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U.S. Treasniy Dept

Press Releases

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## TREASURY DEPARTMDNT Vashington

FOR RTLMASB, MORNIWG HEMSPAPRES, Saturday, October 11, 2941. 10/10/41

Press Service
\$0. $28-0$

The Secretary of the Treasury announced last evening that the tenders for $\$ \mathbf{1 0 0 , 0 0 0 , 0 0 0}$, or thereabouts, of 91-day Treasury bills, to be dated October 15, 2941, and to mature January 14, 1942, which were offered on October 8, were opened at the Federal Reserve Banks on October 10.

The details of this issue are as follows:
Total applied for - \$217,616,000
Total accepted - 100,207,000
Range of accepted bids:

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

FOR RELEASE, MORNING NEWSPAPERS, Saturday, October 11, 1941. Saturday

The Secretary of the Treasury arnounced last evening that the tendurs for $\$ 100,000,000$, or thereabouts, of 91 -day Ircasury bills, to be dated October 15, 1941, and to mature January 14, 1942, which wore offered on October 8, wore opened at the Federal Reserve Banks on October 10.

The dotails of this issue are as follows:

$$
\begin{aligned}
& \text { Total applied for }-\$ 217,616,000 \\
& \text { Total accepted }-100,207,000
\end{aligned}
$$

Range of accepted bids:

$$
\begin{array}{cccccc}
\text { High } & -100 . & \text { Equivalent rate approximately } & 0.004 & \text { percent } \\
\text { Low } & -99.999 & \text { Equge } & & & \\
\text { Average } \\
\text { Price } & -99.9998 & " & 0.001 & "
\end{array}
$$

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

## PRESS RELEASE

Set. Oct. 11,1941
The Bureau of Customs announced today that preliminary reports from the collectors of customs show imports of $60,389,780$ gallons of crude petroleum, topped crude petroleum, and fuel oil the produce or manufacture of Colombia and $511,546,912$ gallons the produce or manufacture of the Kingdor of the Netherlands (including its overseas territories) entered, or withdrawn from 1941, warehouse, for consumption during the period January 1 to September 27 ,/inclusive.

The President's proclamation of December 28, 1940, provided that during the calendar year 1941 not more than $86,956,800$ gallons the produce or manufacture of Colombia and not more than $578,806,200$ gallons the produce or manufacture of the Kingdom of the Netherlands (including its overseas territories) may be entered, or withdrawn from warehouse, for consumption at the reduced rate of import tax of $1 / 4$ cent per gallon provided for in the trade agreement with Venezuela. Such imports in 1941 in excess of these quotas will be dutiable at the full rate of import tax of $1 / 2$ cent per gallon.

In order to provide for the control of these quotas the collectors of customs have been instructed that, effective October 13, 1941, entries and withdrawals for consumption covering such commodities, the produce or manufacture of Colombia and the Kingdom of the Netherlands (including its overseas territories), may be accepted at the reduced rate, provided the merchandise is not released pending determination of its quota status. If release of the merchandise is desired before determination of the rate applicable, importers will be required to deposit estimated duties at the full rate. Excessive duties deposited on such merchandise found to be within the quotas will be refunded.

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\begin{gathered}
\text { (Prepared - Appeals and Protests (Quota Unit), } \\
\text { Bureau of Customs) }
\end{gathered}
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# TREASURY DEPARTMENT 

Washington
FOR IMMEDIATE RELEASE
Press Service No. 28-1

The Bureau of Customs announced today that preliminary reports from the collectors of customs show imports of $60,389,780$ gallons of crude petroleum, topped crude petroleum, and fuel oil the produce of manufacture of Colombia and 511,546,912 gallons the produce or manufacture of the Kingdom of the Netherlands (including its overseas territories) entered, or withdrawn from warehousc, for consumption during the period January 1 to September 27, 1941, inclusive.

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## TRERSURY DEPARTMENT

 Washington(The following statement by Assistant Secretary of the Treasury John L. Sullivan is scheduled
to be broadcast to the Californie Radio Forum through station Ylfir, Los Angeles, at a $\mathrm{n} . \mathrm{m}$. , $\frac{\text { Pacific Standard Time, Tuescay, October T4, IG4 }}{\text { It is ior release in morning newspapes }}$ It is lor release in morning newspapers of Wednesay, October 15, 1941.

I am very glad that Congressman Ford has invited me to take part in this radio forum because it gives me another opportunity to speak of the subject which has occupied most of my time and thought at the Treasury, the subject of taxation in this national emergency.

As the emergency has deenened I have been more and more impressed with the willincress of Americans from coast to coast to pay whatever taxes may be needed for the defense of this country. I feel very strongly that that willingness has been underestimated. We still see in our newspaners cartoons of the poor taxpayer having his teeth pulled by an ogre lavelea "the tax collector," or having his hair cut by the tax collector, or enauring all the painful miseries that the cartoonists' imagination can conceive.

I should like to suggest to you today that that is an outmoded picture of the American taxpayer. It is true that our tax collections in the coming year will be the largest in our history, but it seems to me that there is much more patriotism and much more understanding among our presentaay taxpayers than one would guess from seeing the cartoons alone.

We are paying these large taxes today, and shall continue to pay them, for sound reasons. We are paying them, for one thing, to check the rising course of prices which might otherwise threaten our American standara of living. Our national income hes now risen by 14 billion dollers in a year. Our people have more money to spend than ever before and yet the things we can bur with that increased income are fewer and fewer because of the demands of our defense program. These are the conditions that causo price inflation, and these are conditions that justify setting aside every nossible dollar in taxes and in sevings so that prices can be kept in check.

As part of the fight against inflation -- a fight which the fovernment is determined to win -- the Treasury embarked last Nay on a program of selling Defense Savings Bonds and Stamps to vast numbers of individual Americans. This is an anti-inflationary method of borrowing. I mean by this thet if the Government had gone exclusively to the banks for its requirements it would only have drawn on idle funds and would not have made a dent in this npoblem of drawing off the excess purchasing power producea by our swiftly rising national income.

By going to the people themselves, however, the Government. is enlisting current earnings for the work of national defense. It is going directly to the man or woman who is earning more this year than a year ago. It is saying to the individuad. citizen, "Iend, instead of spend, your extra money; lend it to us, and we shall pey you a cood rate of interest for it. In this way you will be helping to keop prices in check, you will be providing yourself with security for a rainy day, and you will be taking your part, directly and effectively in the defense of your country."

The purchase of Defense Bonds and Stamps is, therefore, an essential part of the service and the duty of Americans in these times. But let us never forget that we can prevent inflation, and we can pay for our defense, only by 2 combination of savings and taxes. Let us never lose sight of the fact that there is no more effective werpon ngainst inflation then taxation, and that there is no weanon that the American people will more willingly employ.

We Americans still like to pay as we go for as much of our expenditure as possible. The oid New Engiand virtue of thrift -- and I speak with some feeling because I am a New Englander from New Hampshire -- is more strongly a part of our American Way of Life than we generally imagine.

Congress has decided very wisely, in my opinion, that we should shoulder a very large part of our defense burden now rather than pass it on to our children. The goal was originally fixed at two-thirds of our expenses from taxation and one-third from borrowing. The defense program has speeded up to such an extent that it may not be possible to
adhere strictly to that proportion. Nevertheless, the effort is being made, and I think that in future years the American people of 1941 will receive credit for having paid such a large part of the current expenditures of Government as those expenditures were incurrea.

But there is a still hicher and nobler purnose behind our tax program todey, and it is one which shovld reconcile our people to whatever sacrifices may be demanded of them in the months and years ahