca for "dope" addicts that it was only 12 months ago * * * at that time, Government officials say, there were at least 75 known addicts in Little Rock * * * they came here, and it was borne out in testimony in several narcotics cases in United States district court in the past 2 weeks, because it was easy to get narcotics here * * * many of the addicts testified to this, and the comparatively low prices brought them here * * * one told the court he came here from Texas. Those persons convicted in the past 2 weeks of selling morphine found little sympathy from the courtroom spectators, especially after the addicts had been placed on the stand. The reason that Arkansas no longer is the mecca for addicts is the work of an entirely new force of agents of the Bureau of Narcotics here and stiff penalties imposed by Federal Judge Trimble * * * the agents let it be known that they meant business, and the court signified his approval of the agent's work by meting out long prison sentences. Since the agents started their drive early this year, addicts testified they have been forced to stop using the stuff because they no longer can get it.

ILLICIT TRAFFIC IN MARIHUANA ¹¹ (*Cannabis Sativa* L.)

The illicit traffic in marihuana continues to be a serious enforcement problem although further progress was made during the year in bringing it under control. As pointed out in previous reports the traffic in this drug is separate and distinct, except in isolated instances, from the traffic in other drugs, both as to sellers and users.

During the year Federal officers reported 950 violations of the Federal marihuana law, involving 1,732 seizures of marihuana in various forms, and 870 arrests. (See table 1-B.) The arrests and seizures of marihuana by State officers, acting independently of Federal officers, are set out in table 4. In addition the Federal Government, in cooperation with State and municipal enforcement agencies throughout the country, conducted a program of marihuana eradication involving growths of varying density on 47,584.553 acres (19,257 hectares) of land, of which that growing on 19,209.24 acres (7,774 hectares) of land was definitely reported to have been destroyed. Many State and city officers throughout the country have rendered valuable assistance in marihuana eradication work.

¹¹ For information regarding legitimate cultivation see IX, Marihuana (Hemp).

Few of the cases of internal traffic reported under the Federal marihuana law are of sufficient international interest to be set out in detail.

While most of the marihuana in the illicit traffic was supplied from internal growth, there was an appreciable increase in the petty smuggling of marihuana into the United States by seamen on vessels touching at Central American, South American, and other ports. There was likewise an increase in the smuggling of marihuana over the border from Mexico. Several of the most important of such cases follow:

On October 26, 1940, Bernabe Figueroa, crew member of the American steamship *Argentina*, just arrived at the port of New York from South America, was arrested by customs officers in possession of 1 pound 15.1 ounces (882 gm.) of bulk marihuana concealed in the false bottom of a suitcase. Subsequently, the defendant was sentenced to imprisonment for 1 year and 1 day. On October 28, customs officers at New York City found 1 pound 1.28 ounces (490 gm.), net, of bulk marihuana concealed in a locker on the S. S. *Argentina*. On the same day, Eligio Rijos and Raymundo Gonzalez, seamen on the *Argentina*, were arrested by customs officers after they had effected the smuggling ashore of 9 pounds 1.35 ounces (4 kg. 121 gm.), net, of bulk marihuana. The prisoners stated that they purchased the marihuana in Santos, Brazil. On November 13, 1940, Gonzalez was sentenced to 3 years' imprisonment, while Rijos received a sentence of 18 months.

Customs officers at Jersey City, N. J., on October 2, 1940, were informed by the master of the steamship *President Van Buren*, arrived in port from Far Eastern ports, that George A. Harms, an oiler on the vessel, had been under a physician's care, owing to narcotic addiction. The captain turned over to the officers the following quantities of narcotic drugs found in Harms' possession: Prepared opium, weighing 0.00474 ounce (0.13 gm.), net; cannabis, of a total net weight of 0.4726 ounce (13 gm.). The cannabis in one instance consisted of a brown gum, containing a resin of the plant, which appeared to be similar to hashish, or charas, as it is termed in British India. A small paper box containing dried, pulverized tops and leaves of the cannabis, bore the following marks: "Govt. opium and hemp drugs depot, Bombay—1/2 Tola Ganja." The cannabis in the box had the same general appearance as the marihuana commonly encountered in the United States, except that it was not quite so finely pulverized and was of a somewhat more sticky consistency. This seizure was called to the attention of the British authorities.

Cannabis in the form of hashish, or charas, was seized by customs officers at Savannah, Ga., on December 8, 1940, on the American steamship *Black Condor*, which vessel arrived at Savannah from Bom-

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bay and other Far Eastern ports. As in the case of the cannabis seized at Jersey City, this seizure consisted of a brown gum, and weighed $3\frac{1}{4}$ ounces (92 gm.), net. Ownership of the cannabis was not determined.

The following seizures of cannabis seed on Japanese vessels were effected, the seeds being carried for use as a condiment in the preparation of "Sushi," a popular Japanese dish:

July 7, 1940, at Honolulu, 2 pounds (907 gm.) of cannabis seed, ex S. S. *Tatuta Maru*.

September 12, 1940, at Terminal Island, Calif., 58 pounds (26 kg. 308 gm.), net, of cannabis seed, ex S. S. *Kansai Maru*.

September 18, 1940, at Wilmington, Calif., 6 pounds 5 ounces (2 kg. 863 gm.), net, of cannabis seed, ex S. S. *Kansai Maru*.

October 25, 1940, at Boston, Mass., 1 pound (454 gm.) of cannabis seed, ex S. S. *Nozima Maru*.

Seizures of marihuana in the form most frequently encountered in the United States were effected at New Orleans on the steamships *Delmundo*, coming from South American ports, and *Allister*, arriving direct from Coatzacoalcos, Mexico.

A seizure of marihuana cigarettes and bulk marihuana was made by customs officers at Honolulu on September 27, 1940, ex United States Army transport *Republic*.

Customs officers at Wilmington, Calif., on July 6, 1940, seized marihuana cigarettes from a crew member of the Philippine steamship *Don Jose*, coming from Manila.

At Mayaguez, P. R., on May 24, 1940, customs officers arrested two seamen on the steamship *American Press* in connection with the seizure of 28 marihuana cigarettes.

At points on, or adjacent to, the Mexican border, marihuana in cigarette and bulk form was seized at the following ports: Ysleta, Mercedes, Laredo, Brownsville, McAllen, Eagle Pass, and El Paso, Tex.; Douglas and Nogales, Ariz.; Deming, N. Mex.; and Calexico and Los Angeles, Calif. In connection with two seizures of marihuana at Los Angeles, investigation disclosed that the drug had been smuggled into the port of El Paso, Tex., from Mexico, and then shipped to Los Angeles by express.

CRIMES ASSOCIATED WITH MARIHUANA

The following incidents observed by Federal narcotic agents during the course of an investigation into a marihuana law violation have been cited by the agents as an illustration of the unexpected action that an individual under the influence of marihuana may take:

On February 24, 1940, in Sacramento, Calif., five men were involved in a deal for a half pound of marihuana; two informants, one contact man and two peddlers of marihuana identified as J. and R. R. was

negotiating the sale. The money, \$12, was paid to him and he told J. to "Give it to him," meaning to give the marihuana to one of the purchasers. J. being under the influence of marihuana misunderstood what was wanted and instead of handing the marihuana to the man, he threw it over the bridge into the Sacramento River, drew a knife, slashed the two informants and eventually turned on his own partner, rushing at him with the knife.

This transaction is an example of the danger sometimes experienced in dealing with marihuana users as well as pointing to the danger of having users of this potent drug at large in the community, when one will make an assault with a deadly weapon on his own partner during the regular course of his business.

The murders and suicide described in the following cases are typical of the crimes associated with marihuana:

Near Del Rio, Tex., on September 11, 1940, one Eleutero Gonzalez, allegedly while under the influence of marihuana, shot to death two women and then committed suicide in a manner which indicated that he was bereft of all reasoning. A description of the crimes was contained in the Sheriffs' Association of Texas Magazine for September 1940, excerpts of which are quoted:

TRIPLE TRAGEDY SHOCKS DEL RIO AND ENTIRE SOUTHWEST

* * * The Gonzalez case was one of the most brutal that Del Rio has seen in many years. The victims were Antonia and Margareta Gomez, sisters, the former a 34-year-old school teacher and the latter 23 years old, a nurse. The third victim, Eleutero Gonzalez, about 30 years old, who subsequently died of self-inflicted wounds, had slain the two sisters near Del Rio. The young women were shot to death. * * * The killer, probably maddened in the realization of the magnitude and horribleness of his crime, * * * literally sliced himself to bits about the abdomen, around the heart and throat. He was found about 38 hours after the crime in a semiconscious condition and died a few hours later. Gonzalez did not remember anything which had taken place.

No trouble had ever been known to exist from the association of Gonzalez and the teacher, who was highly respected in the Del Rio community, and had taken an active part in Girl Scout work and whose family likewise was held in high esteem.

The only thing officers knew about the habits or conduct of Gonzalez was that he had, earlier in the year, been sentenced to a long penitentiary sentence upon conviction of rape, the victim being a 12-year-old Mexican girl. At the time of the latest tragedy Gonzalez was free on bail pending appeal.

It was the opinion of the law enforcement officers that Gonzalez was under the influence of marihuana at the time of the double murder and suicide. They also believed that he had previously used marihuana. A handful of marihuana was found in Gonzalez' room after the tragedy. It was the opinion of the doctor who saw Gonzalez just before he died, that no one could have mutilated himself as Gonzalez was mutilated, unless he was unable to feel "shock" and the only thing he knew that would produce such a condition, to such a

degree, is marihuana. The doctor further stated that no amount of alcohol could possibly "de-sensitize" the nerve centers to the extent that it would be possible for anyone to receive so many cuts and stabs without collapsing. Indications were that Gonzalez had wandered around in the fields for hours after the killing and after his self-mutilation.

On August 4, 1940, in a hotel room in Spokane, Wash., Joseph Mines, 26 years of age, battered almost beyond recognition the body of 74-year-old John Karakinikas. Apparently Mines had never known Karakinikas before the moment he jumped through the window of his room and beat him to death. Mines had jumped from his own room 18 feet above, and after the crime jumped 30 feet to an alley without injury to himself. He said he felt as if he were flying, and he claimed to have no recollection of what he had done.

Mines alleged that he had been crazed by smoking two marihuana cigarettes. A small quantity of the drug was found in his room, and he had just been released a few days previously after serving a sentence for the possession of marihuana.

He pleaded guilty to the manslaughter charge and was sentenced to serve 20 years in a State penitentiary.

VI. Other Information.

EDUCATIONAL WORK

During the year, preventive educational work, particularly regarding the abuse of marihuana, was continued. Direct propaganda to youth has been discouraged because of the danger of arousing curiosity.

Continued assistance has been rendered by various women's organizations throughout the country, particularly by the National Woman's Christian Temperance Union and the General Federation of Women's Clubs, in the dissemination of educational material to prevent the abusive use of narcotic drugs.

There has been considerable demand for speakers and for written information on the narcotic and marihuana problems. Numerous addresses were delivered, on request, by various supervisory officials of the Bureau to organizations in all sections of the country such as the various medical associations, various police schools, the American Legion, various churches, hospital groups and lodges, Kiwanis, Rotary, and other clubs, colleges of pharmacy and science, parent-teacher associations, Peace Officers Associations, Annual Convention of the Pacific Coast International Association of Law Enforcement Officials, meeting of International Association of Chiefs of Police, National Association of Retail Druggists, American Pharmaceutical Manufacturers' Association, National Association of State Racing Commissioners, American Prison Association Conference, and other interested groups.

The Commissioner of Narcotics personally fulfilled a number of lecture engagements before national groups on the narcotic problem.

Excerpt from report received during 1940 from District Supervisor of the Bureau of Narcotics, Boston, Mass.:

During a routine investigation it became necessary to check the records of a local firm which compounds a certain preparation containing 2 grains of opium per ounce. The order forms covering the past 4 years show purchases of 6 pounds of opium per year for use in the preparation. The same person had been in charge of the drugs in this laboratory for about 60 years. He stated that when he first worked there, the company purchased opium in 100-pound lots yearly for use in this same preparation.

COURTS

In sentencing Dr. John M. Stanford, of Russellville, Ark., on November 8, 1940, to serve a year and a day in a United States penitentiary, and to be placed on 5 years' probation, for violations of Federal narcotic laws, the United States district judge denounced physicians "who," he said, "violate the ethics of their profession of healing by destroying character in the illegal handling of narcotics and the trust placed in them as physicians."

The judge declared that "these men violate a sacred trust when they prescribe narcotics without treatment, and this reckless practice among doctors of this state must be put to an end."

RECIDIVISM IN NARCOTIC LAW VIOLATORS

Nonaddicted Narcotic Law Violators Frequently Have Records as Dangerous Criminals

During the year it was noted that a number of the persons involved in narcotic law violation cases were desperate criminals. As a general rule, these criminals were not addicted themselves to the use of drugs, and had long previous police records of a nonnarcotic nature. The following case is of interest in this connection:

On December 14, 1940, at Lincoln, Nebr., in a robbery at gun point, about 400 tablets of morphine, pantopon, and codeine were taken from the Fenton Drug Co. safe by an unknown person. About 10 days later, the Lincoln police department noticed a news item relative to the arrest in the State of Georgia of one Charles Edward Coates, who was charged with murdering a highway patrolman. The Bureau of Narcotics was requested to investigate because of the statement indicating that narcotics had been found in the possession of Coates, and it was learned that these drugs bore the label "Fenton Drug Co." thus linking Coates to the crime in Nebraska.

Before the hold-up which he committed in Lincoln, Coates had escaped from a penitentiary in Missouri where he was serving a life sentence. He managed to steal an automobile in Oklahoma, and

later shot and killed the highway policeman in Georgia, when the officer stopped his car to caution him about reckless driving. He then escaped again and became the object of a 5-day hunt in the Georgia-Tennessee woods. He was finally apprehended and convicted at Ringgold, Ga., of the murder of the State police officer, and sentenced to be electrocuted.

Coates was 28 years of age and had a long criminal record dating from 1929 for serious offenses, but none of which was concerned with the narcotic laws. He had served sentences on at least three occasions; had escaped from prison twice; and had been a deserter from the Army.

It was the opinion of certain officials in Georgia that stimulation from narcotics had enabled Coates to keep ahead of the posse and bloodhounds that searched for him for 5 days and nights, but there was no evidence at the time of his capture to show that he had been using drugs although about 100 of the tablets stolen from the Fenton Drug Co. were missing from those in Coates' possession when he was apprehended. Indications were that Coates never had been addicted to drugs. He refused to make any statement regarding the narcotics except to insist that his wife whom he had married 3 days previously in Mississippi was innocent of any connection with them. Apparently Coates knew the value of the drugs as he had made the statement that he had "about \$1,000 worth of drugs."

For other criminal records of violators, see cases of Emanuel Weiss, page 39 of this report, Charles Dong, page 38, George Klein, Charles Schiffman, James Russo, Jerry Siegel, and Abe Chapman, pages 39, 40, and 41.

During the year the Federal Bureau of Narcotics secured from the Federal Bureau of Investigation of the Department of Justice, and made available for use at trials of the respective defendants, the criminal history of 3,286 persons arrested for violation of the Federal narcotic laws. This criminal background of defendants is furnished to assist the courts in imposing adequate sentences.

DEPORTATION OF ALIENS

Due to war conditions abroad such as the lack of transportation facilities, some difficulty was encountered during the year in connection with the deportation of aliens convicted of violations of the Federal narcotic laws. Of 142 cases pending on January 1, 1940, and 71 reported during the year, deportations were accomplished in only 36 cases, as compared with 53 in 1939.

Under authority of legislation approved in 1931, in every case where the convict is, prima facie, an alien, the conviction is reported to the Bureau of Immigration and Naturalization of the Department of Justice, which makes further investigation to determine whether the

person is actually an alien and whether there is any bar to deportation. The alien is not deported until his release from confinement under the sentence imposed.

Action is taken by the Bureau of Immigration and Naturalization causing warrants of deportation to be issued in all cases of deportable aliens convicted and sentenced. Under the Federal deportation law, alien narcotic drug addicts who are convicted of violations of the Federal internal-revenue narcotic drug laws not involving sale are not deportable.

The statistical table showing the result of action taken in deportation cases, with respect to convicted violators of the Federal narcotic drug laws, during the calendar year 1940, together with the number of cases previously reported and pending on January 1, 1940, will be found in the appendix in table 7. This brings the total of aliens deported after serving sentences for narcotic offenses up to 930 since the legislation became effective in 1931.

VEHICLES SEIZED IN CONNECTION WITH VIOLATIONS OF THE FEDERAL NARCOTIC DRUG LAWS

On January 1, 1940, there were pending cases against 66 automobiles valued at \$25,695, and 3 trucks valued at \$775. During the calendar year 1940, 137 automobiles valued at \$59,930 and 1 truck valued at \$500 were seized in connection with violations of the Federal narcotic drug laws.

The following table shows the disposition of the 207 vehicles valued at \$86,900:

		<i>Value</i>
Forfeited summarily-----	123 cars-----	\$42,930
	2 trucks-----	650
Forfeited judicially-----	12 cars-----	7,071
Compromised-----	2 cars-----	1,050
Returned-----	33 cars-----	16,866
	2 trucks-----	625
Pending Dec. 31, 1940-----	33 cars-----	17,708
	207	86,900

Of the 137 vehicles forfeited, 69 were delivered under statutory authority to field narcotic law enforcement officers for use pursuant to the performance of their official duties, 21 were delivered to other Federal agencies for official use, and 47 were ordered to be sold at public auction.

VEHICLES SEIZED IN CONNECTION WITH VIOLATIONS OF THE FEDERAL MARIHUANA LAW

On January 1, 1940, there were pending cases against 16 automobiles valued at \$6,215. During the calendar year 1940, 49 automobiles

valued at \$19,386 and 4 trucks valued at \$805 were seized in connection with violations of the Federal marihuana laws.

The following table shows the disposition of the 69 vehicles valued at \$26,406:

		<i>Value</i>
Forfeited summarily.....	34 cars.....	\$10,390
	2 trucks.....	295
Compromised.....	2 cars.....	485
Returned.....	12 cars.....	4,695
Pending Dec. 31, 1940.....	17 cars.....	10,031
	2 trucks.....	510
	69	26,406

Of the 36 vehicles forfeited, 11 were delivered under statutory authority to field narcotic law enforcement officers for use pursuant to the performance of their official duties, 8 were delivered to other Federal agencies for official use, and 17 were ordered to be sold at public auction.

STATE BOARDS

Under authority of the Federal law approved June 14, 1930, as amended, the Commissioner of Narcotics, on behalf of the Secretary of the Treasury, continued furnishing the respective licensing boards in the several States with information in cases where licensed physicians, dentists, veterinarians, osteopaths, or pharmacists had been convicted of violations of the Federal narcotic drug laws or had been reported by investigating officers as being addicted to the use of narcotic drugs. Assistance has been rendered these boards in the prosecution of such persons with a view to the revocation or suspension of the licenses issued to them and the consequent withdrawal of their right to purchase, sell, or dispense narcotic drugs.

Statistical tables showing the number of convicted or addicted physicians, dentists, veterinarians, osteopaths, and pharmacists whose cases were reported to and pending before the various licensing boards at the beginning of the calendar year 1940, the number of persons whose cases were reported during the year, and the action taken thereon as reported to the Commissioner of Narcotics, together with the number of persons whose cases were pending at the end of the calendar year 1940 will be found in the appendix as tables 6, 6-A, 6-B, 6-C, and 6-D.

As quoted on page 6, the American Medical Association made the statement that "Complete cooperation with the Bureau by State licensing agencies will do much to further this significant work."

LOST ORDER FORMS

Official narcotic order forms, which must be used to cover all sales or transfers of narcotic drugs under the law, are issued and sold to

registrants by the Federal Government. From time to time some of these official order forms are lost by or stolen from registrants, who are required thereupon to report the loss to the Commissioner of Narcotics. During the year 1940, 15 thefts and 226 instances of unaccounted for losses of such order forms were reported to the Bureau of Narcotics. The Commissioner sends a monthly list of such lost forms, showing their identifying serial numbers, to registrants who are authorized to make sales of drugs, with instructions to refuse to honor those reported as lost or stolen when and if presented, but to report the circumstances, transmitting the order form or forms to the Bureau of Narcotics for investigation.

THEFTS

Thefts of narcotic drugs from wholesale drug houses, retail pharmacists, and physicians reported during the calendar year 1940, were again greater than those reported during 1939 both in number and in quantities of drugs involved. The increasing frequency of such thefts notwithstanding the precautions taken against them reflects the greater difficulty encountered by the addict and peddler in securing their supplies of narcotics in the illicit traffic. A schedule of such thefts by enforcement districts is set out in table 8 in the appendix.

B. RAW MATERIALS

VII. Raw Opium.

Raw opium is not produced in the United States and opium derivatives are not imported. All supplies of raw opium are, therefore, imported under official permit and all supplies of opium derivatives are manufactured within the United States from the opium thus imported. Such importation is permitted only for the manufacture of such derivatives and for other medical and scientific purposes.

The importations of raw opium during the calendar year 1940 are shown in the appendix, tables 9 and 9-A.

The revenue represented by the opium imported during the year was \$762,044.63, based on an import duty of \$3 per pound and an internal-revenue tax of 1 cent per ounce, or 16 cents per pound upon the same opium.

VIII. Coca Leaf.

The coca leaf is not grown in the United States and coca derivatives are not imported. All supplies of coca leaves are, therefore, imported under official permit, and all supplies of coca derivatives are manufactured within the United States from the coca leaves thus imported.

A comparative statement of importations of coca leaves for the 16-year period from 1925 to 1940, inclusive, will be found in the appendix table 10.

The revenue represented by the coca leaves imported during the calendar year 1940 was \$201,882.23, based on an import duty of 10

cents per pound and an internal-revenue tax of 1 cent an ounce, or 16 cents a pound upon the same leaves.

IX. Marihuana (*Cannabis sativa* L., Indian Hemp).

During the year 1940 hemp was grown on about 2,506 acres (1,014 hectares) in the States of Kentucky and Wisconsin for seeds and fiber. Of this approximately 1,436 acres (581 hectares) were grown in the State of Wisconsin for fiber, mainly for cordage purposes. The crop grown in Kentucky was cultivated for both the fiber and seed, approximately 579 acres (235 hectares) being grown for fiber and 490 acres (198 hectares) for seed. The production of hemp seed amounted to approximately 359,655 pounds (163,138 kg.).

No one registered during the year to grow the plant for the flowering or fruiting tops for the production of cannabis for medicinal purposes. It is not believed that the plant will be cultivated for this purpose in view of the tax of \$1 an ounce which is imposed under the act on the transfer of the flowering tops, the whole plants, or any extracts or preparations made therefrom.

Importations of hemp seed during 1940 totaled 1,160,194 pounds (526,260 kg. 546 gm.) as compared to 1,290,265 pounds (585,253 kg. 728 gm.) during 1939. The importations for 1940 are slightly less than in 1939 and are far below those formerly made, 62,911,204 pounds (28,536,334 kg. 930 gm.) of seeds having been imported during 1936. The internal-revenue tax of 2 cents per pound, effective August 21, 1936, on the importation of hemp seed remained in effect during 1940. The importations of such seed during the years 1930 to 1940 are shown in table 10-A in the appendix.

The system of control of the legitimate manufacture and distribution of cannabis products for industrial and medicinal purposes was described in the annual report for the calendar year 1938. The number of persons registered in each of the several classes under the Federal marihuana law is set out in the appendix table 11-A.

RESEARCH WORK ON MARIHUANA (*Cannabis sativa*), CONDUCTED DURING 1940 BY THE BUREAU OF NARCOTICS LABORATORY

The activities of the Bureau's technical staff on marihuana research may be divided into two functions: (1) The continued expansion, stimulation, and facilitating of a broad national research activity covering the chemical, pharmacological, psychiatric, and agronomic aspects of the plant, its preparations and derivatives; (2) an intensive laboratory attack (coordinated with the national program) upon the problem of isolating, identifying, and studying of the active principles contained in marihuana.

In furtherance of the broad program of intensive research the Bureau of Narcotics technical staff has supervised the extraction of approximately 12 tons of marihuana for the purpose of providing a

large quantity of uniform resin to be distributed to the several laboratories participating in this program. The several experimenters, each in turn employing his own technique, have prepared a number of significant products. These range from single isolated chemical compounds to concentrated mixtures characterized by high physiological activity. These compounds and mixtures have been tested on dogs, mice, and rabbits, as well as by other procedures.

Definite progress in the unravelling of the marihuana problems has been recorded during 1940. Of greatest significance are the following: (1) Dr. Roger Adams, head of the department of chemistry, University of Illinois, in a series of publications, has announced the isolation of cannabidiol, a physiologically inactive compound convertible to a compound of high physiological activity strikingly similar to that physiological activity characterizing marihuana. This latter compound has been designated as tetrahydrocannabinol. The chemistry of these compounds is being intensively investigated by Dr. Adams and his staff. (2) Dr. A. J. Haagen-Smit, of the California Institute of Technology, has announced the isolation of "Cannin," an extremely potent crystalline substance derived from Cannabis resin. (3) Dr. S. Loewe, of New York, studying the pharmacology of derivatives of marihuana supplied to him by several investigators cooperating in this national program, has found indications pointing to the conclusion that incoordination in dogs, corneal anaesthesia in rabbits, and sleep in mice, produced by marihuana extracts, result from different compounds contained therein. (4) Mayor LaGuardia's committee on marihuana research, conducting studies on humans at Welfare Hospital in New York City, and employing not only the original leaf but also highly concentrated derivatives therefrom, as well as synthetic products, is defining the character of the physiological and psychiatric behavior patterns. (5) Dr. A. H. Blatt, of Queens College, New York, has reviewed all of the chemical researches conducted previous to the present investigations and, by critical examination, brought them into consonance with present studies. (6) The Mary Shay Memorial Laboratory of Organic Chemistry, St. Bonaventure College, New York, reports progress in its study of the behavior characteristics of red oils and yellow oils derived from Cannabis extracts. (7) The Bureau of Narcotics laboratory staff, continuing its study of the partition of Cannabis resin by distillation and chromatographic adsorption techniques, has isolated a substance which apparently is the most active material yet derived from the plant Cannabis sativa.

The above record of progress in the evaluation of the chemistry and pharmacology of marihuana, and its derived products, points to a relatively early solution of some of the major problems anent thereto.

C. MANUFACTURED DRUGS

X. 1. Internal Control of Manufactured Drugs.¹²

The internal control of manufactured drugs is accomplished by: (1) A control of manufacture exercised through a system of monthly and quarterly returns covering the essential details of all manufacturing operations, carefully scrutinized in the course of thorough administrative examination and audit, supplemented by official inspections of the manufacturers' premises, operations, and records by technically qualified inspectors who verify such records and returns and inventory each narcotic substance in stock; (2) a control of distribution by manufacturers and wholesale dealers, exercised through a system of serially numbered official order forms required to be used for all transactions of purchase, sale, or transfer, and by a system of monthly returns which report the complete details of every such transaction, which returns are scrutinized in the course of a thorough administrative examination and audit, supplemented by official inspections of their places of business, operations, and records by technically qualified inspectors who verify their records and returns and inventory each narcotic substance in stock; and (3) a control of dispensing exercised through official inspections of the prescription records of druggists and the dispensing records required to be maintained by physicians, dentists, and other practitioners and through official inspections of the premises, operations, and sales records of persons who manufacture or deal in preparations of low narcotic content sold directly to the consumer for medical use.

This system of control is supplemented by a requirement for the placing of identification numbers on all packages containing 1 ounce or more of morphine or cocaine and the keeping of permanent sales registers from which the identity of each successive purchaser of a particular package can be ascertained when the name of the manufacturer and the serial number of the package are known. While this has been required only for the drugs morphine and cocaine, and only for packages containing 1 ounce or more in quantity, a number of manufacturers actually apply such numbers to each package of their production regardless of the kind or quantity of drug which it contains. These identification numbers and the registers in which they are recorded are of value in ascertaining the points at which drugs are diverted from legitimate channels into the illicit traffic.

All manufacture of opium and coca-leaf derivatives is effected from imported materials. Limitation of manufacture of the basic opium and coca-leaf alkaloids commences with a limitation set upon the quantities of raw materials made available to manufacturers. The annual estimates for manufacture are prepared in accordance with article 6,

¹² See chart opposite p. 8.

section 1, of the Narcotics Limitation Convention of 1931, and only those quantities of crude opium and of coca leaves which are calculated on the basis of experienced factory efficiency to be necessary for the manufacture of the drugs included in such estimates are made available.

The total of these predetermined quantities is allocated to the several manufacturers in accordance with the ratios of their experienced requirements and their existing or available stocks. Thereafter, the quarterly return of each manufacturer is promptly examined and the total manufacture to date of each derivative ascertained in order that the necessary action may be taken in the event that production of any derivative in excess of estimates is in prospect. This plan has operated very effectively in limiting manufacture to actual requirements.

Since neither the importation of manufactured narcotics nor the return to the United States of narcotics which have been exported is permitted under the law, there are no quantities to be deducted from the manufacturing estimates under provision (i) of article 7 of the Limitation Convention. The quantities of confiscated drugs utilized for domestic consumption consist only of small quantities of crude opium, opium derivatives, and cocaine turned over to other Government establishments for medical and scientific uses. Diacetylmorphine, or heroin, is not manufactured in the United States.

Manufacturers are informed as to the drugs included in the annual estimates submitted on behalf of the United States in accordance with the provisions of the Narcotics Limitation Convention of 1931, and have been instructed that no other phenanthrene alkaloid or derivative of opium or ecgonine alkaloid or derivative of the coca leaf may be produced for the trade unless and until the approval of the proper governmental authorities has first been obtained and estimates therefor have been submitted. Since the convention came into effect, the Commissioner of Narcotics has had occasion to consider applications for authorizations to manufacture small quantities of dihydromorphine (paramorfan), dihydrocodeine (paracodin), dihydrodesoxymorphine D (desomorphine), dihydrocodeinone (dicodide), eucodal, eucodin, dinitrophenylmorphine, monoacetylmorphine, methylhydromorphinone, and benzoyl-ecgonine, all for scientific or experimental purposes, but no manufacture of these products for the trade has yet been authorized.

Those drugs falling in group II of the Narcotics Limitation Convention of 1931 are subjected to the same rigid control as those in group I, no distinction being made between the two groups under the laws of the United States. The manufacture of derivatives of opium and of coca leaves is confined to those establishments and premises which are duly registered under the Federal law, and only such persons or firms as are so registered are permitted to import,

export, manufacture, sell, distribute, or transfer such drugs. Records are required to be maintained continuously and reports or returns to be rendered monthly and quarterly, covering the details of all transactions of importation, exportation, manufacture, sale, or transfer.

2. Licenses.

No change was made during 1940 in the qualifications for engaging in the international or internal trade in narcotic drugs, and the system of import permits and export authorizations remains the same.

3. Manufacture.

Three establishments were authorized to import raw opium during the year for the purpose of manufacturing medicinal, powdered, and granulated opium and for extracting alkaloids for sale or export as such. These are as follows:

Merck & Co., Inc., Rahway, N. J.

Mallinckrodt Chemical Works, St. Louis, Mo.

New York Quinine & Chemical Works, Inc., Brooklyn, N. Y.

The following opium derivatives were produced during the year by these three establishments, both for domestic use and export:

Powdered opium.

Granulated opium.

Morphine.

Dihydromorphinone.

Dicodide

Thebaine.

Methylmorphine.

Ethylmorphine.

Papaverine.

Narcotine.

Narceine.

Apomorphine.

A fourth establishment, Hoffmann-La Roche, Inc., Nutley, N. J., was authorized to import raw opium for the purpose of extracting the alkaloids therefrom, not for sale as such but for use exclusively in the manufacture of its specialty, pantopon.

The following four additional establishments were authorized to import comparatively small quantities of raw opium for the purpose of manufacturing medicinal opium, tinctures, and extracts:

Parke, Davis & Co., Detroit, Mich.

Eli Lilly & Co., Indianapolis, Ind.

Sharp & Dohme, Inc., Philadelphia, Pa.

E. R. Squibb & Sons, Brooklyn, N. Y.

These establishments do not extract alkaloids. They do, however, manufacture tablets and pharmaceutical preparations from alkaloids purchased by them from alkaloid-extracting manufacturers.

Alkaloid-extracting manufacturers render returns each quarter to cover the details of their manufacture. These quarterly returns cover the full details of the crude materials on hand and substances in process of manufacture or conversion at the beginning and end of each quarter; the importations, quantities used in manufacture and con-

version, and manufacture therefrom. In addition to the quarterly returns, each manufacturer is required to submit monthly returns covering the full details of each receipt or disposition, including the date, the serial number of the official order form pursuant to which the transaction was made, the name, address, district, and registry number of both the consignor and consignee, and the name and quantity of the drug involved.

These returns are carefully examined and audited in the Federal Bureau of Narcotics to determine whether proper yields from the raw materials are obtained, whether all transactions of purchase, sale, or manufacture have been properly accounted for, and whether the stocks of raw materials, materials in process, and finished drugs in the possession of each factory are properly and fully reported. In addition to this audit special representatives of the Bureau make periodic inspection of factory premises, study their operations, examine factory records, inventory all stocks, and verify the reports of substances on hand.

The establishments specified below were authorized to import coca leaves for the purpose of producing cocaine:

Merck & Co., Inc., Rahway, N. J.

Maywood Chemical Works, Maywood, N. J.

The Maywood Chemical Works, in addition to importing coca leaves for the manufacture of cocaine, was also authorized to import a further supply of coca leaves for the purpose of manufacturing therefrom a nonnarcotic flavoring extract, as authorized by law. All cocaine, ecgonine, and salts, derivatives, and preparations from which cocaine or ecgonine might be made, which were contained in such additional supplies of coca leaves, were destroyed under the supervision of a personal representative of the Commissioner of Narcotics.

4. Trade and Distribution.

The extent of the manufacture, sale, and distribution of narcotic drugs and preparations in the legitimate trade may be gaged somewhat by the number of persons registered in the various classes under the law, these several classes having been previously described. On June 30, 1940, there were 168 persons or firms registered in class 1 as importers, manufacturers, producers, and compounders, which figure includes the factories authorized to import crude opium and coca leaves for the purpose of manufacturing medicinal opium and extracting morphine and cocaine. There were 1,314 persons or firms registered in class 2 as wholesale dealers in taxable narcotic drugs on June 30, 1940. The remaining 4 classes of registered persons included retail dealers (druggists), registered in class 3, physicians, dentists, veterinarians, and other practitioners lawfully entitled to distribute, dispense, give away, or administer narcotic drugs and preparations to

patients upon whom they in the course of their professional practice are in attendance, registered in class 4; manufacturers and distributors of preparations and remedies not subject to commodity tax because of low narcotic content, registered in class 5; and persons not registered in class 1, but lawfully entitled to obtain and use in a laboratory narcotics for the purpose of research, instruction, or analysis, registered in class 6. On June 30, 1940, there were 51,528 registrants in class 3, 158,986 in class 4, 145,043 in class 5, and 105 in class 6. The figure for those registered in class 5 includes persons or firms also registered in one or more of the other classes.

Statistical tables showing registrations under the Federal narcotic laws, the quantities of crude opium and coca leaves held at the beginning of the year by the importing manufacturers, the quantities of crude drugs imported during the year, the quantities used for extraction of alkaloids and manufacture of tinctures and extracts, the quantities of alkaloids produced for conversion into other drugs, the sales of such manufactured drugs, the stocks of crude and manufactured drugs on hand at the end of the year, the exportation of drugs during the year, and shipments of drugs to insular possessions, will be found in the appendix, tables 9 to 19, inclusive.

CONSUMPTION

During the year there was a slight decline in the licit consumption of those drugs included in the Geneva Drug Convention of 1925 or in group I of the Narcotics Limitation Convention of 1931: opium, morphine, dilaudid, heroin and pantopon, while there was an increase in the consumption of codeine. A statement of the principal drugs consumed during the year will be found in table 15 in the appendix.

D. OTHER QUESTIONS

XI. Chapter IV of The Hague Opium Convention of 1912.

The Government has no additional information to submit with reference to the execution of the provisions of chapter IV of The Hague Convention.

XII. Prepared Opium.

There is at present no lawful manufacture of prepared opium in the United States. The importation of prepared opium, or of opium prepared for smoking, into the United States, the admission of the substance for transfer or transshipment to another country, and the exportation thereof to another country are absolutely prohibited.

It is believed that there is comparatively little opium smoking in the United States among the native population, although there continues to be a certain indulgence in the habit, more particularly among the alien population, especially the Chinese. There were

reported during the year 5 cases of violations of the law governing the manufacture of smoking opium, as compared with 3 in 1939. These do not include the offenses of possession or sale. Sixteen such cases were pending on January 1, 1940. Of these 21 cases, prosecution was instituted in 2, with 2 convictions, and 3 cases were dropped, leaving 16 such cases pending at the close of the year. An aggregate sentence of 3 years and a fine of \$1 were imposed upon the persons convicted. These figures have been included in the statistical table of enforcement activity of Federal narcotic officers under the Federal internal-revenue narcotic laws.

A total of 1,024 ounces 164 grains (29 kg. and 41 gm.) of smoking opium was seized and confiscated during the calendar year 1940. Practically all of the prepared opium seized came from the Far East in the manner hereinbefore described in the discussion of seizures.

XIII. Other Drugs.

See X. 1, Internal Control of Manufactured Drugs, p. 61.

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APPENDIX

TABLE 1.—*Number of violations of the Narcotic Drugs Import and Export Act and customs laws reported during the calendar year 1940 and their disposition, and the penalties*

Violations reported.....	637
Defendants presented for prosecution.....	166
Defendants convicted.....	85
Defendants acquitted.....	19
Penalties:	
Aggregate sentences imposed.....	115 years 8 months 8 days
Total amount of fines imposed.....	\$4, 576. 62
Number of vessels upon or in connection with which narcotic drugs were seized on account of failure to manifest.....	69
Amount of penalties assessed against such vessels ¹	\$48, 889. 64
Amount of penalties collected.....	13, 002. 18

¹ A statute places a liability upon the master or owner of a vessel in the amount of \$25 per ounce for each ounce of smoking opium discovered on board the vessel which has not been manifested. This penalty automatically attaches, except that the master or owner of a vessel used as a common carrier shall not be liable to the penalty if it appears that neither the master nor any of the officers nor the owner knew, and could not by the exercise of the highest degree of care and diligence, have known that smoking opium was on board. A penalty is also imposed upon the master or owner of a vessel arriving at a port of the United States with respect to any narcotics, other than smoking opium, found on board the vessel without being included or described in the vessel's manifest, said penalty being \$50 for each ounce of heroin, morphine, or cocaine, and \$10 for each ounce of crude opium.

A further provision of the customs laws gives to the owner or master of the vessel the right to file with the Secretary of the Treasury a petition setting forth any facts which in the judgment of the latter official should warrant relief being granted from the assessment of the full penalty. The purpose of this provision is to grant to a master or owner equitable relief when it is clearly shown that they have exercised every precaution to prevent the bringing aboard of smoking opium or other narcotics intended for illegal introduction into the United States. Hence, the penalties finally collected are but a part of the penalties originally assessed, due to the showing made by and on behalf of the masters and owners of preventive measures taken by them.

NOTE.—It is not possible to show the occupations of the persons prosecuted as shown in the above table, but it is believed that they have no known lawful occupation or profession, with the exception of those few persons who were employed as members of crews of vessels plying between this country and foreign ports.

TABLE 1-A.—*Number of violations of Federal internal revenue narcotic laws reported during the calendar year 1940, with their disposition, and the penalties*

Item	Registered	Unregistered	Total
Persons reported for criminal violations:			
Federal cases.....	655	1, 881	2, 536
Joint cases.....	42	431	473
Persons tried in courts:			
Federal cases in Federal courts.....	139	1, 355	1, 494
Federal cases in State courts.....	2	188	190
Joint cases in Federal courts.....	17	273	290
Joint cases in State courts.....	5	155	160
Persons convicted: ¹			
Federal cases in Federal courts.....	132	1, 335	1, 467
Federal cases in State courts.....	2	180	182
Joint cases in Federal courts.....	16	266	282
Joint cases in State courts.....	5	148	153
Persons acquitted:			
Federal cases in Federal courts.....	7	20	27
Federal cases in State courts.....	—	8	8
Joint cases in Federal courts.....	1	7	8
Joint cases in State courts.....	—	7	7
Penalties:			
Aggregate sentences imposed, in years: ²			
Federal cases in Federal courts.....	239	2, 893	3, 132
Federal cases in State courts.....	1	136	137
Joint cases in Federal courts.....	21	500	521
Joint cases in State courts.....	—	113	113

TABLE 1-A.—Number of violations of Federal internal revenue narcotic laws reported during the calendar year 1940, with their disposition, and the penalties—Continued

Item	Registered	Unregistered	Total
Penalties—Continued.			
Total amount of fines imposed:			
Federal cases in Federal courts	\$36,402.19	\$54,243.00	\$90,645.19
Federal cases in State courts	200.00	1,443.02	1,643.02
Joint cases in Federal courts	1,575.00	8,087.02	9,662.02
Joint cases in State courts	925.00	2,212.00	3,137.00
Number of cases compromised: ³			
Federal cases	156		156
Joint cases	15		15
Total amount accepted in cases compromised:			
Federal cases	\$18,247.00		\$18,247.00
Joint cases	2,265.00		2,265.00

¹ These figures include 15 persons who were placed on indefinite probations and 8 persons whose sentences were indefinitely suspended.

² These figures include definite probationary sentences aggregating 551 years and sentences aggregating 41 years which were suspended. Sentences aggregating 2,939 years running concurrently with those included in these figures were imposed in addition thereto.

³ In addition to the 171 cases in which compromises were accepted, 9 cases involving tax liability were closed on payment of taxes and penalties amounting to \$90.47.

NOTES.—This table also includes 2 convictions in the Federal courts of violations of the laws governing the manufacture of smoking opium, the convicted persons receiving aggregate sentences of 2 years 6 months 1 day and an aggregate fine of \$1.

Cases described as Federal are those made by Federal officers working independently, while those described as joint are those made by Federal and State officers working in cooperation with each other. The column headed Registered (registered under the Harrison Narcotic Law, as amended) represents practitioners of the healing arts and druggists who were prosecuted for narcotic-law violations, while the column headed Unregistered represents persons whose occupations or professions cannot be determined, but who were in the main underworld characters.

TABLE 1-B.—Number of violations of the Federal Marihuana law reported during the calendar year 1940, with their dispositions and the penalties

Item	Registered	Unregistered	Total
Persons reported for criminal violations:			
Federal cases		563	563
Joint cases		387	387
Persons tried in courts:			
Federal cases in Federal courts		401	401
Federal cases in State courts		30	30
Joint cases in Federal courts		284	284
Joint cases in State courts		30	30
Persons convicted:¹			
Federal cases in Federal courts		390	390
Federal cases in State courts		30	30
Joint cases in Federal courts		275	275
Joint cases in State courts		27	27
Persons acquitted:			
Federal cases in Federal courts		11	11
Federal cases in State courts			
Joint cases in Federal courts		9	9
Joint cases in State courts		3	3
Penalties:			
Aggregate sentences imposed, in years:²			
Federal cases in Federal courts		524	524
Federal cases in State courts		44	44
Joint cases in Federal courts		370	370
Joint cases in State courts		24	24
Total amount of fines imposed:			
Federal cases in Federal courts		\$2,406.00	\$2,406.00
Federal cases in State courts		37.50	37.50
Joint cases in Federal courts		1,877.00	1,877.00
Joint cases in State courts			
Number of cases compromised:			
Federal cases		1	1
Joint cases			
Total amount accepted in cases compromised:			
Federal cases		16.00	16.00
Joint cases			

¹ These figures include 9 persons who were placed on indefinite probations.

² These figures include definite probationary sentences aggregating 86 years and sentences aggregating 23 years which were suspended. Sentences aggregating 348 years running concurrently with those included in these figures were imposed in addition thereto.

Cases described as Federal are those made by Federal officers working independently, while those described as joint are those made by Federal and State officers working in cooperation with each other. The column headed Registered (registered under the Marihuana Tax Act of 1937) represents practitioners of the healing arts and druggists who were reported for marihuana law violations, while the column headed Unregistered represents persons whose occupations or professions cannot be determined, but who were in the main underworld characters.

TABLE 1-C.—Comparative statement of quantity of drugs seized,¹ violations, convictions, sentences, and fines under Federal narcotic laws, calendar years 1931 to 1940, inclusive

Item	1931	1932	1933	1934	1935	1936	1937	1938	1939	1940
Drugs seized or purchased:										
At ports and borders.....	<i>Kilograms</i> 1,403.498	<i>Kilograms</i> 284.799	<i>Kilograms</i> 487.526	<i>Kilograms</i> 353.036	<i>Kilograms</i> 306.345	<i>Kilograms</i> 377.913	<i>Kilograms</i> 437.889	<i>Kilograms</i> 651.874	<i>Kilograms</i> 252.185	<i>Kilograms</i> 64.827
Internal traffic.....	1,124.596	223.394	113.086	86.579	205.647	63.371	133.949	130.164	100.483	66.374
Total.....	2,528.094	508.193	600.612	439.615	511.992	441.284	571.838	782.038	352.668	131.201
Violations reported (number):										
By registered persons.....	575	902	863	1,872	2,268	2,063	² 603	588	567	697
By unregistered persons.....	4,460	4,267	3,529	3,826	3,727	3,468	3,468	3,195	3,733	2,312
Total.....	5,035	5,169	4,392	5,698	5,995	5,531	4,071	3,783	4,300	3,009
Convictions (number):										
Of registered persons.....	133	103	137	203	191	155	119	95	107	155
Of unregistered persons.....	2,995	2,785	2,453	2,471	2,927	2,725	2,458	2,436	2,590	1,929
Total.....	3,128	2,888	2,590	2,674	3,118	2,880	2,577	2,531	2,697	2,084
Sentences imposed (years), including concurrent sentences.....	9,867	6,740	5,680	6,501	8,669	7,285	9,999	9,869	9,508	6,842
Fines imposed (amount in dollars).....	\$163,514	\$115,148	\$136,274	\$149,194	\$200,904	\$155,165	\$224,754	\$218,572	\$163,426	\$105,087
Automobiles seized (number).....	146	130	121	100	104	97	171	155	200	191

¹ Seizures are stated in terms of the actual quantities of all drugs in the forms in which seized.

² The decrease during 1937, 1938, 1939, and 1940, in the number of cases reported pertaining to registered persons is largely due to the fact that the Bureau no longer includes as cases reports showing merely technical or minor violations of the regulations.

TABLE 2.—Results of enforcement activity by State and municipal enforcement officers under the State narcotic drug laws, in the calendar year 1940

State	Criminal viola- tions reported	Persons tried in courts	Persons con- victed	Persons ac- quitted	Persons deceased	Persons becom- ing fugitives	Cased dropped	Cases pending, Dec. 31, 1940	Aggregate sen- tences imposed			Total fines im- posed
									Years	Months	Days	
California	396	(1)	(1)	(1)	(1)	(1)	(1)	(1)	5	6		
Connecticut	34	34	2 32	1	1				1	6		
Delaware	3	3	3							2		
District of Columbia	1	1	1							6	15	\$100
Florida	6	6	6						1	6		
Illinois	365	365	258	81		1			76	8	2	3,957
Indiana	522	36	28	8					29	4	3	
Iowa	1	1	1									300
Massachusetts	187	187	176	11					111	6		285
Michigan	6	6	5	1					17			
New Jersey	12	6	3	1			2					
New York	2,082	1,630	1,602	19								9,035
Ohio	3 10	10	8	2						2		100
Oregon	1	1	1							2		
Pennsylvania	4 150	150	98	52					132	6	24	600
Rhode Island	28	4	4					1	4		1	
Texas	3	3	3						6			
Utah	6	7	5	2					1	9		
Washington	1	1	1						10			

¹ Detailed information not available.

² Connecticut State Department of Health reported 27 committed to State institutions for treatment.

³ Ohio State Board of Pharmacy reported 2,277 investigations made.

⁴ Pennsylvania State Department of Health reported 2,122 investigations made.

TABLE 3.—Gross weight and calculated anhydrous alkaloid content of the various narcotic drugs seized at ports and borders under the Narcotic Drugs Import and Export Act during the calendar year 1940

Kind of drug and form in which seized	Gross weight in form seized		Conversion factor used	Net weight in terms of anhydrous alkalo- id	
	Kilograms	Grams		Kilograms	Grams
Opium, crude	32	964			
Opium, smoking	15	540			
Opium, medicinal		27			
Opium in tinctures and extracts		175			
Morphine salts	7	448	0.753175	5	610
Heroin salts		537	.8714		468
Codeine salts		150	.772259		116
Dionin salts		5	.8120		4
Cocaine salts	7	556	.902197	6	817
Miscellaneous drugs		425			

NOTE.—The first column represents the kind of drug seized; the second column represents the gross weight of the drug in the form in which seized; the third column shows the conversion factor used with reference to morphine, heroin, codeine, dionin, and cocaine salts; while the last column represents the net weight, with respect to morphine, heroin, codeine, dionin, and cocaine salts, of the anhydrous alkaloidal content for each kind of drug, based on a calculation which ignores any adulteration, no quantitative chemical analyses having been made to determine the adulteration present in any given seizure.

TABLE 3-A.—Gross weight and calculated anhydrous alkaloid content of the various narcotic drugs seized in the continental United States under the Federal internal revenue narcotic laws during the calendar year 1940

Kind of drug and form in which seized	Gross weight in form seized		Conversion factor used	Percentage of anhydrous alkaloid	Net weight in terms of anhydrous alkaloid	
	Kilograms	Grams			Kilograms	Grams
Opium, crude.....	4	691				
Opium, smoking.....	13	501				
Opium, medicinal.....		372				
Opium in tinctures and extracts.....		610				
Morphine salts.....	4	760		52.22	2	486
Heroin salts.....	42	18		2.88	1	210
Codeine salts.....		290	0.772259			224
Dionin salts.....		5				
Cocaine salts.....		115		87.62		101
Miscellaneous drugs.....		12				

NOTE.—The first column represents the kind of drug seized; the second column represents the gross weight of the drug in the form in which seized; the third column shows the conversion factor used with reference to codeine salts; the fourth column represents the average percentage of anhydrous alkaloid based on chemical analyses of 228 samples of morphine, 1,836 samples of heroin, and 9 samples of cocaine made during the calendar year 1940, while the last column represents the actual net weight of the anhydrous alkaloids of morphine, heroin, codeine, and cocaine, taking into account the conversion factors and the percentages of purity shown in the third and fourth columns, respectively.

TABLE 3-B.—Comparison of quantities of narcotic drugs seized at ports and borders, under the Narcotic Drugs Import and Export Act, and in the continental United States under the Federal internal revenue narcotic laws, calendar years 1939 and 1940

[Gross weight of drug in form seized]

Kind of drug and form in which seized	1939		1940		Increase			Decrease		
					Quantity		Percentage	Quantity		Percentage
	Kilograms	Grams	Kilograms	Grams	Kilograms	Grams		Kilograms	Grams	
Opium:										
Crude.....	140	909	37	655				103	254	73.28
Smoking.....	116	610	29	41				87	569	75.10
Medicinal.....		151		399		248	164.24			
Tinctures and extracts.....		634		785		151	23.82			
Morphine.....	4	684	12	208	7	524	160.63			
Heroin.....	86	390	42	555				43	835	50.74
Codeine.....		667		440					227	34.03
Dionin.....		169		10					159	94.08
Cocaine.....		108	7	671	7	563	7,002.76			
Miscellaneous drugs.....	2	346		437				1	909	81.37
Total.....	352	668	131	201				221	467	62.80

TABLE 3-C.—Number of seizures and quantity of Cannabis (marihuana) seized during the calendar year 1940 by Federal enforcement officers

	Number of seizures	Cigarettes (number)	Bulk marihuana		Marihuana seeds		Growing plants (number)
			Kilo-grams	Grams	Kilo-grams	Grams	
By narcotic officers—State:							
Alabama	3	1		6			
Arizona	25	230		98			91
Arkansas	8	3	1	75		13	
California	144	889	288	230		67	3
Colorado	43	273	3	28		3	
District of Columbia	15	131		213			
Florida	13	147½					
Georgia	1			35			
Hawaii	3	8		8		18	
Idaho	10	3	3	569			43
Illinois	19	297	2	791			
Indiana	10	252	23	56			
Iowa	10	38		398			
Kansas	77	169	10	107			
Kentucky	21	137½	8	836			
Louisiana	194	4,726	20	694		319	
Maryland	58	276	2	558		2	
Massachusetts	21	94					
Michigan	65	665	3	824		63	
Minnesota	16	17	2	499			
Missouri	36	136	1	973			
Montana	11	31		887			
Nebraska	13	4	4	186			
Nevada	1	6					
New Jersey	16	275	37	873			
New Mexico	2			9			
New York	146	5,103	11	426	1	317	
Ohio	58	858½	5	37			1
Oklahoma	23	90½	2	514			79
Pennsylvania	59	453	2	26			15
South Carolina	5	32		11			
Tennessee	7	17½		57			
Texas	410	3,065½	53	746		1	120
Utah	11	25	1	658			5
Virginia	4	20					
Washington	12	104	3	435			2
West Virginia	1			8			
Wisconsin	1			87			
Wyoming	1			13			
Total	1,573	18,578	495	976	1	803	359
By customs officers—Port:							
Boston, Mass.	1					454	
New York, N. Y.	74	75½	18	792			
New Orleans, La.	4			872			
Galveston, Tex.	1	170	1	347			
Laredo, Tex.	11	4	71	428			
El Paso, Tex.	37	229	4	219		1	
San Diego, Calif.	8	297½	3	380			
Nogales, Ariz.	13	478		668			
Los Angeles, Calif.	8	2		142	36	70	
Honolulu, T. H.	2			8		926	
San Juan, P. R.	1	28					
Total	160	1,284	100	856	37	451	
Grand total	1,733	19,862	596	832	39	254	359

TABLE 3-D.—Summary of marihuana eradication program, by states, calendar year 1940

State	De- stroyed	Located but not reported destroyed	Total	State	De- stroyed	Located but not reported destroyed	Total
	Esti- mated area (hectares)	Esti- mated area (hectares)	Esti- mated area (hectares)		Esti- mated area (hectares)	Esti- mated area (hectares)	Esti- mated area (hectares)
California	0.004		0.004	New York	34.025		34.025
Georgia	.101		.101	North Dakota	.445		.445
Illinois	162.247	191.358	353.605	Ohio	2.529		2.529
Indiana	4.249		4.249	Oklahoma	.002		.002
Iowa	3,764.468	11,284.904	15,049.372	Oregon	.008		.008
Kansas	3,692.983		3,692.983	Pennsylvania	29.111		29.111
Massachusetts		.027	.027	South Dakota	4.047		4.047
Michigan	1.510		1.510	Texas	.017		.017
Missouri	.202		.202	Washington	.005		.005
Minnesota	4.845		4.845	Wisconsin	56.050	7.042	63.092
Nebraska	2.023		2.023	Total	7,773.871	11,483.331	19,257.202
New Jersey	15.000		15.000				

TABLE 4.—Number of seizures and quantity of Cannabis (marihuana) seized during the calendar year 1940 by State and municipal enforcement officers

State	Number of seizures	Cigarettes (number)	Bulk marihuana		Growing plants
			Kilograms	Grams	Number
California	101	1,204	89	247	317
Connecticut	2				
Florida	9	66			
Illinois	54	272	12	20	5,000
Indiana	86	662	140	613	36,654
Kansas	1			227	
Massachusetts	2	5			
Michigan	2	10			
New Jersey	30	256	1	361	17,603
New York	76	6,231	35,833	758	
Ohio	1	1		1	
Pennsylvania	49	445	35,051	879	750,000
Rhode Island	16				76,000
Texas	3	16			
Utah	1				1
Total	433	9,168	71,129	106	885,575

TABLE 4-A.—Quantities of narcotic drugs seized as reported by State officials, calendar year 1940

[Gross weight in form in which seized]

Kind of drug	California	Georgia	New York	Pennsyl- vania
	Grams	Grams	Grams	Grams
Opium, smoking	760		567	
Opium in tinctures and extracts		680	2,211	340
Morphine	884	786	92	1
Heroin	63		7,811	133
Cocaine			4	

TABLE 5.—Percentage of all persons arrested in the United States during the calendar year 1940 having previous fingerprint records

Offense	Percent	Offense	Percent
Vagrancy.....	65.7	Assault.....	43.4
Violations of narcotic drug laws.....	63.8	Offenses against family and children.....	39.6
Robbery.....	59.0	Weapons; carrying, possessing, etc.....	39.6
Drunkenness.....	57.5	Stolen property; buying, receiving, etc.....	38.2
Forgery and counterfeiting.....	56.8	Violations of other traffic and motor vehicle laws.....	38.0
Prostitution and commercialized vice.....	54.1	Rape.....	36.5
Embezzlement and fraud.....	52.7	Gambling.....	36.0
Suspicion.....	50.2	Other sex offenses.....	35.4
Burglary—breaking or entering.....	49.2	Driving while intoxicated.....	34.7
Auto theft.....	48.1	Parking violations ¹	32.7
All other offenses.....	48.1	Arson.....	31.6
Disorderly conduct.....	46.8	Violations of road and driving laws.....	31.6
Larceny— <i>theft</i>	46.5	Criminal homicide.....	30.9
Liquor laws.....	45.7		

¹ Only 49 fingerprint cards were received representing arrests for violation of parking regulations.

TABLE 5-A.—Comparison of narcotic and marihuana law violators with total Federal prisoners, on June 30, 1940

1. Male prisoners convicted of Federal offenses and confined on June 30, 1940:		
For all offenses.....		20, 273
For narcotic drug law violations.....		1, 550
For marihuana law violations.....		444
2. Female prisoners convicted of Federal offenses and confined on June 30, 1940:		
For all offenses.....		928
For narcotic drug law violations.....		385
For marihuana law violations.....		15
3. Male prisoner patients confined in United States Public Health Service Hospitals at Lexington, Ky., and Fort Worth, Tex., on June 30, 1940: ¹		
For narcotic drug law violations.....		1, 162
For marihuana law violations.....		109

¹ These figures are not included under item 1 above. In addition to the prisoners shown, there were 114 probationers at the Fort Worth and Lexington hospitals on June 30, 1940, under treatment for narcotic drug addiction, many of whom had been convicted of drug-law violations.

TABLE 6-A.—Number of persons, by class authorized to obtain narcotic drugs legally, reported for narcotic irregularities, and disposition of cases by State licensing boards—Dentists

State	Reported for narcotic irregularities				Action taken			Pending action on Dec. 31, 1940	
	Pending action on Dec. 31, 1939		Reported during 1940		Licenses revoked	Dismissed without disciplinary action			
	For conviction	For addiction	For conviction	For addiction	For conviction	For conviction	For addiction	For conviction	For addiction
Iowa			1			1		1	
Michigan	1								
Minnesota		1					1		
Missouri			1					1	
Nebraska				1					1
South Dakota				1					1
Tennessee			1	1	1				1
Total	1	1	3	3	1	1	1	2	3

TABLE 6-B.—Number of persons, by class authorized to obtain narcotic drugs legally, reported for narcotic irregularities, and disposition of cases by State licensing boards—Veterinarians

State	Reported for narcotic irregularities		Action taken	
	Pending action on Dec. 31, 1939		Dismissed without disciplinary action	
	For conviction	For conviction	For conviction	For conviction
Alabama		2		2
Total		2		2

TABLE 6-C.—Number of persons by class authorized to obtain narcotic drugs legally, reported for narcotic irregularities, and disposition of cases by State licensing boards—Osteopaths

State	Reported for narcotic irregularities				Action taken				Pending action on Dec. 31, 1940		
	Pending action on Dec. 31, 1939	Reported during 1940			Licenses revoked	Probations without narcotic privileges		Probations			
	For conviction	For conviction	For addiction	For conviction or addiction in other States	For conviction	For conviction	For conviction or addiction in other States	For conviction	For conviction	For addiction	
Michigan			1		1	3	1	7	1	1	
Missouri	9	3		1	1	3			1		
Nebraska	1										
New Mexico		1			1						
Tennessee	3								3		
Texas		1							1		
West Virginia			1							1	
Total	13	5	2	1	2	3	1	7	6	2	

TABLE 6-D.—Number of persons, by class authorized to obtain narcotic drugs legally, reported for narcotic irregularities, and disposition of cases by State Licensing Boards—Pharmacists

State	Reported for narcotic irregularities						Action taken									Not licensed	Deceased	Pending action on Dec. 31, 1940			
	Pending action on Dec. 31, 1939			Reported during 1940			Licenses revoked		Licenses suspended		Probations		Admonitions		Dis-missed without disciplinary action						
	For conviction	For ad-dic-tion	For con- viction or ad-dic-tion in other States	For con- viction	For ad-dic-tion	For con- viction or ad-dic-tion in other States	For con- viction	For ad-dic-tion	For con- viction	For ad-dic-tion	For con- viction	For con- viction or ad-dic-tion in other States	For con- viction	For ad-dic-tion	For con- viction			For con- viction	For con- viction	For con- viction	For ad-dic-tion	For con- viction or ad-dic-tion in other States
Alabama		1		1			1													1	
Arkansas		1		1																1	
California	4														4						
Florida ²																					
Georgia	1																			1	
Illinois	1									1											
Indiana				1											1						
Kentucky				3		1							1							3	
Louisiana	7		1	3																10	1
Massachusetts				1					1												
Michigan					1																1
Minnesota	1				1					1											
Missouri				7	1		1	1								1		1		5	
New York	1			2	2															2	2
North Carolina	5	1		1			1						4	1						2	1
Oklahoma	2																			2	
South Carolina				2			2														
Tennessee				1	1																1
Texas	14			2															1	16	
West Virginia				1						1											
Wisconsin				1			1														
Total	36	3	1	27	6	1	6	1	2	1	1	1	5	1	6	1	1		41	6	1

¹ This revocation was effected with respect to a druggist's permit to conduct a drug store.

² In this State, the board, as a result of independent investigation, placed on probation 1 pharmacist who had been convicted under the Federal narcotic law.

³ This pharmacist allowed his license to lapse and, due to his narcotic conviction, the board refused to allow him to take an examination for reinstatement.

TABLE 6-E.—Number of registered nurses reported for narcotic irregularities and disposition of cases by State licensing boards

State	Reported during 1941 for narcotic irregularities		Action taken				Pending action on Dec. 31, 1940	
			Licenses revoked		Probations	Dismissed without disciplinary action		
	For conviction	For addiction	For conviction	For addiction	For addiction	For addiction	For conviction	For addiction
Georgia ¹								
Michigan.....	2		1			1	1	
Nebraska.....		1		1				
New York.....		1						1
Ohio.....		1						1
Wisconsin.....		2			1			1
Total.....	2	6	1	1	1	1	1	3

¹ In this State, the authorities, as a result of independent investigation, revoked the licenses of 2 registered nurses, both addicts, 1 of whom had been convicted under the State Uniform Narcotic Drug Act.

TABLE 7.—Number of aliens reported for deportation and disposition of cases

Country of nationality	Previously reported and pending on Jan. 1, 1940	Reported during 1940	Deported during 1940	Not deportable	Cases pending on Dec. 31, 1940
Arabia.....	1				1
Austria.....	1	1			2
Brazil.....	1			1	1
British West Indies.....	2	1	1		2
Canada.....	1				1
Chile.....		1			1
China.....	78	34	19	31	62
Cuba.....	5	1	1	2	3
Dominican Republic.....		1		1	
France.....	1		1		1
England.....	4	1	1	1	3
Ecuador.....	1		1		1
Germany.....	1				1
Greece.....	3	1	1		3
Hungary.....		1			1
Italy.....	27	13	3	2	35
Japan.....		3			3
Mexico.....	2	8	2		8
The Netherlands.....	1				1
Nicaragua.....	1			1	1
Norway.....		1			1
Panama.....	1		1		2
Poland.....	1	1			2
Russia.....	4	2		1	5
Spain.....	6	1	5	1	1
Total.....	142	71	36	41	136

TABLE 8.—Narcotics reported stolen from registrants under the Harrison narcotic law, as amended, during the calendar year 1940, by districts

District	Number of thefts	Medicinal opium		Morphine		Codeine		Heroin	Dionin	Dilaudide	Derivatives, miscellaneous opium	Cocaine		Coca leaves
		Kilograms	Grams	Kilograms	Grams	Kilograms	Grams					Grams	Kilograms		Grams
Boston.....	29	---	597	1	487	1	323	3	2	1	2	---	104	---
New York.....	82	2	21	---	422	---	456	23	3	---	---	---	141	---
Philadelphia.....	25	---	173	---	136	---	168	4	10	5	25	---	17	---
Baltimore.....	64	---	157	---	375	---	151	3	4	1	1	---	63	---
Atlanta.....	81	---	78	---	414	---	156	2	5	3	---	---	34	---
Louisville.....	57	---	109	---	265	---	190	---	3	4	6	---	11	---
Detroit.....	46	2	913	5	341	6	256	4	---	3	3	---	106	---
Chicago.....	70	---	166	---	295	---	266	---	6	1	3	---	23	---
Houston.....	103	---	547	---	618	---	402	17	17	5	14	---	111	---
Kansas City.....	94	---	481	---	472	---	233	5	32	6	15	---	79	---
Minneapolis.....	76	---	204	---	346	---	100	5	3	2	1	---	62	---
Denver.....	34	---	99	---	103	---	178	1	---	3	3	---	30	---
San Francisco.....	87	---	683	---	429	---	634	22	68	17	38	---	165	82
Seattle.....	67	---	744	---	691	---	371	3	32	22	218	---	193	---
Total.....	915	8	972	11	394	10	884	92	185	73	329	1	139	82

NOTE.—Figures for medicinal opium and coca leaves represent the actual quantities involved, either as such or contained in tinctures, extracts, etc. Figures for miscellaneous opium derivatives represent the actual quantities of such derivatives. All other figures are in terms of the respective anhydrous alkaloids.

TABLE 9.—Importations of crude opium into the United States during the calendar year 1940, by country of export and country of production

Country from which exported to the United States	Total		Country of production			
			Turkey		Yugoslavia	
	Kilograms	Grams	Kilograms	Grams	Kilograms	Grams
Turkey in Europe.....	61,856	211	61,856	211	---	---
Yugoslavia.....	47,131	683	---	---	47,131	683
Java.....	397	314	397	314	---	---
Total.....	109,385	208	62,253	525	47,131	683

TABLE 9-A.—Importations of crude opium into the United States by calendar years 1925 to 1940, inclusive

Calendar year	Kilograms	Grams	Calendar year	Kilograms	Grams
1926.....	64,837	217	1934.....	61,454	272
1927.....	64,927	312	1935.....	32,147	644
1928.....	44,586	41	1936.....	87,188	438
1929.....	76,993	593	1937.....	130,064	948
1930.....	54,243	805	1938.....	64,335	20
1931.....	61,165	681	1939.....	¹ 175,413	715
1932.....	59,292	455	1940.....	¹ 109,385	208

¹ Includes reserve stocks.

TABLE 10.—*Importations of coca leaves into the United States by country of production, by calendar years, 1925 to 1940, inclusive*

Calendar year	Country of production				Total	
	Peru		Java			
	Kilograms	Grams	Kilograms	Grams	Kilograms	Grams
1925.....	42,457	334	29,797	244	72,254	578
1926.....	61,292	963	72,054	91	133,347	54
1927.....	84,377	162	30,217	724	114,594	886
1928.....	56,108	862	54,558	485	110,667	347
1929.....	51,503	544	10,114	418	61,617	962
1930.....	67,623	745	22,075	410	89,699	155
1931.....	{ 67,143	{ 845	{ 55,605	{ 89	{ 221,235	{ 525
	{ 1 98,486	{ 591				
1932.....	{ 67,652	{ 322	{ 33,972	{ 18	{ 101,624	{ 340
1933.....	{ 58,899	{ 132	{ 22,799	{ 914	{ 81,699	{ 46
1934.....	{ 58,223	{ 281	{ 22,847	{ 83	{ 85,551	{ 171
	{ 1 4,480	{ 807				
	{ 90,142	{ 655	{ 34,326	{ 246	{ 110,330	{ 782
1935.....	{ 1 15,861	{ 881				
	{ 67,607	{ 416	{ 34,248	{ 398	{ 171,389	{ 634
1936.....	{ 1 69,533	{ 820				
	{ 67,371	{ 775	{ 34,012	{ 587	{ 189,598	{ 231
1937.....	{ 1 88,213	{ 869				
	{ 67,041	{ 560	{ 33,999	{ 660	{ 208,581	{ 675
1938.....	{ 1 107,540	{ 455				
	{ 67,037	{ 931	{ 56,100	{ 499	{ 263,814	{ 726
1939.....	{ 1 140,676	{ 296				
	{ 67,817	{ 4	{ 78,372	{ 399	{ 352,200	{ 544
1940.....	{ 1 206,011	{ 141				

¹ Imported under sec. 6 of act of June 14, 1930, for the purpose of manufacturing a nonnarcotic flavoring extract, all cocaine and ecgonine content of the leaves being removed and destroyed under Government supervision.

² Of this quantity, 998 gm. were imported under special permit for experimental purposes.

³ Of this quantity, 2 kg. 268 gm. were imported under special permit for experimental purposes.

TABLE 10-A.—*Importations of cannabis seed (hempseed) into the United States by calendar years, 1930 to 1940, inclusive*

Calendar year	Kilograms	Grams	Calendar year	Kilograms	Grams
1930.....	2,446,503	147	1936.....	28,536,011	340
1931.....	1,630,975	336	1937.....	216,461	303
1932.....	2,891,581	108	1938.....	233,276	861
1933.....	2,058,610	421	1939.....	585,253	728
1934.....	5,888,279	866	1940.....	526,260	546
1935.....	52,942,804	332			

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TABLE 11.—Number of persons registered under Federal narcotic laws on June 30, each year 1921 to 1940, by classes

Year	Class 1— Importers, manufac- turers, com- pounders, etc.	Class 2— Wholesale dealers	Class 3— Retail dealers	Class 4— Physicians, dentists, veterinari- ans, and other prac- titioners	Class 5— Manufac- turers of and dealers in exempt prepara- tions	Class 6— Users for purposes of research, instruc- tion, or analysis	Total
1921.....	649	2,948	47,233	160,906	83,391	-----	295,127
1922.....	516	2,467	42,942	147,677	74,656	-----	268,258
1923.....	410	2,256	45,356	147,891	90,492	-----	286,405
1924.....	364	2,060	46,416	143,232	96,975	-----	289,047
1925.....	339	1,959	48,187	144,711	113,413	-----	308,609
1926.....	322	1,826	48,459	143,879	119,146	-----	313,632
1927.....	306	1,778	48,523	144,056	120,699	-----	315,362
1928.....	296	1,784	50,601	145,379	120,877	-----	318,937
1929.....	291	1,751	51,568	146,588	123,784	-----	323,982
1930.....	287	1,725	53,118	148,079	127,594	-----	330,803
1931.....	263	1,605	53,227	149,025	128,757	-----	332,877
1932.....	253	1,523	52,539	148,556	128,192	-----	331,063
1933.....	226	1,467	51,744	146,632	123,123	-----	323,192
1934.....	218	1,426	49,907	144,643	121,200	-----	317,394
1935.....	206	1,405	51,080	148,317	124,457	-----	325,465
1936.....	192	1,356	51,481	152,421	127,631	-----	333,081
1937.....	181	1,353	51,488	153,951	133,741	-----	340,714
1938.....	175	1,286	51,579	156,654	136,937	54	346,685
1939.....	162	1,277	51,387	158,257	140,362	72	351,517
1940.....	168	1,314	51,528	158,986	145,043	105	357,144

NOTE.—The figures for persons or firms registered in each class include persons or firms also registered in 1 or more of the other classes.

TABLE 11-A.—Number of persons registered under the Marihuana Tax Act on June 30, each year 1938 to 1940, by classes

Year	Class 1— Importers, manufac- turers, and com- pounders	Class 2— Producers (growers)	Class 3— Dealers, wholesale, and retail	Class 4— Physicians, dentists, veterinari- ans, and other prac- titioners	Class 5— Users for purposes of research, in- struction, or analysis	Total
1938.....	13	371	1,179	2,097	5	3,665
1939.....	20	174	452	1,358	26	2,030
1940.....	16	219	378	1,217	19	1,849

TABLE 12.—Statement of crude opium imported, held in customs bond, and released to manufacturers during the calendar year 1940

Item	Crude opium	
	Kilograms	Grams
Stocks held in customs bond at beginning of year.....	145,783	85
Imported during the year.....	109,385	383
Total.....	255,168	468
Released to manufacturers during the year.....	78,654	561
Differences between importation and withdrawal weights.....	1,279	400
Stocks held in customs bond at end of year.....	176,234	507
Total.....	255,168	468

¹ Opium upon importation for storage in custom bond is entered at the invoiced or declared entry weights. Due to loss of moisture, discrepancies in the invoiced weights, etc., there are frequently differences between the entry and withdrawal weights. The opium withdrawn was entered at 78,933 kg. 961 gm., but was found upon withdrawal to actually weigh 78,654 kg. 561 gm., a difference of 279 kg. 400 gm.

TABLE 12-A.—Statement of crude opium and coca leaves received, used, and held as stocks by importing manufacturers during the calendar year 1940

Item	Crude opium		Raw coca leaves	
	Kilograms	Grams	Kilograms	Grams
On hand Jan. 1, 1940.....	2, 338	408	14, 670	465
Imports released to manufacturers during 1940.....	78, 654	561	1 352, 200	544
Gain in weight due to absorption of moisture.....			945	2
Total.....	80, 992	969	367, 816	11
Exported.....	507	569		
Used for extraction of alkaloids and salts.....	75, 013	721	139, 418	750
Used for manufacture of medicinal opium.....	2, 193	485		
Used for manufacture of tinctures, extracts, and other preparations.....	1, 479	872		
Used for manufacture of nonnarcotic products.....			206, 011	141
Consumed in analyses, etc.....	2	693		
On hand Dec. 31, 1940.....	1, 795	629	22, 386	120
Total.....	80, 992	969	367, 816	11

¹ Of the quantity of coca leaves imported 206,011 kg. 141 gm., from which approximately 1,573 kg. 510 gm. of cocaine were producible, were imported and used under sec. 6 of the act of June 14, 1930, for the manufacture of nonnarcotic flavoring extracts. All cocaine and narcotic substances contained therein were extracted and completely destroyed under Government supervision.

TABLE 13.—Statement of original manufacture from crude opium, coca leaves, and morphine, by importing manufacturers during the calendar year 1940

Item	Crude opium for medicinal opium		Crude opium for tinctures and extracts		Crude opium for alkaloids		Crude coca leaves for alkaloids		Morphine for codeine, ethylmorphine, dilaudid, and apomorphine	
	Kilo-grams	Grams	Kilo-grams	Grams	Kilo-grams	Grams	Kilo-grams	Grams	Kilo-grams	Grams
In process Jan. 1, 1940....	63	248	25	288	9, 051	482	56, 874	633	1, 334	751
Placed in process during 1940.....	2, 193	485	1, 479	872	75, 013	721	139, 418	750	7, 972	189
Total.....	2, 256	733	1, 505	160	84, 065	203	196, 293	383	9, 306	940
Removed from process as finished products....	2, 022	623	1, 328	316	76, 323	892	84, 787	430	8, 299	314
Remaining in process Dec. 31, 1940.....	234	110	176	844	7, 741	311	111, 505	953	1, 007	626
Total.....	2, 256	733	1, 505	160	84, 065	203	196, 293	383	9, 306	940

TABLE 14.—Statement of principal drugs produced for sale, sold, and held as finished stocks by importing manufacturers during the calendar year 1940

	Medicinal opium		Morphine		Dihydromorphinone (dilaudid)		Methylmorphine (codeine)		Ethylmorphine (dionin)		Cocaine		Thebaine		Dihydrocodeinone (dicodide)	
	Kilo-grams	Grams	Kilo-grams	Grams	Kilo-grams	Grams	Kilo-grams	Grams	Kilo-grams	Grams	Kilo-grams	Grams	Kilo-grams	Grams	Kilo-grams	Grams
On hand Jan. 1, 1940.....	1, 830	753	412	684			1, 108	380	56	954	164	966	1	304		35
Produced during 1940.....	4, 450	643	2, 121	769	63	673	7, 829	166	307	422	822	475		39	1	535
Total.....	6, 281	396	2, 534	453	63	673	8, 937	546	364	376	987	441	1	343	1	570
Produced as—																
Medicinal opium.....	2, 557	464														
Tinctures, extracts, etc.....	1, 893	179														
Refined alkaloid.....			43	622			1, 433	330			65	232		32		
Sulfate salt.....			1, 807	632			4, 141	386				142		7		
Phosphate salt.....							2, 224	313								
Hydrochloride salt.....			63	680	63	673	28	799	307	422	756	931				600
Acetate salt.....			7	876												
Hydrobromide salt.....			23	940												
Meconate salt.....				148												
Nitrate salt.....																
Pantopon.....			174	871								170				
Hydroiodide salt.....							1	338								
Bitartrate salt.....																935
Total.....	4, 450	643	2, 121	769	63	673	7, 829	166	307	422	822	475		39	1	535
Sold domestically, principally to pharmaceutical manufacturers.....	3, 034	529	2, 038	17	59	846	8, 109	88	327	663	710	41		32		
Exported by importing manufacturers.....	59	364	11	255			8	193	2	353		851			1	347
Used for extraction of alkaloids.....	13	948														
Used in analyses, lost in remanufacture, destroyed, etc. ²	100	414	3	580		113	5	330		57	2	126		26		
Used by importing manufacturers in exempt preparations.....	916	369														
On hand Dec. 31, 1940.....	2, 156	772	481	601	3	714	814	935	34	303	274	423	1	285		223
Total.....	6, 281	396	2, 534	453	63	673	8, 937	546	364	376	987	441	1	343	1	570

¹ Of this quantity, 578 kg. 953 gm., represents natural codeine having been extracted from the same opium as that used to produce the morphine during the year.

² These figures include actual losses sustained by adhesion to equipment, wastage in tablet-punching and molding machines, breakage in handling, wastage in packaging, etc., and also products consumed in experimental and control analyses. Manufacturers are subject to prosecution for misbranding under the various food and drug laws unless the finished product can be shown by assay to contain the ingredients which it purports to contain. In order to assure the presence in the finished product of the full assayable narcotic content manufacturers find it necessary to actually use more opium, or other narcotic, in the manufacture of a preparation than is represented by the standardized finished product. Particularly is this true in the manufacture of tinctures, etc., where some decomposition of the assayable alkaloid occurs during the manufacture. Such differences between the actual narcotic used and the assayable standard of the finished product are reflected in the accounting as manufacturing losses and are also included in these figures.

TABLE 15.—Statement of principal drugs produced, consumed and held as stocks, calendar year 1940

TABLE 15.—Statement of principal drugs produced, consumed and held as stocks, calendar year 1940

Item	Medicinal opium		Morphine		Dihydromorphinone (diIaudid)		Methylmorphine (codeine)		Ethylmorphine (dionin)		Cocaine		Diacetylmorphine (heroin)		Coca-leaf preparations	
	Kilo-grams	Grams	Kilo-grams	Grams	Kilo-grams	Grams	Kilo-grams	Grams	Kilo-grams	Grams	Kilo-grams	Grams	Kilo-grams	Grams	Kilo-grams	Grams
Stocks held at beginning of year.....	3,896	864	2,030	532	36	259	4,255	202	149	855	651	188	2	240	78	415
Produced during year.....	4,450	643	2,121	769	63	673	7,829	166	307	422	822	475				
Seized drugs released to governmental establishments.....				255												
Returned from dispensers for remanufacture.....														680		
Total to be accounted for.....	8,347	507	4,152	556	99	932	12,084	368	457	277	1,473	663	2	920	78	415
Consumption:																
Sales to retailers, practitioners, etc., for dispensing.....	1,896	552	2,063	815	54	998	5,912	967	118	76	762	148				28
Used by governmental establishments.....				255												
Used in analyses, lost in remanufacture, destroyed, etc.....	79	364	40	292		279	25	376		105	6	65		29		426
Total.....	1,975	916	2,104	362	55	277	5,938	343	118	181	768	213		29		454
Exported.....	166	738	25	231	1	167	86	774	13	503	17	351				
Used for extraction of alkaloids.....	13	948														
Used in exempt preparations.....	2,097	239	51	908			1,561	65	190	480			1	247		
Stocks held at close of year.....	4,093	666	1,971	55	43	488	4,498	186	135	113	688	99	1	644	77	961
Total accounted for.....	8,347	507	4,152	556	99	932	12,084	368	457	277	1,473	663	2	920	78	415

NOTES.—Figures for stocks include all finished stocks held by manufacturers and wholesale dealers. Figures for medicinal opium represent the actual quantities of medicinal opium involved, either as such or contained in tinctures, extracts, etc. Figures for coca-leaf preparations are in terms of the actual quantity of raw coca-leaves represented by the preparations. All other figures are in terms of the respective anhydrous alkaloids.

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TABLE 16.—Taxable narcotic drugs exported from the United States, by country of destination, during the calendar year 1940

Country of destination	Medicinal opium		Morphine		Dilaudide		Codeine		Dionin		Diacide		Cocaine	
	Kilograms	Grams	Kilograms	Grams	Kilograms	Grams	Kilograms	Grams	Kilograms	Grams	Kilograms	Grams	Kilograms	Grams
Bermuda				5		1		12						
Bolivia		522												
British West Indies		6		101				25						1
Canada			4	213		368		205						155
Chili	6	650	4	820			17	419	1	949				
Colombia			2	263				648						460
Costa Rica	20	802								812				
Cuba	11	804	2	621			6	837	3	292			1	795
Dominican Republic		835		291				433						602
Ecuador	7	871					2	154	1	105				902
England						402								
Finland	27	216	2	745			1	186				41		
Greenland		528		116		1		705						13
Guatemala				4						276				
Haiti	1	113		122				259						64
Honduras		611		98				481		5				215
Hong Kong				67				15						
India		45												
Liberia		49		12		1								10
Martinique, French West Indies							1	420						
Mexico				49			2	309	1	330		37		
Netherland East Indies	40		1	242		360	36	997	4	60	1	269	4	511
Netherland West Indies	1	130		278				315		23				334
Newfoundland		106		8				8		2				
New Zealand														350
Nicaragua	1	285		132				268						26
Panama	20	438	1	350			1	510						500
Peru	4	100					2	351		406				902
Salvador								350						89
Union of South Africa	4	536				1		350						409
Venezuela	4	584	4	182		33	3	571		243			1	940
Total	154	231	24	719	1	167	86	478	13	503	1	347	13	278

NOTE.—Figures for medicinal opium represent the actual quantities of medicinal opium involved, either as such or contained in tinctures, extracts, etc. All other figures are in terms of the respective anhydrous alkaloids.

TABLE 17.—Taxable narcotic drugs shipped from the United States to the Philippine Islands during the calendar year 1940

Kind of drug	Kilograms	Grams
Medicinal opium		
Morphine	12	507
Codeine		512
Cocaine	4	296
		73

NOTE.—Figures for medicinal opium represent the actual quantities of medicinal opium involved, either as such or contained in tinctures, extracts, etc. All other figures are in terms of the respective anhydrous alkaloids.

TABLE 18.—Taxable narcotic drugs shipped from the United States to Puerto Rico during the calendar year 1940

Kind of drug	Kilograms	Grams
Medicinal opium		
Morphine	36	43
Dilaudid	3	354
Codeine		70
Dionin	15	758
Miscellaneous opium derivatives		273
Cocaine	1	233
		344

NOTE.—Figures for medicinal opium represent the actual quantities of opium involved, either as such or contained in tinctures, extracts, etc. Figures for miscellaneous opium derivatives represent the actual quantities of such derivatives. All other figures are in terms of the respective anhydrous alkaloids.

TABLE 19.—*Report of the Government of Virgin Islands of the United States, of narcotic drugs received, dispensed, and on hand, calendar year 1940*

	Opium	Morphine	Codeine	Dionin	Cocaine	Cocillana	Paregoric	
	Grams	Grams	Grams	Grams	Grams	Grams	Kilograms	Grams
On hand Jan. 1, 1940.....	250	113	211	9	145	283	3	629
Received.....	643	45	235	-----	5	-----	4	536
Total.....	893	158	446	9	150	283	8	165
Dispensed.....	344	47	312	3	42	28	8	165
On hand Dec. 31, 1940.....	549	111	134	6	108	255	-----	-----
Total.....	893	158	446	9	150	283	8	165

NOTE.—Figures for medicinal opium represent the actual quantities of medicinal opium involved, either as such, or contained in tinctures, extracts, etc. Figures for morphine, codeine, dionin, and cocaine are in terms of their respective anhydrous alkaloids. Figures for cocillana compound and paregoric represent actual quantities of these preparations.

TABLE 20.—*List of countries parties to the International Opium Convention, The Hague, Jan. 23, 1912*

Albania.	Iraq.
Australia.	Ireland.
Belgium.	Italy.
Bolivia.	Japan.
United Kingdom of Great Britain and Northern Ireland.	Latvia.
Brazil.	Liberia.
Bulgaria.	Lichtenstein.
Canada.	Luxemburg.
Chile.	Mexico.
China.	Monaco.
Colombia.	Netherlands.
Costa Rica.	New Zealand.
Cuba.	Nicaragua.
Czechoslovakia.	Norway.
Danzig.	Panama.
Denmark.	Peru.
Dominican Republic.	Poland.
Ecuador.	Portugal.
Estonia.	Rumania.
Finland.	Salvador.
France.	Spain.
Germany.	Sweden.
Greece.	Switzerland.
Guatemala.	Thailand.
Haiti.	Turkey.
Honduras.	Union of South Africa.
Hungary.	United States of America.
Iceland.	Uruguay.
India.	Venezuela.
	Yugoslavia.

TABLE 21.—*List of countries parties to the International Convention for limiting the manufacture and regulating the distribution of narcotic drugs, July 13, 1931*

Afghanistan.	Ireland. ¹
Albania.	Italy. ¹
Australia. ¹	Japan. ¹
Belgium. ¹	Latvia. ¹
United Kingdom of Great Britain and Northern Ireland. ¹	Lithuania. ¹
Brazil. ¹	Lichtenstein. ¹
Bulgaria. ¹	Luxemburg. ¹
Canada. ¹	Mexico.
Chile. ¹	Monaco. ¹
China.	Netherlands. ¹
Colombia. ¹	New Zealand. ¹
Costa Rica. ¹	Nicaragua.
Cuba. ¹	Norway. ¹
Czechoslovakia. ¹	Panama.
Danzig. ¹	Peru.
Denmark. ¹	Poland. ¹
Dominican Republic. ¹	Portugal. ¹
Ecuador. ¹	Rumania. ¹
Egypt. ¹	Salvador. ¹
Estonia. ¹	San Marino. ¹
Finland. ¹	Saudi Arabia.
France. ¹	Spain. ¹
Germany. ¹	Sudan. ¹
Greece. ¹	Sweden. ¹
Guatemala.	Switzerland. ¹
Haiti. ¹	Thailand. ¹
Honduras. ¹	Turkey. ¹
Hungary. ¹	Union of South Africa. ¹
India. ¹	United States of America.
Iran.	U. S. S. R. ¹
Iraq. ¹	Uruguay. ¹
	Venezuela. ¹

¹ Indicates countries (52) parties to the International Opium Convention, Geneva, Feb. 19, 1925, certain provisions of which the United States, a nonmember, has adopted by membership in the 1931 convention. In addition, Bolivia and Yugoslavia are parties to the 1925 convention.

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TREASURY DEPARTMENT
Washington

FOR IMMEDIATE RELEASE,
Wednesday, August 6, 1941.

Press Service
No. 26-89

The Treasury Department today amended General License No. 53, greatly expanding its scope of operation.

When first issued on July 17, 1941, the license dealt with inter-American trade transactions and the financial transactions incidental thereto, involving persons in the other American republics who were nationals of any of the countries whose assets have been frozen. The amended general license accords similar privileges to blocked nationals within an area designated as the "generally licensed trade area."

The "generally licensed trade area," as defined, includes:

- (1) the American Republics;
- (2) the British Commonwealth of Nations;
- (3) the Union of Soviet Socialist Republics;
- (4) the Netherlands East Indies;
- (5) the Netherlands West Indies;
- (6) the Belgian Congo and Ruanda-Urundi;
- (7) Greenland; and
- (8) Iceland.

As in the case of its predecessor, the amended general license will not apply to persons so long as their names appear on "The Proclaimed List of Certain Blocked Nationals" and will not apply to financial transactions not incidental to licensed trade transactions.

TREASURY DEPARTMENT
Washington

Wednesday, 16
FOR IMMEDIATE RELEASE,
Tuesday, August 5, 1941.

Press Service
No. 26-89

The Treasury Department
~~The Secretary of the Treasury~~ today ~~has~~ ^{is} amended General License No. 53
~~so as to~~ greatly expand its scope of operation.

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- (5) ~~(v)~~ the Netherlands West Indies;
- (6) ~~(vi)~~ the Belgian Congo and Ruanda-Urundi;
- (7) ~~(vii)~~ Greenland; and
- (8) ~~(viii)~~ Iceland.

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No. 26-89

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I should also like to congratulate and commend the two revenue agents of the Income Tax Unit, Walter Boxon, Jr., and John F. Williams of Newark, and the several agents of the Alcohol Tax Unit of the Bureau of Internal Revenue who aided you in this investigation. Such teamwork is an additional excellent example of the value derived from coordination of the Treasury's enforcement activities, which we began together more than seven years ago.

The ability of your men to cooperate effectively with other Departments of the Government is reflected in their relations during the investigation and trial with Attorney Joseph W. Burns of the Tax Division of the Department of Justice, who served as a Special Assistant to the Attorney General and as chief Government counsel. All of us are indebted to him for his share in the effort that came to a conclusion with the imposition of sentence on August 1.

In addition to a number of rackets, including gambling, vice and horse-race betting, corruption in city and county contracting also contributed to the income on which the defendant failed to pay a Federal tax. In the series of cases stemming from this investigation, thirty-seven other persons already have been convicted on various charges. As a by-product of your four-year effort to carry out your own responsibility, therefore, you should be pleased that you have benefited local government in another community of the United States.

Sincerely,

(Signed) Henry Morgenthau, Jr.

Secretary of the Treasury.

Double-checked 8/8/41
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Sincerely,

Signed Henry Morgenthau, Jr.

Secretary of the Treasury.

~~Mr. Elmer L. Irey, Chief,
Intelligence Unit,
Bureau of Internal Revenue,
Washington, D. C.~~

~~LS:HEG:as~~

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The text of the Secretary's letter to Chief
Gray follows:

August 5, 1941.

Dear Elmer:

The successful termination of the difficult investigation into violations of the income tax laws by Enoch L. Johnson of Atlantic City prompts me to tell you again of my gratification and pride in the perseverance and painstaking efforts in this case of the Intelligence Unit and of coworkers in the Income Tax Unit of the Bureau of Internal Revenue.

I want you especially to know that, in these days when all of us must give our first thoughts to the requirements of the national defense, we are not overlooking the day-to-day fulfillment of assignments which might seem more noteworthy in calmer times. Culmination of the Johnson case in a period of heavy armament expenditures will, it seems to me, cause the public generally to regard even more seriously than they have heretofore the offense of the individual who attempts to evade payment of his full share of the cost of Government. It is for that reason that I believe the successful prosecution of the charges in this indictment is an important contribution to national unity and good government. We have no time today for shirkers, and good citizens are likely to have little patience with those who want to share the privilege of citizenship without meeting the responsibilities that go with that privilege.

I shall appreciate it if you will express my congratulations and thanks to Special Agent William E. Frank of New York, who had immediate supervision of the investigation, and to Special Agents Paul F. Snyder of Boston, Edward A. Hill of Philadelphia and John C. Cheasty of New York, the latter two of whom have been called to active duty in the military service.

evading. For twenty years Johnson held sway over ^{politics} ~~the political~~ and the rackets ~~field~~ in his domain, much the same as Thomas Pendergast had done at Kansas City, Missouri, before ^{his} income tax evasions ~~came to light~~ ~~experts of the Treasury brought it to light~~

"In addition to a number of rackets, including gambling, vice and horse-race betting, corruption in city and county contracting also contributed to the income on which the defendant failed to pay a Federal tax," Mr. Morgenthau's letter concluded. "In the series of cases stemming from this investigation, thirty-seven other persons already have been convicted on various charges. As a by-product of your four-year effort to carry out your own responsibility, therefore, you should be pleased that you have benefited local government in another community of the United States."

[Promotions to Special Agent William E. Frank of New York City, who supervised the investigation, and to Special Agents Paul F. Snyder, Boston; Edward A. Hill, Philadelphia, and John C. Cheasty, New York City, ^{who participated,} ~~have been ordered~~]

*The Army Department
Washington*
For Release, morning newspapers
Friday, August 8, 1941 *

*Press Bureau
110.*

~~Complimenting~~ *Commending* the Intelligence Unit of the Bureau of Internal Revenue on the successful conclusion of its case against Enoch L. ("Nucky") Johnson, ~~Republican boss of Atlantic County (Atlantic City) New Jersey,~~ *Atlantic City Political Leader* Secretary Morgenthau today directed ~~2~~ letters of appreciation to Elmer L. Irey, Chief of the Unit and Coordinator of the law enforcement agencies of the Treasury, ~~to~~ Guy T. Helvering, Commissioner of Internal Revenue, *and to Francis Biddle, Acting Attorney General*

Johnson last Friday was ~~given~~ *sentenced to* a ten-year prison term and fined \$20,000 after a Camden, N. J., Federal jury found him guilty of evading income tax payments for 1936 and 1937.

"Culmination of the Johnson case," Secretary Morgenthau wrote Chief Irey, "in a period of heavy armament expenditures will, it seems to me, cause the public generally to regard even more seriously than they have heretofore the offense of the individual who attempts to evade payment of his full share of the cost of Government. It is for that reason that I believe the successful prosecution of the charges in this indictment is an important contribution to national unity and good government. We have no time today for shirkers, and good citizens are likely to have little patience with those who want to share the privilege of citizenship without meeting the responsibilities that go with that privilege."

The Atlantic City boss was found guilty of cheating the Government in 1936 and 1937 of \$38,707.40 in income taxes. In addition to the prison term and the fine he faces a fraud penalty of fifty percent of the taxes he was found guilty of

ORB
MRF

TREASURY DEPARTMENT
Washington

FOR RELEASE, MORNING NEWSPAPERS,
Friday, August 8, 1941.
8/6/41

Press Service
No. 26-90

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The Atlantic City boss was found guilty of cheating the Government in 1936 and 1937 of \$38,707.40 in income taxes. In addition to the prison term and the fine he faces a fraud penalty of fifty percent of the taxes he was found guilty of

TREASURY DEPARTMENT
Washington

FOR RELEASE, MORNING NEWSPAPERS,
Friday, August 8, 1941.
8/6/41

Press Service
No. 26-90

Commending the Intelligence Unit of the Bureau of Internal Revenue on the successful conclusion of its case against Enoch L. ("Nucky") Johnson, Atlantic City political leader, Secretary Morgenthau today directed letters of appreciation to Elmer L. Irely, Chief of the Unit and Coordinator of the law enforcement agencies of the Treasury, to Guy T. Helvering, Commissioner of Internal Revenue, and to Francis Biddle, Acting Attorney General.

Johnson last Friday was sentenced to a ten-year prison term and fined \$20,000 after a Camden, N. J., Federal jury found him guilty of evading income tax payments for 1936 and 1937.

"Culmination of the Johnson case," Secretary Morgenthau wrote Chief Irely, "in a period of heavy armament expenditures will, it seems to me, cause the public generally to regard even more seriously than they have heretofore the offense of the individual who attempts to evade payment of his full share of the cost of Government. It is for that reason that I believe the successful prosecution of the charges in this indictment is an important contribution to national unity and good government.

We have no time today for shirkers, and good citizens are likely to have little patience with those who want to share the privilege of citizenship without meeting the responsibilities that go with that privilege."

The Atlantic City boss was found guilty of cheating the Government in 1936 and 1937 of \$38,707.40 in income taxes. In addition to the prison term and the fine he faces a fraud penalty of fifty percent of the taxes he was found guilty of evading. For twenty years Johnson held sway over politics and rackets in his domain, much the same as Thomas Pendergast had done at Kansas City, Missouri, before his income tax evasions came to light.

"In addition to a number of rackets, including gambling, vice and horse-race betting, corruption in city and county contracting also contributed to the income on which the defendant failed to pay a Federal tax," Mr. Morgenthau's letter concluded. "In the series of cases stemming from this investigation, thirty-seven other persons already have been convicted on various charges. As a by-product of your four-year effort to carry out your own responsibility, therefore, you should be pleased that you have benefited local government in another community of the United States."

Promotions to Special Agent William E. Frank of New York City, who supervised the investigation, and to Special Agents Paul F. Snyder, Boston; Edward A. Hill, Philadelphia, and John C. Cheasty, New York City, who participated, have been ordered.

The text of the Secretary's letter to Chief Ireys follows:

August 5, 1941.

Dear Elmer:

The successful termination of the difficult investigation into violations of the income tax laws by Enoch L. Johnson of Atlantic City prompts me to tell you again of my gratification and pride in the perseverance and painstaking efforts in this case of the Intelligence Unit and of coworkers in the Income Tax Unit of the Bureau of Internal Revenue.

I want you especially to know that, in these days when all of us must give our first thoughts to the requirements of the national defense, we are not overlooking the day-to-day fulfillment of assignments which might seem more noteworthy in calmer times. Culmination of the Johnson case in a period of heavy armament expenditures will, it seems to me, cause the public generally to regard even more seriously than they have heretofore the offense of the individual who attempts to evade payment of his full share of the cost of Government. It is for that reason that I believe the successful prosecution of the charges in this indictment is an important contribution to national unity and good government. We have no time today for shirkers, and good citizens are likely to have little patience with those who want to share the privilege of citizenship without meeting the responsibilities that go with that privilege.

I shall appreciate it if you will express my congratulations and thanks to Special Agent William E. Frank of New York, who had immediate supervision of the investigation, and to Special Agents Paul F. Snyder of Boston, Edward A. Hill of Philadelphia and John C. Cheasty of New York, the latter two of whom have been called to active duty in the military service.

I should also like to congratulate and commend the two revenue agents of the Income Tax Unit, Walter Boxon, Jr., and John F. Williams of Newark, and the several agents of the Alcohol Tax Unit of the Bureau of Internal Revenue who aided you in this investigation. Such teamwork is an additional excellent example of the value derived from coordination of the Treasury's enforcement activities, which we began together more than seven years ago.

The ability of your men to cooperate effectively with other Departments of the Government is reflected in their relations during the investigation and trial with Attorney Joseph W. Burns of the Tax Division of the Department of Justice, who served as a Special Assistant to the Attorney General and as chief Government counsel. All of us are indebted to him for his share in the effort that came to a conclusion with the imposition of sentence on August 1.

In addition to a number of rackets, including gambling, vice and horse-race betting, corruption in city and county contracting also contributed to the income on which the defendant failed to pay a Federal tax. In the series of cases stemming from this investigation, thirty-seven other persons already have been convicted on various charges. As a by-product of your four-year effort to carry out your own responsibility, therefore, you should be pleased that you have benefited local government in another community of the United States.

Sincerely,

(Signed) Henry Morgenthau, Jr.

Secretary of the Treasury.

TREASURY DEPARTMENT
Washington

FOR IMMEDIATE RELEASE,
Thursday, August 7, 1941.

Press Service
No. 26-91

The Bureau of Customs announced today preliminary figures for imports of coffee subject to quota limitations under the President's proclamation of the Inter-American Coffee Agreement on April 15, 1941.

The following tabulation lists the coffee quotas which have been filled, and shows import figures for the quotas now under telegraphic control as of August 2, 1941. Total imports under the other coffee quotas are shown as of July 26, 1941.

Quota Period	: Revised 1/	: Entered for Consumption	
Country of Production	: Quota (lbs)	: As of (Date)	: Pounds
Quota Period - 12 months from October 1, 1940:			
Dominican Republic	16,138,333		(Import quota filled)
Guatemala	71,950,208	" "	" "
Venezuela	56,484,233	" "	" "
Colombia	423,632,012	" "	" "
Costa Rica	26,897,267	" "	" "
Brazil	1,250,722,887	" "	" "
El Salvador	80,691,799	July 26, 1941	69,803,737
Honduras	2,689,700	"	2,035,070
Nicaragua	26,224,775	"	23,529,798
Cuba	10,758,933	August 2, 1941	9,017,577
Ecuador	20,173,016	"	19,891,454
Haiti	36,983,708	"	36,695,453
Peru	3,362,191	"	3,090,570
Mexico	63,880,975	"	61,502,416
Non-signatory countries:			
All types of coffee	47,742,641	August 2, 1941	46,612,407 2/
Quota Period - April 22 to August 31, 1941, incl:			
Non-signatory countries:			
Mocha coffee	2,645,520	August 2, 1941	1,515,286 2/

- 1/ Quotas increased by Inter-American Coffee Board, as of June 1, 1941.
2/ Under the terms of an Executive order, effective June 14, 1941, the increased import quota for non-signatory countries is subject to the allocation of a maximum of 20,000 bags for coffee of the Mocha type which may be entered for consumption from April 21 to August 31, 1941, inclusive.

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(prepared by the Bureau of Customs)

J. R. [Signature]

Large type

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J. R. [Signature]

MR. SCHWARZ

Mr. Bell
Mr. Gaston
Mr. Sullivan
Mr. Graves

Mr. Blough
Mr. Callahan
Mrs. Chase
Mrs. Cordova
Mr. Delano
Mr. Haas
Mr. Ireby
Mr. Lampman
Mrs. Lucas
Mr. Mayl

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TREASURY DEPARTMENT
Washington

FOR IMMEDIATE RELEASE,
Thursday, August 7, 1941.

Press Service
No. 26-91

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DIVIDEND PAYMENTS TO CREDITORS OF INSOLVENT NATIONAL
BANKS AUTHORIZED DURING THE MONTH ENDED
JULY 31, 1941

<u>Name and Location of Bank:</u>	<u>Nature of Dividend:</u>	<u>Date Authorized:</u>	<u>Number and Percentage of Dividends Authorized:</u>		<u>Distribution of funds by Dividend Authorized:</u>	<u>Total Percentage Authorized Dividends to Date:</u>	<u>Number of Claimants:</u>	<u>Amount Proved</u>
The First Nat'l Bank of Beverly Hills, Calif.	Final	7-17-41	5th	6.43%	\$ 216,800	58.097%	4,573	\$ 3,372,600
The California Nat'l Bank of Sacramento, Calif.	Int.(Partial)	7-24-41	Int.	2.794%	207,000	102.794%	9,129	7,409,000
The First Nat'l Bank of Canton, Illinois	Final	7-17-41	6th	7.04%	54,000	97.04%	2,698	766,900
The Manufacturers NB & Tr.Co.of Rockford, Illinois	Final	7-16-41	8th	3. %	109,900	83. %	7,170	3,664,600
The First NB of Marshall Co. at Plymouth, Indiana	Int.(Partial)	7-26-41	Int.	5.2 %	36,500	105.2 %	2,503	734,500
The First Nat'l Bank of Burlingame, Kansas	Int. (Full)	7-23-41	Int.	3.27%	7,400	103.27%	1,000	225,200
The First Nat'l Bank of Frostburg, Maryland	Final	7-31-41	4th	8.47%	108,600	41.47%	1,590	1,282,000
The First Nat'l Bank of Preston, Minnesota	Final	7-21-41	2nd	27.6 %	84,200	77.6 %	1,600	304,900
First National Bank & Tr.Co. of Monessen, Pennsylvania	Final	7-16-41	5th	6.47%	128,100	41.47%	7,002	1,980,100
The Orangeburg Nat'l Bank Orangeburg, S. Carolina	Final	7-11-41	4th	6.667%	33,228	28.169%	1	498,396

[Handwritten Signature]
8/6/41

TREASURY DEPARTMENT
Comptroller of the Currency
Washington

FOR RELEASE, MORNING NEWSPAPERS,
Friday, August 8, 1941.
8/7/41

Press Service
No. 26-92

Large type

During the month ended July 31, 1941, authorizations were issued to receivers for payments of dividends in ten insolvent national banks. Dividends so authorized will effect total distributions of \$985,728 to 37,266 claimants who have proved claims aggregating \$20,238,196, or an average percentage payment of 4.87%. The smallest and largest individual dividend percentages authorized were 2.794% and 27.6%, respectively, while the smallest and largest receivership distributions were \$7,400, and \$216,800, respectively. Of the ten dividends authorized seven were for final dividend payments, two were for partial interest dividend payments and one was for a full interest dividend payment. Dividend payments so authorized during the month ended July 31, 1941, were as follows:

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TREASURY DEPARTMENT
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ALPHA

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Reserve Banks and Branches, following which public announcement will be made by the Secretary of the Treasury of the amount and price range of accepted bids. Those submitting tenders will be advised of the acceptance or rejection thereof. The Secretary of the Treasury expressly reserves the right to accept or reject any or all tenders, in whole or in part, and his action in any such respect shall be final. Payment of accepted tenders at the prices offered must be made or completed at the Federal Reserve Bank in cash or other immediately available funds on August 13, 1941.

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The income derived from Treasury bills, whether interest or gain from the sale or other disposition of the bills, shall not have any exemption, as such, and loss from the sale or other disposition of Treasury bills shall not have any special treatment, as such, under Federal tax Acts now or hereafter enacted. The bills shall be subject to estate, inheritance, gift, or other excise taxes, whether Federal or State, but shall be exempt from all taxation now or hereafter imposed on the principal or interest thereof by any State, or any of the possessions of the United States, or by any local taxing authority. For purposes of taxation the amount of discount at which Treasury bills are originally sold by the United States shall be considered to be interest.

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

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TREASURY DEPARTMENT

Washington

FOR RELEASE, MORNING NEWSPAPERS,
Friday, August 8, 1941
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The Secretary of the Treasury, by this public notice, invites tenders for \$100,000,000, or thereabouts, of 91-day Treasury bills, to be issued on a discount basis under competitive bidding. The bills of this series will be dated August 13, 1941, and will mature November 12, 1941, 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, August 11, 1941. Tenders will not be received at the Treasury Department, Washington. Each tender must be for an even multiple of \$1,000, and 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.

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 10 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

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TREASURY DEPARTMENT

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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 Secretary of the Treasury of the amount and price range of accepted bids. Those submitting tenders will be advised of the acceptance or rejection thereof. The Secretary of the Treasury expressly reserves the right to accept or reject any or all tenders, in whole or in part, and his action in any such respect shall be final. Payment of accepted tenders at the prices offered must be made or completed at the Federal Reserve Bank in cash or other immediately available funds on August 13, 1941.

The income derived from Treasury bills, whether interest or gain from the sale or other disposition of the bills, shall not have any exemption, as such, and loss from the sale or other disposition of Treasury bills shall not have any special treatment, as such, under Federal tax Acts now or hereafter enacted. The bills shall be subject to estate, inheritance, gift, or other excise taxes, whether Federal or State, but shall be exempt from all taxation now or hereafter imposed on the principal or interest thereof by any State, or any of the possessions of the United States, or by any local taxing authority. For purposes of taxation the amount of discount at which Treasury bills are originally sold by the United States shall be considered to be interest.

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

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their quota status. The acceptance of entries will be authorized in the order of the time of their presentation within the quota period and quantity limitation.

If entries for consumption presented at the hours specified for the opening of the increased quotas on August 11, 1941, cover quantities of coffee in excess of the quota limitation for any country, the quantity which may be admitted to entry within the quota will be prorated on the basis of the quantity presented for entry.

~~CONFIDENTIAL~~

~~(Prepared - Appeals & Protests (Quota Unit) Bureau of Customs)~~

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PRESS RELEASE:

The Bureau of Customs announced today that in order to afford equal opportunities at all customs ports of entry for the filing of entries at the opening of the increased import quotas for coffee, authorized by the Inter-American Coffee Board, effective August 11, 1941, the collectors of customs have been instructed to provide for the simultaneous presentation on that date of entries for consumption covering coffee the produce of countries whose current import quotas have been filled.

The increased quota for coffee the produce of Venezuela has already been exhausted. Provision will be made at customs ports of entry to enable importers to file entries for consumption covering coffee the produce of the Dominican Republic, Guatemala, Colombia, Costa Rica, ^{and} Brazil and covering coffee, other than Mocha, the produce of countries not signatories of the Inter-American Coffee Agreement, at the same instant of time at the opening of the increased quotas for these countries on August 11, 1941, at 12 noon, Eastern Standard Time, 11 A. M., Central Standard time, 10 A. M., Mountain Standard Time, and 9 A. M., Pacific Standard time.

No quota priority permits will be granted. No quota status will attach under the increased quotas on August 11, 1941, by reason of the arrival of coffee, or the presentation of an entry covering coffee, prior to that date. The status of importations of coffee under the increased quotas will be determined as of the time of presentation, on or after the opening of the quotas August 11, of an entry for consumption in proper form at the customhouse in the port where the coffee has arrived.

The customs officer in charge at that port will report telegraphically to the Bureau of Customs the presentation of such entries for advice as to

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TREASURY DEPARTMENT
Washington

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FOR RELEASE, MORNING NEWSPAPERS,
Friday, August 8, 1941.
8/7/41

Press Release
No. 26-94

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If entries for consumption presented at the hours specified for the opening of the increased quotas on August 11, 1941, cover quantities of coffee in excess of the quota limitation for any country, the quantity which may be admitted to entry within the quota will be prorated on the basis of the quantity presented for entry.

rises, we shall have taxed them just as surely as if we had levied on them directly, — and we shall still have the ^{inflated} costs of defense to pay later from taxes.

An all-out tax program will ^{build} ~~fasten~~ public morale in an all-out defense program. By reducing the necessity for borrowing, it will strengthen confidence in the impregnable fiscal position of the Government. By contributing to the control of prices, it will help prevent the demoralization which would result from inflation. By distributing the defense burden ^{fairly} ~~equitably~~ it will help ^{unite the nation} ~~avoid the~~ ~~bitterness and dissatisfaction that arises when the many must carry as extra burdens the taxes which the few escape.~~ It will make all the people equal partners in ^{sharing the cost of} the defense of our country.

A

~~W. J. P. P.~~

At a time when expanding incomes are operating to force prices upward, ~~of the limited available supply of commodities,~~ ^{many} ~~all~~ kinds of measures must be employed if prices are to be kept under control. Without heavy taxation, the other measures have little chance to succeed.

Rising prices would take much more away from our people now and in the future than higher taxes now will take. Under the tax bill in its present form, a married couple with no dependents, having a net income of \$5,000 a year will have its Federal income tax increased by \$198, or 4 percent of its income. ^{Assuming that} ~~if~~ two-thirds of the family's income is spent on items affected by a changing cost of living, an increase in the cost of living of 5 $\frac{1}{2}$ percent would impose as great an additional burden on this family as would the proposed income tax. The cost of living index has increased 5 $\frac{1}{2}$ percent ~~in less than a year~~ since September 1940. It is clear from this simple illustration that rising prices tax the family income just as surely as do income taxes. Although, as prices rise, the incomes of some families will increase, many incomes will not ^{increase} and most incomes will not increase as fast or as much as prices.

If, in an attempt to protect the incomes of our people, we hold down taxes and as a result the cost of living



TREASURY DEPARTMENT

WASHINGTON

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As the President suggested to Chairman Doughton, there should be a provision in the case of the small taxpayer "for a straight, simple payment of some small contribution to the national tax income through a simple agency and on a simple form."

For such taxpayers a plain and easily understood table could be provided with the aid of which the small taxpayer could compute his tax bill in a very few moments. He would be spared time, trouble and annoyance and the Government would be spared expense.



WASHINGTON
LIBRARY DEPARTMENT

For taxpayers with relatively large incomes, refinements in determining income and computing taxes are troublesome but are necessary in the interest of equity. For small taxpayers, however, especially those now taxed for the first time, these refinements are cumbersome and confusing without serving any important purpose. The income taxes of millions of people can be determined with acceptable accuracy by less involved methods. ~~For such taxpayers a ~~table~~ ^{plain and easily understood} table could be provided with the aid of which the small taxpayer could compute his tax bill in a very few moments. He would be spared time, trouble and annoyance and the Government would be spared expense.~~

insert page 9a

To indicate more clearly what I have in mind, I have had prepared a sample table showing how this might be worked out in practice. ^{for incomes up to \$3,000} This is only a preliminary table, and improvements and changes will no doubt be desirable, but it will illustrate how the proposal can be applied.

The taxes imposed by the bill before you are very heavy; the taxes of an all-out program would be even heavier. I am convinced that the people are not opposed to heavy taxes, that in fact they favor heavy taxes because they know that the alternatives are much more onerous.

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When he started to fill out his return, he may have been full of patriotic enthusiasm to pay his share toward the defense program, but by the time he has finished his last computation ^{his cheerfulness may well have collapsed} ~~he may well be in a towering rage or~~ ^{under the strain,} ~~state of mental collapse.~~ It is difficult enough for persons with substantial incomes who are used to dealing with financial papers ^{and who can afford high-priced lawyers and accountants to make} ~~and to making computations of~~ ^{the} ~~this kind to fill out their tax returns and compute their taxes.~~ The person with a small ^{and simple} income should not be put to this ^{annoyance and expense} ~~necessity~~ ^{possible} ~~of making elaborate computations.~~ ^{than}

Furthermore, the checking of these tax computations by the administrative authorities takes time. Frequent errors are found which must be rectified, requiring correspondence and further annoyance of the taxpayer as well as expense to the Government. We in the Treasury do not enjoy ^{pestering} ~~bothering~~ the taxpayer any more than ^{he} ~~the~~ enjoys being ^{pestered} ~~bothered~~ by us.

still enjoy this exemption. The exemption was inequitable and expensive ^{even} in more normal times. It cannot be borne longer in a time like this, and especially if we are to increase the direct tax burdens of persons with small incomes.

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6. In its suggestions to the Ways and Means Committee, the Treasury recommended substantial increases in estate and gift taxes, and lower exemptions. In part, this recommendation was followed, but, in my opinion, the estate and gift taxes should reach more estates and provide more revenue if we are going to tax smaller incomes.

Those are some of the things that I mean when I say that an "all out" tax program for defense must go far beyond the present bill.

There is another condition ^{which I would attach} to lowering the personal exemptions. ^{I think we ought not} ~~We cannot continue~~ to take into the income tax system millions of new taxpayers with small incomes without simplifying the way in which their tax is computed.

Take, for example, a person with a \$900 salary. Under the present law, he first figures out what deductions he has -- taxes paid, interest paid, contributions and so on. Then he computes his earned income credit. Then he subtracts his personal exemptions from his in-

received by only one of them. This is a discrimination of which many wealthy people have taken advantage by large gifts of income-producing property between husband and wife. ^{Furthermore, in} ~~at~~ at least eight States of the Union, Federal income taxes are made substantially lower than in the remaining States because the local law permits the splitting of income between husbands and wives. Here are discriminations against the ^{rest} ~~rest~~ of the taxpayers which, I believe your Committee will agree, must be eliminated if we are to extend the income tax downward to include millions of ~~new~~ persons with low incomes. The discriminations can be eliminated by requiring husband ~~and wives~~ ^{wife} to file a single joint return with appropriate relief granted only where both husband and wife work outside the home.

4. For years, the concerns engaged in extracting certain of our natural resources, notably oil, have been granted far greater allowances for depletion than can be justified on any reasonable basis of tax equity. If the income tax is to be extended to lower incomes, this privilege of tax escape should ^{simultaneously} ~~be~~ be removed.

5. A few months ago, the Congress eliminated the tax-exemption privilege from new issues of Federal securities. The purchasers of new State and local securities

a relatively large proportion of the population in the lower income groups which will not be directly affected by the income tax. A further lowering of the exemptions would produce some additional revenue and in addition it would give millions of Americans an opportunity -- a welcome opportunity, ~~to~~ -- to make a direct contribution through taxes to the defense of their country. It would enable them to feel that they were participating personally and directly in the defense program.

As the President wrote to Chairman Doughton on July 31, "Most Americans"

But I believe this Committee will agree with me that we ought not to accept such sacrifices, even though willing sacrifices, from millions ^{of people additional} ~~more~~ ~~of~~ ~~persons~~ with low incomes on whom the burden of other types of taxes falls most heavily, unless ~~through proper~~ ~~taxation~~ we reach in other places ability to pay which is escaping its fair share of taxes. Among these are the following:

2. The excess profits tax exempts profits of even the most prosperous corporation, except to the extent that such profits are in excess of its average profits for the years 1936-1939. Surely Congress will not wish to impose additional taxes on millions more of our low income group, unless ~~it~~ ^{it} also imposes the excess profits tax on the exempt excess profits of such corporations.

3. Families pay lower Federal income taxes when both husband and wife receive income ^{total amount of} ~~the same~~ ^{per capita} ~~than~~ ^{is}

who are in the lowest income brackets are willing and proud to chip in directly even if their individual ~~contributions~~ ~~of these~~ contributions are very small in terms of dollars

our resources to defense uses. This complication of increased demand and restricted output ^{is causing} ~~threatens to cause~~ inflationary price rises ^{which threaten to} ~~increase~~ the cost of the defense program, ^{unbalance family budgets,} ~~seriously~~ ^{disturb} our economic life.

This larger needed revenue should come from all sources where there is ability to pay -- that's what an "all out" tax program means. The people of this country have never been more ready to make sacrifices for the common good. Our tax program has not kept pace with the defense program. ~~We~~ are still thinking too much of helping this group or that to escape its share of the burden. We have now come to the point where it is a matter not merely of fundamental equity, but of the utmost necessity that all exemptions from taxation be reduced to the absolute minimum.

An "all out" tax program for defense should reach ability to pay at several points not now fully tapped:

1. In my opinion such a tax program might well involve a substantial lowering of personal exemptions and a consequent broadening of the base of the income tax, if ^{simultaneously} ~~at the same time~~ we take immediate steps to remedy defects in the application of the principle of ability to pay in other parts of the tax structure. Under the bill before you, the base has been broadened to add about two million new taxpayers, but even so there will remain

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In the light of these ^{and other} developments ^{resulting from} ~~in the direction~~ of "all out" defense, I should like to point out what, in my opinion, will be necessary in "all out" taxation to support such a program.

First of all, we shall need more revenue ^{much more} revenue. The defense program is an absolute necessity. It must be paid for. Insofar as possible, it should be ~~completely~~ paid for now. Borrowing should be kept to a minimum to maintain our ~~present~~ fiscal strength. The rise in the Federal debt (merely means) that the taxpayer's burden is being postponed--that both principal and interest must be paid later out of higher taxes collected at a time when they may be harder to pay and less willingly paid than now.

Along with increased taxation should go the maximum reduction in the ordinary non-defense expenditures of Government. The burden of paying for defense is so heavy that it should be relieved at every possible point.

Increased taxation is needed also to maintain economic stability. Rising purchasing power is exerting increasing pressure on the prices of many kinds of goods, while at the same time production of these goods is being increasingly curtailed by the necessity of diverting our

on 1941 income and profits are going to be, since ~~more~~ ^{more than} seven months of the year have already elapsed. The excise taxes and the estate tax cannot be imposed retroactively and every day's delay in the passage of this tax bill costs the Treasury several million dollars in revenue from those sources.

The rapid developments of the last few months have made this bill inadequate even before it is passed. Since my statement before the Ways and Means Committee, many things have happened. Two and one half months ago, the President proclaimed the existence of an unlimited national emergency. He called upon "all loyal citizens to place the nation's needs first in mind and in action to the end that we may mobilize and have ready for instant defensive use, all of the physical power, all of the moral strength, and all of the natural resources of this nation."

Since I appeared before the Ways and Means Committee, the amount of appropriations, authorizations and recommendations over and above the Budget has increased by about \$14,000,000,000, thus completely changing the fiscal picture and greatly increasing the need for revenue.

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Statement of Secretary Morgenthau before the Senate
Committee on Finance, Friday, August 6, 1941.

Mr. Chairman and members of the Senate Finance

Committee: My purpose in being here today is to discuss taxation as an essential part of national defense. Our great problem in providing for the defense of the nation is fundamentally the problem of production -- of actually building planes and tanks, ships and guns with labor, management, machinery and raw materials. To solve that problem, *without impairing our economy or weakening the structure of democracy,* ~~while at the same time protecting our economic foundations and democratic institutions,~~ our fiscal policy must be adapted to the needs of the times.

On April 24, I discussed with the Ways and Means Committee of the House, the need of producing \$3,500,000,000 annually in additional revenue. The Treasury Department presented a suggested program for raising that amount of money. ~~The Ways and Means Committee worked hard on the tax bill.~~ *passed the House this bill* As it ~~is before you,~~ it will produce approximately \$3,200,000,000 annually in additional revenue. In my opinion, it is very important that the revenue yield be raised to at least the original \$3.5 billion level. It is also important that the bill be passed as promptly as possible. Income taxpayers and excess profits taxpayers should know as quickly as possible what their taxes

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1. In my opinion such a tax program might well involve a substantial lowering of personal exemptions and a consequent broadening of the base of the income tax, if simultaneously we take immediate steps to remedy defects in the application of the principle of ability to pay in other parts of the tax structure. Under the bill before you, the base has been broadened to add about two million new taxpayers, but even so there will remain a relatively large proportion of the population in the lower income groups which will not be directly affected by the income tax. A further lowering of the exemptions would produce some additional revenue and in addition it would give millions of Americans an opportunity -- a welcome opportunity -- to make a direct contribution through taxes to the defense of their country. It would enable them

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advantage by large gifts of income-producing property between husband and wife. Furthermore, in at least eight States of the Union, Federal income taxes are made substantially lower than in the remaining States because the local law permits the splitting of income between husbands and wives. Here are discriminations against the rest of the taxpayers which, I believe your Committee will agree, must be eliminated if we are to extend the income tax downward to include millions of persons with low incomes. The discriminations can be eliminated by requiring husband and wife to file a single joint return with appropriate relief granted only where both husband and wife work outside the home.

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To indicate more clearly what I have in mind, I have had prepared a sample table showing how this might be worked out in practice for incomes up to \$3,000. This is only a preliminary table, and improvements and changes will no doubt be desirable, but it will illustrate how the proposal can be applied.

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If, in an attempt to protect the incomes of our people, we hold down taxes and as a result the cost of living rises, we shall have taxed them just as surely as if we had levied on them directly -- and we shall still have the inflated costs of defense to pay later from taxes.

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ILLUSTRATIVE SCHEDULE OF FEDERAL INCOME TAXES
For Individuals with Total Incomes of Less than \$3,000


Know Your Taxes ~

If your total income is:		Your tax is:		If your total income is:		Your tax is:		If your total income is:		Your tax is:	
From	To	Single person*	Married person*	From	To	Single person*	Married person*	From	To	Single person*	Married person*
\$1	\$750	-	-	\$1,501	\$1,525	\$62	\$1	\$2,251	\$2,275	\$126	\$59
751	775	\$1	-	1,526	1,550	64	2	2,276	2,300	128	61
776	800	2	-	1,551	1,575	66	3	2,301	2,325	130	63
801	825	3	-	1,576	1,600	68	4	2,326	2,350	132	65
826	850	5	-	1,601	1,625	70	6	2,351	2,375	134	68
851	875	7	-	1,626	1,650	73	7	2,376	2,400	136	70
876	900	9	-	1,651	1,675	75	8	2,401	2,425	139	72
901	925	11	-	1,676	1,700	77	10	2,426	2,450	141	74
926	950	13	-	1,701	1,725	79	12	2,451	2,475	143	76
951	975	15	-	1,726	1,750	81	14	2,476	2,500	145	78
976	1,000	17	-	1,751	1,775	83	16	2,501	2,525	147	80
1,001	1,025	19	-	1,776	1,800	85	19	2,526	2,550	149	82
1,026	1,050	22	-	1,801	1,825	88	21	2,551	2,575	151	85
1,051	1,075	24	-	1,826	1,850	90	23	2,576	2,600	153	87
1,076	1,100	26	-	1,851	1,875	92	25	2,601	2,625	156	89
1,101	1,125	28	-	1,876	1,900	94	27	2,626	2,650	158	91
1,126	1,150	30	-	1,901	1,925	96	29	2,651	2,675	160	93
1,151	1,175	32	-	1,926	1,950	98	31	2,676	2,700	162	95
1,176	1,200	34	-	1,951	1,975	100	33	2,701	2,725	164	97
1,201	1,225	36	-	1,976	2,000	102	36	2,726	2,750	166	99
1,226	1,250	39	-	2,001	2,025	105	38	2,751	2,775	169	102
1,251	1,275	41	-	2,026	2,050	107	40	2,776	2,800	172	104
1,276	1,300	43	-	2,051	2,075	109	42	2,801	2,825	174	106
1,301	1,325	45	-	2,076	2,100	111	44	2,826	2,850	177	108
1,326	1,350	47	-	2,101	2,125	113	46	2,851	2,875	180	110
1,351	1,375	49	-	2,126	2,150	115	48	2,876	2,900	183	112
1,376	1,400	51	-	2,151	2,175	117	50	2,901	2,925	186	114
1,401	1,425	53	-	2,176	2,200	119	53	2,926	2,950	189	116
1,426	1,450	56	-	2,201	2,225	122	55	2,951	2,975	192	119
1,451	1,475	58	-	2,226	2,250	124	57	2,976	3,000	195	121
1,476	1,500	60	-								

* For each dependent, subtract \$400 from your total income and use the balance to determine your tax.

Note: The taxes in the above schedule, which is purely illustrative, were calculated on the following assumptions: personal exemption for single person, \$750 and for married persons, \$1,500; rates the same as in H. R. 5417; tax for each income block is the average of the tax on the lower and upper limit of the block, reduced by 10 percent as a rough equivalent for deductions from income; and the tax is shown to the nearest dollar.

~~13~~
The measure before you ^{will} constitutes the largest tax act in history. The Committee on Ways and Means has labored on it assiduously and conscientiously for the past 3-1/2 months. Some have criticized this bill as severe but our present national peril requires many sacrifices. The severity of this bill is minor when compared to the severity of other sacrifices which are cheerfully made by our citizens. At a time when many men are being called upon to forego gainful occupations to enter our armed forces for a remuneration of \$21 per month and at a time when it has become necessary to extend their period of service, those citizens in civilian life will, I am sure, cheerfully make the contributions called for under this bill and will be ready to make even greater contributions if it becomes necessary.




The proposed tax has no relationship to the extent of use or the value of the object taxed and, therefore, is unusually inequitable. It taxes a \$5,000 town car exactly the same \$5 as the fifth-hand car worth only \$20. This proposed use tax must be collected from 32,000,000 taxpayers located ^{throughout} ~~in~~ every State and county in the country. This ^{would} ~~will~~ require an additional personnel in the Bureau of Internal Revenue of at least 3,800. The administrative cost ^{is estimated to} ~~will~~ be \$9.6 millions or approximately \$6 per \$100 of tax collected, which is more than five times the average cost of collecting other ^{excise} taxes. This ^{automobile use} tax is estimated to yield ^{about} ~~about~~ \$160 millions. Contrast these figures with those pertaining, for example, to the gasoline tax. That tax, yielding \$343 millions, is collected by 15 internal revenue employees. In this regard it ^{should} ~~must~~ be noted that to the average motorist who travels 10,000 miles annually, the use tax is equivalent in burden to a 1/2 cent gasoline tax. ^{Or, contrast the proposed} ~~As another~~ ^{automobile use} ~~contrast~~, ^{with the tobacco taxes. Their} ~~the~~ annual yield of ~~the tobacco tax~~ is \$698 millions, which ~~and this~~ is collected by 88 internal revenue employees. An increase in either the gasoline tax or the tobacco tax, moreover, would not require any additional personnel.

1. The effective administration of a general sales tax would require the creation of an elaborate administrative structure entailing more time and expense than is warranted if the sales tax is to be used as a source of revenue only during the emergency period.

2. The superimposition of a general sales tax on the existing Federal excises would add to the complexity of the Federal tax structure and unless present excises were exempt from the general levy, some of the commodities would almost certainly be taxed too heavily. The use of selected excises avoids this complication and makes possible fitting the rates of tax for each commodity more nearly to its peculiar market situations particularly as affected by the defense program.

3. The Federal-State fiscal conflict involved in the imposition of a Federal sales tax in addition to existing State and local sales taxes can be minimized by the proper selection of excises.

For these general and more technical reasons, the Treasury believes it is inadvisable to levy a general sales tax and risk business dislocations which it would occasion in addition to those arising from the defense effort. ^{No} At the same time, the Treasury does not approve all the excises incorporated in the present bill. ^{Partic-} ularly, it ^{disapproves} does not approve the proposed five dollar use tax on every motor vehicle. 

This tax will conflict directly with one of the most important State and local sources of revenue. In some States the proposed tax will ^{in effect} increase the average cost of automobile registration by more than 100 percent.

period years will pay ^{little or} no excess profits tax. This situation cannot be justified in the light of the growing revenue requirements. In order to reach these profits which are attributable solely to the defense program, the Treasury recommended and the bill provides that a flat rate of 10 percent should be applied in such cases to that part of the current profits that exceeds the base period earnings but does not exceed the invested capital credit.

The excise portions of the pending bill are estimated to yield \$874.8 millions. ~~\$875.6~~ Forty-six percent of this total derives from raising the rates or broadening the bases of 14 existing excises. Twenty-two new excises are expected to yield 54 percent of the total.

The Treasury recommended but the bill does not contain increases in the existing rates of tax on gasoline, tobacco products and beer. The Treasury also recommended that the present tax on passenger automobiles be increased to 15 percent; the bill provides for an increase to only 7 percent.

~~The Treasury has given careful consideration to the relative merits of a large number of excises on selected items as opposed to some type of a general sales tax. In the light of present requirements, it definitely favors selective excises over a general sales tax. This conclusion is influenced not only by the fact that a general sales tax would burden disproportionately the very lowest income groups but also by a number of other important considerations.~~

In the existing law the invested capital credit is a flat 8 percent on the entire amount of the invested capital. The bill provides that the credit be reduced to 7 percent on invested capital exceeding \$5,000,000.

In order ~~not~~ ^{not to discourage} to ~~discourage~~ new equity financing, it is desirable to allow a larger tax-free return on new capital than would be obtainable under the reversal in method of computing the tax. A special allowance on new capital investment when the excess profits credit is computed under the invested capital method is made by including new capital at 125 percent of its value. This is the equivalent of allowing an invested capital credit with respect to new capital of 10 percent where the total invested capital is less than \$5,000,000 and 8-3/4 percent where the invested capital is more than \$5,000,000.

The allowance is applicable only on new capital which consists of money or property paid in for stock. It does not extend to new capital raised by borrowing nor to earnings and profits retained in the business. Safeguards are provided ~~to prevent~~ ^{against} the use of the new capital allowance for tax avoidance purposes.

The excess profits tax in the present law fails to reach a very large part of defense profits, despite the clear expression of Congressional intent that profits growing out of the defense effort should be subject to excess profits tax. Our examination of the available data shows that many corporations that are the principal beneficiaries of the defense effort and whose profits in 1940 were many times larger than in 1939 and in any of the preceding base

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~~This increase in revenue is accomplished without change in the optional methods of computing the excess profits credit provided by the Second Revenue Act of 1940, as amended.~~ Page 8 ¶ The bill increases the rates of tax, modifies the excess profits tax base, and imposes a special tax on corporations using the invested capital credit.

The tax brackets of the existing law, graduated according to the amount of the adjusted excess profits net income, are retained. The increase in the tax rate amounts to 10 percentage points in each bracket. The proposed rates range from 35 percent on adjusted excess profits net income of not more than \$20,000 to 60 percent on amounts^s over \$500,000. The corresponding rates in the existing law are 25 percent and 50 percent.

The most important structural change provided by the bill is the disallowance of the income tax as a deduction in computing the excess profits tax. This change will increase the amount of income subject to the excess profits tax and hence the revenue from the excess profits tax. However, the increase will be partly offset by a decrease in the income subject to the corporation income tax because the excess profits tax is allowed as a deduction for the purpose of computing the income tax, both normal and surtax.

The excessiveness of profits should be measured by the whole of corporate profits as proposed in the bill and not by the part remaining after income tax as in the present law. Under graduated rates the present procedure results in dropping the taxable excess profits into the lower bracket rates, thus^u diminishing the revenue. Further, because the base period income tax is lower than the current income tax (16-1/2 percent as against 24 percent for 1940 and 30 percent for 1941) corporations using the average earnings method are allowed a greater deduction from profits of the current year than from the profits of the base period average. Such reduction in the excess profits tax of corporations using the average earnings method seems entirely unwarranted in view of the already liberal excess profits credits.

these bonds. To avoid granting a further unexpected bonus, it is necessary that the increase in rates be in the form of a surtax.

It has been pointed out, however, that the combined effect of this surtax, together with the postponement of deductions attributable to bonds purchased at a premium until the bonds mature or are sold, may adversely affect the market for many outstanding Treasury securities. I therefore suggest that consideration be given, in the case of public and private bonds purchased at a premium, to requiring the holder to amortize the premium over the life of the bond in place of the present system of allowing a capital loss at the time of maturity measured by the difference between purchase price and redemption price. Such a proposal would, in effect, treat the interest on such bonds at the effective rate rather than at the coupon rate for tax purposes and would thus be both more realistic and in accordance with commercial practice.

The bill makes permanent the defense taxes which were imposed for a five year period by the Revenue Act of 1940. These defense taxes amount, in general, to 10 percent of the taxes to which they are added. In view of their now permanent nature, I suggest that *these defense* tax rates be integrated with the other tax rates, so that the amount of the various taxes can be computed on the basis of a single rate structure. This will simplify both the text of the revenue laws and the computations to be made by taxpayers thereunder.

In the case of the capital stock tax, the House bill increases the tax rate from \$1.10 to \$1.25 upon each \$1,000 of the declared value of capital stock. The anticipated ^{gross} increase in revenue from this change is \$22.3 millions.

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no Par This increase in revenue is accomplished without change in the optional methods of computing the excess profits credit provided by the Second Revenue Act of 1940. The Secretary has already called to your attention the fact that the Department does not favor a continuation of ^a ~~the average earnings~~ method which leaves free of excess profits tax those corporations with consistently high earnings which represent the greatest ability to pay. ~~The bill increases the rates of tax, modifies the excess profits tax base, and imposes a special tax on corporations using the invested capital credit.~~

bracket in excess of \$50,000,000 has been shifted to become effective on that portion of the net estate exceeding \$10,000,000. The gift tax rates have also been increased so that they continue to be three-fourths of the estate tax rates. The anticipated revenue increase from these changes amounts to \$151.9 million. It has been estimated that if the higher rates and lower exemptions proposed by the Treasury were adopted, the increased yield would be \$347.2 million.


The pending bill makes several changes in the corporation taxes. It gives expression to the principle that corporations generally, even those without excessive profits, should bear part of the heavy burden imposed by the defense program. To that end, it provides for an increase in the corporation income tax of 5 percent on the first \$25,000 of surtax net income and 6 percent on the balance. This increase - as that of the personal income tax - is imposed in the form of a surtax, in order to reach a substantial part of the interest from more than \$20 billion of partially tax-exempt securities which are held by corporations, principally banks and insurance companies. Corporations having income over \$25,000 will thus be taxed at an effective rate of ^{almost} 30 percent.

When these ^{partially tax-exempt} securities were issued, it was impossible to foresee the extraordinary demands which would be made upon the ~~economy~~ ^{American people.} Neither the Government nor the corporate purchasers anticipated that the tax benefit from these partially tax-exempt securities would be as great as it is. Each increase in the normal tax rate has increased the tax savings which accrue to the corporate holders of

The estate tax changes in the bill are likewise limited to rate increases. The Treasury's recommendations that the \$40,000 insurance exclusion under the estate tax and the \$40,000 specific exemption under the estate and gift taxes be reduced to \$25,000 each, were not incorporated in this bill. The increases in the estate tax rates in the bill extend throughout the rate schedule but are substantially lower than those proposed by the Treasury. The present two percent rate on the first bracket of the net estate has been increased to three percent. The maximum rate of 70 percent effective on the

Again, take the example of a married couple with two children having a salary income of \$2700 and interest of \$54, or a total of \$2754. These two items of income and the total would be entered on the face of the return. Turning to the back of the return the taxpayer would subtract from the \$2754, the credit of \$800 for his two dependents. The remaining income would be \$1954. He would look on the table and find that he owed a tax of \$33.

It is thus seen that the computation of the tax would be extremely simple.



The simple return form would not be of value to them since computations of these items would be necessary before income could be determined. For other taxpayers with incomes of not more than \$3,000, however, the short form would be provided.

Since the short form would be made optional rather than compulsory, the taxpayer would not lose any rights he has under existing law to benefit if he desires from specific deductions such as losses not covered by insurance or capital losses.

In order that the typical taxpayer using the simple table might derive substantially the same tax benefit from deductions that he now derives, the tax appearing on the table would take into account the average amount now deducted by persons with small incomes. Finally, in order to simplify the income tax table, incomes would be grouped in blocks of \$25 with the same tax payable for all incomes within the block.

➤ For example, take the case of a single man with a salary of \$1880. If we assume that the personal exemptions recommended by the President of \$750 for single persons and \$1500 for married persons and heads of families were adopted, this taxpayer would compute his tax in the following manner:

On the face of the short income tax form he would write down his salary of \$1880. He would then look on the back of the return and see that this income fell in the block from \$1876 to \$1900. He would find that this tax is \$94 and this he would enter on the front of the return and pay that amount as his tax.

However, the threat of rising prices alters the situation. If the cost of living rises substantially, the effect will be to tax small incomes much more than an income tax would at the rates provided in this bill. The reduction of personal exemptions will make it possible for a large number of persons in the country to feel that they are making direct contributions to the defense program. During the course of this tax bill we have had evidence that many people want to make such a direct contribution.

As the Secretary pointed out, persons with small incomes should have an opportunity for filing a short simple return and finding the amount of the tax on a table instead of being obliged to file the regular return and to make the regular tax computation. The Secretary has placed in your hands an illustrative schedule and discussed briefly its application.

b. I would like to indicate in somewhat more detail how the proposal would operate. It is intended to apply primarily to persons with incomes from wages, salaries and interest. A great majority of small incomes ^{is} of these types. The incomes of small businessmen, however, are more complicated, involving as they do costs of materials, inventories, depreciation and other expense items.

for dependents, and since the earned income credit is allowed for normal tax but not for surtax purposes, some income not now subject to tax will be subject to the surtax. Under existing law the earned income credit permits a single person to be free of income tax unless his income is in excess of \$888, while a married couple with no dependents is free of income tax unless it receives more than \$2,222, although the personal exemptions in these instances are only \$800 and \$2,000, respectively. The result of the application of the surtax to the first dollar of surtax net income, as provided in the bill, is to make taxable approximately 2,470,000 people who otherwise would be free of tax with the same income. These, together with the persons who will become taxable as a result of increases in their income are expected to raise the number of 1942 income taxpayers 3,405,000 over the 1941 number.

It is estimated that if the pending bill is enacted, 17,107,000 individual income tax returns will be filed during ^{the} calendar year 1942 of this number 10,925,000 will be taxable.

In the early stages of this bill the Treasury Department took the position that in view of this substantial broadening of the base personal exemptions should not be further lowered.

surtax net income, whereas under existing law the first \$4,000 of surtax net income is free from surtax. The bill provides for increases in the surtax rather than in the normal tax, in order to place some of the additional tax burden on the recipients of interest from partially tax-exempt securities.

The rate schedule under the bill differs in certain respects from that proposed to the Ways and Means Committee by the Treasury. The bill imposes a tax of 5 percent upon the first \$2,000 of surtax net income and increases existing rates up to those applicable to \$750,000. The Treasury recommended that the surtax start at 11 percent on the first \$2,000 of surtax net income. Because of the importance of curbing the present inflationary tendency and because of the revenue it would produce, the Treasury repeats its recommendation.

The pending bill leaves the amount of the personal exemptions and the credit for dependents unchanged. The Revenue Act of 1940 decreased the exemptions from \$1,000 to \$800 for a single person and from \$2,500 to \$2,000 for a married couple. Approximately 8,200,000 new returns are expected to be filed in 1941, and it is estimated that there were approximately 4,000,000 new taxpayers.

Although it leaves the personal exemptions unchanged, this bill will actually broaden the base. It makes the surtax applicable to the first dollar of income after the personal exemption and credit

In the past three months, the fiscal situation has undergone further change. Expenditures for the fiscal year 1942 are now estimated at \$22,169,000,000 rather than the \$19,000,000,000 as of April 24. Receipts from the existing revenue system, without the pending bill, are estimated at \$9,402,000,000. Thus, even with \$3,500,000,000 additional revenue, the revenue system would still be \$1.9 billion short of the 2/3-1/3 goal.

This Bill, H. R. 5417, is estimated to produce in a year of full operation \$236.7 million, or \$263.3 million less than the amount recommended by the Secretary. Of this total, \$864.8 million or 26.7 percent of the additional revenues will be derived from increases in individual income taxes, \$1,345.2 million or 41.6 percent from increases in corporation taxes, \$151.9 million or 4.7 percent from increases in estate and gift taxes and \$874.8 million or 27.0 percent from new excises and increases in existing excises.

With respect to the individual income tax, the provisions of the bill are principally confined to increases in the tax rates. The present rate of the normal individual income tax is unchanged, but the surtax rates are substantially increased. Moreover, the surtax under the revised schedule applies to the first dollar of

8/8/41

~~STATEMENT OF JOHN L. SULLIVAN, ASSISTANT SECRETARY OF THE TREASURY
BEFORE THE SENATE COMMITTEE ON FINANCE, AUGUST 8, 1941.~~

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~~Mr. Chairman and gentle~~ ^Q In his discussion of taxation as an essential part of national defense, ~~the~~ Secretary ^{Morgenthau} emphasized the need for paying a large proportion of the defense costs from present taxes and the need for making full use of the potentialities of the tax system in resisting price inflation. In the final analysis, the job of defense is largely a production job. The tax system, therefore, must be designed to enhance and not burden defense output. The job of defense is also one of national unity. This makes it imperative that as far as possible the huge tax burden necessitated by the emergency be apportioned among the ^{various groups} ~~several segments~~ of our population equitably and without discrimination.

The Secretary has laid before you the broad outlines of our tax problem. My statement will deal more directly with the provisions of the pending bill.

In ^{the Secretary's} ~~our~~ statements before the Ways and Means Committee ^{he} ~~we~~ indicated a need for legislation to produce annually \$3,500,000,000 additional revenue. This recommendation was based on the conclusion that current taxes should provide approximately two-thirds of the Federal expenditures during the emergency period. In terms of the fiscal year 1942 revenues and expenditures indicated last April, \$3,500,000,000 additional revenue would have met the 2/3-1/3 ratio of taxes to borrowing.

Statement of John L. Sullivan,
Assistant Secretary of the Treasury,
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With respect to the individual income tax, the provisions of the bill are confined principally to increases in the tax rates. The present rate of the normal individual income tax is unchanged, but the surtax rates are increased substantially. Moreover, the surtax under the revised schedule applies to the first dollar of surtax net income, whereas under existing law the first \$4,000 of surtax net income is free from surtax. The bill provides for increases in the surtax rather than in the normal tax, in order to place some of the additional tax burden on the recipients of interest from partially tax-exempt securities.

The rate schedule under the bill differs in certain respects from that proposed to the Ways and Means Committee by the Treasury. The bill imposes a tax of 5 percent upon the first \$2,000 of surtax net income and increases existing rates up to those applicable to \$750,000. The Treasury recommended that the surtax start at 11 percent on the first \$2,000 of surtax net income. Because of the importance of curbing the present inflationary tendency and because of the revenue it would produce, the Treasury repeats its recommendation.

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single person and from \$2,500 to \$2,000 for a married couple. Approximately 8,200,000 new returns are expected to be filed in 1941, and it is estimated that there were approximately 4,000,000 new taxpayers.

Although it leaves the personal exemptions unchanged, this bill will actually broaden the base. It makes the surtax applicable to the first dollar of income after the personal exemption and credit for dependents, and since the earned income credit is allowed for normal tax but not for surtax purposes, some income not now subject to tax will be subject to the surtax. Under existing law the earned income credit permits a single person to be free of income tax unless his income is in excess of \$388, while a married couple with no dependents is free of income tax unless it receives more than \$2,222, although the personal exemptions in these instances are only \$800 and \$2,000, respectively. The result of the application of the surtax to the first dollar of surtax net income, as provided in the bill, is to make taxable approximately 2,470,000 people who otherwise would be free of tax with the same income. These, together with the persons who will become taxable as a result of increases in their income are expected to raise the number of 1942 income taxpayers 3,405,000 over the 1941 number.

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For example, take the case of a single man with a salary of \$1880. If we assume that the personal exemptions recommended by the President of \$750 for single persons and \$1500 for married persons and heads of families were adopted, this taxpayer would compute his tax in the following manner:

On the face of the short income tax form he would write down his salary of \$1880. He would then look on the back of the return and see that this income fell in the block from \$1876 to \$1900. He would find that this tax is* \$94 and this he would enter on the front of the return and pay that amount as his tax. Again, take the example of a married couple with two children having a salary income of \$2700 and interest of \$54, or a total of \$2754. These two items of income and the total would be entered on the face of the return. Turning to the back of the return the taxpayer would subtract from the \$2754, the credit of \$800 for his two dependents. The remaining income would be \$1954. He would look on the table and find that he owed a tax of \$33.

It is thus seen that the computation of the tax would be extremely simple.

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\$40,000 insurance exclusion under the estate tax and the \$40,000 specific exemption under the estate and gift taxes be reduced to \$25,000 each, were not incorporated in this bill. The increases in the estate tax rates in the bill extend throughout the rate schedule but are substantially lower than those proposed by the Treasury. The present two percent rate on the first bracket of the net estate has been increased to three percent. The maximum rate of 70 percent effective on the bracket in excess of \$50,000,000 has been shifted to become effective on that portion of the net estate exceeding \$10,000,000. The gift tax rates have also been increased so that they continue to be three-fourths of the estate tax rates. The anticipated revenue increase from these changes amounts to \$151.9 million. It has been estimated that if the higher rates and lower exemptions proposed by the Treasury were adopted, the increased yield would be \$347.2 million.

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6 percent on the balance. This increase - as that of the personal income tax - is imposed in the form of a surtax, in order to reach a substantial part of the interest from more than \$20 billion of partially tax-exempt securities which are held by corporations, principally banks and insurance companies. Corporations having incomes over \$25,000 will thus be taxed at an effective rate of almost 30 percent.

When these partially tax-exempt securities were issued, it was impossible to foresee the extraordinary demands which would be made upon the American people. Neither the Government nor the corporate purchasers anticipated that the tax benefit from these partially tax-exempt securities would be as great as it is. Each increase in the normal tax rate has increased the tax savings which accrue to the corporate holders of these bonds. To avoid granting a further unexpected bonus, it is necessary that the increase in rates be in the form of a surtax.

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The proposed changes in the excess profits tax are estimated to increase the revenue from this tax by \$1,198.3 million. This increase in revenue is accomplished without change in the optional methods of computing the excess profits credit provided by the Second Revenue Act of 1940. The Secretary has already called to your attention the fact that the Department does not favor a continuation of a method which leaves free of excess profits tax those corporations with consistently high earnings which represent the greatest ability to pay.

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The tax brackets of the existing law, graduated according to the amount of the adjusted excess profits net income, are retained. The increase in the tax rate amounts to 10 percentage points in each bracket. The proposed rates range from 35 percent on adjusted excess profits net income of not more than \$20,000 to 60 percent on amounts over \$500,000. The corresponding rates in the existing law are 25 percent and 50 percent.

The most important structural change provided by the bill is the disallowance of the income tax as a deduction in computing the excess profits tax. This change will increase the amount of income subject to the excess profits tax and hence the revenue

from the excess profits tax. However, the increase will be partly offset by a decrease in the income subject to the corporation income tax because the excess profits tax is allowed as a deduction for the purpose of computing the income tax, both normal and surtax.

The excessiveness of profits should be measured by the whole of corporate profits as proposed in the bill and not by the part remaining after income tax as in the present law. Under graduated rates the present procedure results in dropping the taxable excess profits into the lower bracket rates, thus diminishing the revenue. Further, because the base period income tax is lower than the current income tax (16-1/2 percent as against 24 percent for 1940 and 30 percent for 1941) corporations using the average earnings method are allowed a greater deduction from profits of the current year than from the profits of the base period average. Such reduction in the excess profits tax of corporations using the average earnings method seems entirely unwarranted in view of the already liberal excess profits credits.

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capital exceeding \$5,000,000.

In order not to discourage new equity financing, it is desirable to allow a larger tax-free return on new capital than would be obtainable under the reversal in method of computing the tax. A special allowance on new capital investment when the excess profits credit is computed under the invested capital method is made by including new capital at 125 percent of its value. This is the equivalent of allowing an invested capital credit with respect to new capital of 10 percent where the total invested capital is less than \$5,000,000 and 8-3/4 percent where the invested capital is more than \$5,000,000.

The allowance is applicable only on new capital which consists of money or property paid in for stock. It does not extend to new capital raised by borrowing nor to earnings and profits retained in the business. Safeguards are provided against the use of the new capital allowance for tax avoidance purposes.

The excess profits tax in the present law fails to reach a very large part of defense profits, despite the clear expression of Congressional intent that profits growing out of the defense effort should be subject to excess profits tax. Our examination of the available data shows that many corporations that are the principal beneficiaries of the defense effort and whose profits in 1940 were many times larger than in 1939 and in

any of the preceding base period years will pay little or no excess profits tax. This situation cannot be justified in the light of the growing revenue requirements. In order to reach these profits which are attributable solely to the defense program, the Treasury recommended and the bill provides that a flat rate of 10 percent should be applied in such cases to that part of the current profits that exceeds the base period earnings but does not exceed the invested capital credit.

The excise portions of the pending bill are estimated to yield \$874.8 millions. Forty-six percent of this total derives from raising the rates or broadening the bases of 14 existing excises. Twenty-two new excises are expected to yield 54 percent of the total.

The Treasury recommended but the bill does not contain increases in the existing rates of tax on gasoline, tobacco products and beer. The Treasury also recommended that the present tax on passenger automobiles be increased to 15 percent; the bill provides for an increase to only 7 percent. At the same time, the Treasury does not approve all the excises incorporated in the present bill. Particularly, it disapproves the proposed five dollar use tax on every motor vehicle.

This tax will conflict directly with one of the most important State and local sources of revenue. In some States the proposed tax will in effect increase the average cost of automobile registration by more than 100 percent.

The proposed tax has no relationship to the extent of use or the value of the object taxed and, therefore, is unusually inequitable. It taxes a \$5,000 town car exactly the same \$5 as the fifth-hand car worth only \$20. This proposed use tax must be collected from 32,000,000 taxpayers located throughout every State and county in the country. This would require an additional personnel in the Bureau of Internal Revenue of at least 3,800. The administrative cost is estimated to be \$9.6 millions or approximately \$6 per \$100 of tax collected, which is more than five times the average cost of collecting other excise taxes. This automobile use tax is estimated to yield about \$160 millions. Contrast these figures with those pertaining, for example, to the gasoline tax. That tax, yielding \$343 millions, is collected by 15 internal revenue employees. In this regard it should be noted that to the average motorist who travels 10,000 miles annually the use tax is equivalent in burden to a 1/2 cent gasoline tax. Or, contrast the proposed automobile use tax with the tobacco taxes. Their annual yield

is \$698 millions which is collected by 88 internal revenue employees. An increase in either the gasoline tax or the tobacco tax, moreover, would not require any additional personnel.

The measure before you will constitute the largest tax act in history. The Committee on Ways and Means has labored on it assiduously and conscientiously for the past 3-1/2 months. Some have criticized this bill as severe but our present national peril requires many sacrifices. The severity of this bill is minor when compared to the severity of other sacrifices which are cheerfully made by our citizens. At a time when many men are being called upon to forego gainful occupations to enter our armed forces for a remuneration of \$21 per month and at a time when it has become necessary to extend their period of service, those citizens in civilian life will, I am sure, cheerfully make the contributions called for under this bill and will be ready to make even greater contributions if it becomes necessary.

INSOLVENT NATIONAL BANKS LIQUIDATED AND FINALLY CLOSED
DURING THE MONTH OF JULY, 1941

<u>Name and Location of Bank:</u>	<u>Date of Failure:</u>	<u>Total Disbursements Including Offsets Allowed:</u>	<u>Per Cent Dividends Declared to All Claimants:</u>	<u>Capital Stock at Date of Failure:</u>	<u>Cash, Assets, Uncollected Stock Assessments, etc., Returned to Shareholders:</u>
Farmers & First Nat'l Bank New Castle, Indiana	12-8-33	\$ 1,415,356	104.05 ^{1/}	\$ 200,000	\$ -0-
First National Bank Peru, Indiana	9-6-33	1,395,987	85.32	100,000	-0-
Peoples Nat'l Bank & Tr. Co., Sullivan, Indiana	7-15-32	1,076,524	69.097	150,000	-0-
Farmers National Bank Houlton, Maine	1-9-34	856,447	87.07	50,000	-0-
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Citizens National Bank Romeo, Michigan	10-12-33	376,049	54.55	50,000	-0-
Alderson National Bank Alderson, West Virginia	9-28-31	370,268	68.53	25,000	-0-
Union National Bank Fairmont, West Virginia	12-16-30	2,972,838	90.07	420,000	-0-
Northern National Bank Ashland, Wisconsin	2-13-33	931,552	66.45	100,000	-0-

^{1/} 100 per cent principal and partial interest paid to creditors.

W. J. ...

TREASURY DEPARTMENT
Comptroller of the Currency
Washington

FOR RELEASE, MORNING NEWSPAPERS,

Press Service

Saturday, August 9, 1941.
8/8/41

No 26-97

During the month of July, 1941, the liquidation of nine Insolvent National Banks was completed and the affairs of such receiverships finally closed.

Total disbursements, including offsets allowed, to depositors and other creditors of these nine receiverships, amounted to \$10,518,868, while dividends paid to unsecured creditors amounted to an average of 80.61 per cent of their claims. Total costs of liquidation of these receiverships averaged 8.09 per cent of total collections from all sources including offsets allowed.

Dividend distributions to all creditors of all active receiverships during the month of July, 1941, amounted to \$344,883. Data as to results of liquidation of the receiverships finally closed during the month are as follows:

Reper *AP*

W. H. ...
8/6/41

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Above all, every one who refrains from spending all of his income and invests a portion of it in Defense Savings Bonds not only provides himself with assets which will be available when goods are plentiful after the emergency is over, but also helps to finance the Defense Program with the smallest possible increase in prices.

Each of us, therefore, can make a concrete contribution toward holding down the cost of living and insuring the success of the Defense Program.

A handwritten signature in dark ink, consisting of stylized initials and a long horizontal stroke extending to the right.

August 11, 1941

It is obvious that these people alone cannot purchase enough savings bonds to restrict purchasing power adequately. A substantial part of the necessary reduction must come from those not yet subject to income taxation. It is in this way that such people can make their contribution both to the financing of the Defense Program and to the prevention of an increase in the cost of living.

From what I have told you of the broad program by which we hope to prevent an inflationary increase in prices, it should be clear that it is not a program which can be carried out by orders from Washington alone. Rather it is a program which depends for its success on the cooperation of every American. Every worker who works longer hours and every manufacturer who expands his production is making a contribution by increasing the supply of goods, both for civilian consumption and for National Defense. Every consumer who directs his expenditure towards goods which can be made available in larger quantities without impeding the Defense Program is also helping. Each taxpayer who saves regularly in anticipation of the higher taxes he will have to pay is aiding in restraining price increases.

In the first case we will get the limited amount of goods at such high prices that we will have nothing left to show for our enlarged incomes, but in the second case we will get the same goods at their present prices and will have savings bonds as well.

It is particularly important that people in the middle and lower income brackets purchase savings bonds. Of the total of 3.2 billion dollars of additional taxes recently approved by the House of Representatives, almost 73 per cent were income and allied taxes, and only 27 per cent were taxes on goods and services. Even next year it is probable that less than half of the income of the country will be subject to income taxes. Moreover, many of the most rapid increases in earnings are taking place in the middle and lower income brackets. While we should not ask those at the very lowest income level to reduce their consumption, the necessary restriction of purchasing power clearly cannot be contributed by those^e subject to income taxes alone. In fact, the increase in income taxes will leave many of those subject to such taxes with net incomes lower than in the present year.

All or almost all of our expanded incomes would then be absorbed by higher prices, leaving us with little or nothing extra to show for our higher earnings. If, however, enough of us voluntarily restrict our spending during this National emergency, investing the difference in Defense Savings Bonds and tax anticipation notes, total spending will not increase, and we will be able to buy the limited goods available without a rise in prices.

Here is the situation that confronts us: Suppose that the maximum amount of goods for civilian consumption that we can possibly produce in this fiscal year would be worth 50 billion dollars at the present level of prices, and that people are going to have 60 billion dollars of purchasing power after they have paid all their taxes. If they insist on spending that entire 60 billion dollars, the price of the limited goods available will rise 20 per cent. Goods which had cost 5 dollars will, on the average, then cost 6 dollars. But if people spend only 50 billion dollars and use 10 billion dollars to buy Defense Savings Bonds, the price of the goods available will remain the same, and in addition people will have acquired the savings bonds.

But the effectiveness of tax anticipation notes in controlling purchasing power is inevitably limited by the amount of present or prospective income taxes. A similar method of restricting buying power, but a more important one because it is not limited in this fashion, is the Defense Savings Bond program, which is the third step in the fiscal program to deal with this problem. Despite the higher taxes which all of us will soon be paying, the Treasury is going to have to borrow around 10 billion dollars this fiscal year. This means that it will pay out 10 billion dollars more than it takes from us in taxes, and this in turn, coupled with the increase in employment, means that on the average we are going to have larger incomes.

If we attempt to spend all of this additional income, we will not materially increase the total amount of goods available for civilian consumption, for the total production of such goods in the immediate future will be limited by the needs of production for National Defense. Hence, if we spend all of our enlarged incomes, we will only push up the prices of the limited goods available.

But these tax anticipation notes do more than benefit the individual taxpayer; they reduce general purchasing power and constitute the second step in the fiscal program. Probably the fairest and certainly the most important of Federal taxes is the income tax. Collection of this tax does not occur however until long after the income subject to taxation has been received by the taxpayer. The last installment of taxes levied on this year's income, for example, does not have to be paid until a year from this coming December. It has long been the practice of corporations to set aside reserves against taxes as income is earned, even though such taxes are not collected by the Government until the following year. Now we, as individuals, can do the same thing through the purchase of these tax notes. By buying these notes we will, therefore, help to decrease substantially the present long lag between the time we receive our individual incomes and the time when we pay our income taxes to the Treasury. In this way we will greatly increase the effectiveness of the income tax as a means of restricting current purchasing power.

The Treasury is aware of this, and therefore now has on sale tax anticipation notes, which will enable taxpayers to save systematically and conveniently to meet next year's higher tax load.

Here is how this may be done. Suppose you are a single man with a 3,000 dollar income. You can expect to pay over 200 dollars in taxes next year. If you start now and buy a 25 dollar note each month for the next eight months, by the end of March you will have purchased 200 dollars worth of these notes. Then when installments on your income tax fall due in March, June, September, and December of next year, you may send two of these notes plus a small cash payment, after taking credit for the accrued interest, to the Collector of Internal Revenue in payment of each of your tax installments. This foresight on your part will relieve the strain on your next year's budget; and meanwhile your money will be earning interest, so that the notes will be worth more in the payment of taxes than they cost you originally.

Let me show you how the proposed increases would affect you as an individual. If you are a single man without dependents and have an income of 3,000 dollars, you owed the Federal Government 84 dollars this year; next year you will owe 211 dollars, if the tax measure now under consideration is passed in its present form. If your income had been 5,000 dollars, you would have owed 172 dollars this year; next year you will owe 473 dollars. If you are a married man without children and have an income of 5,000 dollars, you owed 110 dollars in income taxes this year; next year your tax bill will be 308 dollars. If your income had been 10,000 dollars, you would have owed 528 dollars this year; next year you can expect a tax bill of 1,166 dollars.

In other words, the great majority of income taxpayers who have incomes of less than 10,000 dollars, will pay two or three times as much as this year. This is a great increase, but it is absolutely necessary for National Defense. It is an increase, however, that is going to be hard to meet unless we make our plans for meeting it well before these taxes come due.

There are three ways in which the public's purchasing power can be thus diverted. These are:

(1) An increase in taxes, (2) the sale of tax anticipation notes, and (3) the sale of United States Defense Savings Bonds and Stamps.

Let us take up the increase in taxes first. Congress for many months has been working on a tax program designed to add 3.5 billion dollars to the Government's revenues. Including these new taxes, the Federal Government will probably collect around 11.5 billion dollars during the current fiscal year, or about 13 per cent of the National income of the same period. This is, however, around 4 billion dollars more than was collected in the last fiscal year, and means that all of us are going to have to pay higher taxes, and especially higher income taxes.

Most of us try not to think about our income taxes from one March to the next; but this year the Treasury wants people to think about their income taxes well in advance of the date when they are due, because these taxes are going to be much higher than they have ever been at any time in the past.

refrigerators, and washing machines, radios, and the like, which compete with Defense production, and toward those things which are not scarce and which do not compete with Defense production. There are, of course, many goods for civilian consumption which can be produced in larger quantities. And every effort should be made to increase the production of such goods whenever it can be done without interfering with the Defense Program. We as individual consumers can again help to bring this about by spending, if we must spend, more on food, health, clothing, amusements, and similar items.

The importance of efforts to increase output cannot be over-emphasized. But we must face the fact that we cannot, without impeding the Defense Program, expand civilian production enough to absorb all the increase in incomes resulting from our large Government expenditures and our increased employment. Hence, an inflationary increase in prices cannot be prevented by price control legislation alone. There must be an adequate fiscal program designed to reduce public purchasing power and to divert that purchasing power to pay for Defense goods.

There are several steps which can be taken to prevent an inflationary increase in the price of goods made scarce in this way. A price ceiling can be imposed on the commodities involved. But this cannot be done effectively unless Congress vests the appropriate authority in the President. Hence, it is highly desirable that the President be given statutory powers to impose price ceilings whenever he finds such ceilings to be in the best interests of the economy as a whole. A second step is to restrict extensions of installment credit wherever extensions of such credit are likely to increase the demand for those goods which are already scarce. A third step is to place taxes directly on such scarce goods. This will not only reduce the demand for such goods, but also it will absorb the windfall profits that would otherwise result from the excess of demand over supply.

The steps I have mentioned so far are steps which must be taken by the Government. But each of us as an individual consumer can help keep down the prices of goods which are scarce if we will, as far as possible, direct our expenditures away from such things as automobiles, electric

The most desirable defense against inflation is, of course, an increase in the output of goods. The more goods available for consumption, the less prices will rise. But already much of the productive capacity of American industry is being strained to manufacture the things needed for National Defense. More than a million and a half men in a swiftly expanding army must be supplied with weapons in order to make them an effective fighting force. Industry is being called upon as never before to manufacture battleships, destroyers, cruisers, and other craft for the Navy, and above all planes in ever increasing quantities both for ourselves and for the democracies abroad.

It is already clear, therefore, that we must drastically curtail the production of civilian goods which compete most directly with National Defense. The production of automobiles will be materially reduced next year, and many other durable goods will have to be restricted also to make way for Defense production.

A rising cost of living will lead to labor unrest, as labor will demand higher wages to keep pace with the increase in prices. Not only will such unrest directly impede the National Defense program but increased wages will raise the cost of production, which in turn may justify a further increase in prices. And so runs the inflationary spiral.

The Treasury clearly recognizes its obligation to the American public to do everything in its power to prevent unwarranted price increases and to protect the country from the evils of inflation. This disease, however, cannot be controlled by fiscal policy alone. Only if we proceed against the problem on all fronts and with the cooperation of the people of this country will we be successful. I should like to outline tonight the broad program by which the Government plans to prevent our large Defense expenditures from increasing the cost of living, to describe the part that the Treasury is playing in these plans, and to explain how each citizen can make his own individual contribution to this program.

It is certainly a small price to pay for the preservation of our way of life.

Many people are worried, however, by fears that these large expenditures will lead to inflation, and fear of inflation may of itself bring about inflation, unless adequate measures of control are undertaken. Inflation is a word of many meanings and it is difficult to get economists to agree on a specific definition. In fact, it is said that when five economists get together to discuss this intricate subject, there are likely to be six definitions of inflation, each with many qualifications. But I think that inflation means to most of us a substantial and continuing increase in prices, leading to what was known during the period from 1917 to 1920 as the "high cost of living."

The evils of such a rise in prices are well recognized. From the Government's point of view price increases will raise the cost of the defense program. This in turn will require larger borrowing by the Treasury and will place a higher burden of debt and interest payments on this and future generations. Those whose incomes are relatively fixed will find that inflation reduces the amount of real goods that their dollars can buy.

DEFENSE EXPENDITURES AND INFLATION

America today is arming on an unprecedented scale. We have dedicated ourselves to the task of creating a military force strong enough to meet any challenge from whatever quarter it may come. We have also pledged ourselves to give all-out aid to the democracies that are so valiantly fighting for the principles in which we believe. We are united on these purposes and determined that nothing shall stop us.

It is going to cost a great deal of money to provide an Army and Navy strong enough to make our country secure from attack and at the same time to furnish our friends the tools with which to carry on to victory. Already approximately 53 billion dollars have been appropriated or recommended for these purposes and the ultimate cost is not yet predictable. In the present fiscal year the Federal Government expects to spend more than 22 billion dollars, of which about 70 per cent is for National Defense alone. This is, of course, a large sum to spend for one governmental function, but it is less than one-sixth of the National income we expect to have during the same period of time.

TREASURY DEPARTMENT
Washington

FOR RELEASE, MORNING NEWSPAPERS,
Tuesday, August 12, 1941.

Press Service
No. 26-98

(The following address by Daniel W. Bell, Under¹⁵secretary of the
Treasury, is scheduled to be broadcast by Station WMAL, Washington, D.C.,
at 9:30 p.m., Eastern Standard Time, and is for release at that time.)

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If we attempt to spend all of this additional income, we will not materially increase the total amount of goods available for civilian consumption, for the total production of such goods in the immediate future will be limited by the needs of production for National Defense. Hence, if we spend all of our enlarged incomes, we will only push up the prices of the limited goods available. All or almost all of our expanded incomes would then be absorbed by higher prices, leaving us with little or nothing extra to show for our higher earnings. If, however, enough of us voluntarily restrict our spending during this National emergency, investing the difference in Defense Savings Bonds and tax anticipation notes, total spending will not increase, and we will be able to buy the limited goods available without a rise in prices.

Here is the situation that confronts us: Suppose that the maximum amount of goods for civilian consumption that we can possibly produce in this fiscal year would be worth 50 billion dollars at the present level of prices, and that people are going to have 60 billion dollars of purchasing power after they have paid all their taxes. If they insist on spending that entire 60 billion dollars, the price of the limited goods available will rise 20 per cent. Goods which had cost 5 dollars

will, on the average, then cost 6 dollars. But if people spend only 50 billion dollars and use 10 billion dollars to buy Defense Savings Bonds, the price of the goods available will remain the same, and in addition people will have acquired the savings bonds. In the first case we will get the limited amount of goods at such high prices that we will have nothing left to show for our enlarged incomes, but in the second case we will get the same goods at their present prices and will have savings bonds as well.

It is particularly important that people in the middle and lower income brackets purchase savings bonds. Of the total of 3.2 billion dollars of additional taxes recently approved by the House of Representatives, almost 73 per cent were income and allied taxes, and only 27 per cent were taxes on goods and services. Even next year it is probable that less than half of the income of the country will be subject to income taxes. Moreover, many of the most rapid increases in earnings are taking place in the middle and lower income brackets. While we should not ask those at the very lowest income level to reduce their consumption, the necessary restriction of purchasing power clearly cannot be contributed by those subject to income taxes alone. In fact, the increase in income taxes will leave many

of those subject to such taxes with net incomes lower than in the present year. It is obvious that these people alone cannot purchase enough savings bonds to restrict purchasing power adequately. A substantial part of the necessary reduction must come from those not yet subject to income taxation. It is in this way that such people can make their contribution both to the financing of the Defense Program and to the prevention of an increase in the cost of living.

From what I have told you of the broad program by which we hope to prevent an inflationary increase in prices, it should be clear that it is not a program which can be carried out by orders from Washington alone. Rather, it is a program which depends for its success on the cooperation of every American. Every worker who works longer hours and every manufacturer who expands his production is making a contribution by increasing the supply of goods, both for civilian consumption and for National Defense. Every consumer who directs his expenditure towards goods which can be made available in larger quantities without impeding the Defense Program is also helping. Each taxpayer who saves regularly in anticipation of the higher taxes he will have to pay is aiding in restraining price increases. Above all, every one who refrains from spending all of his

income and invests a portion of it in Defense Savings Bonds not only provides himself with assets which will be available when goods are plentiful after the emergency is over, but also helps to finance the Defense Program with the smallest possible increase in prices.

Each of us, therefore, can make a concrete contribution toward holding down the cost of living and insuring the success of the Defense Program.

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essential which an illicit distiller is dependent upon for his existence when operating in any thickly populated area. Deprived of it, his theft of taxes so sorely needed to support the national defense program would cease.

"Sugar is used by bootleggers in the preparation of mash in the general proportion of one 100-pound bag to each 50 gallons of mash. On distillation, such mash may be expected to produce about $6\frac{1}{2}$ gallons of 95 percent alcohol, or 190° proof. Since the Federal tax is \$6 on each gallon of pure 200° proof alcohol, each bag of sugar so used represents a loss to the Federal Government of \$37.05. Any State taxes evaded represent so much additional public loss.

"The average sugar dealer at the present time enjoys a profit of approximately 10 cents on the sale of a bag of sugar."

The circular closes with an appeal to "keep sugar out of bootleggers' hands," and dealers are urged to cooperate by refusing to sell sugar in quantity to suspicious or unknown persons.

In instances of attempts to purchase sugar by those who appear to deserve suspicion, the circular makes this request:

"Obtain automobile license numbers and notify your ~~closest~~ ^{nearest} Alcohol Tax Unit office."

TREASURY DEPARTMENT
Washington

FOR RELEASE, AFTERNOON NEWSPAPERS,
Tuesday, August 12, 1941.

Press Service
No. 26-99

File
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One 100-pound bag of sugar, in the hands of an illicit distiller, can result in a tax loss to the Government of \$37.05.

This statement is emphasized in a circular prepared by the Alcohol Tax Unit of the Bureau of Internal Revenue. The Unit has arranged with sugar refiners, importers, brokers and wholesalers in the New York, Newark and Philadelphia districts to forward copies of the circular to customers with regular monthly bills.

By this and other means it is hoped to keep sugar out of the hands of illicit distillers, and to increase and conserve tax revenue that is needed for the national defense.

Although the calculation of tax loss is based on the fraud in the metropolitan areas where alcohol is the principal spirit illegally produced, the loss, Treasury officials say, is almost as much in the moonshine areas of the southern states where low-proof whisky is made. Ten or eleven wine gallons of whisky, taxable at the \$3 rate, are obtained from a 100-pound bag of sugar.

The Alcohol Tax Unit circular says:

"Sugar is the lifeblood of illicit distilling. Since all illicit alcohol is produced through the processes of fermentation and distillation from sugar, sugar is the one absolute

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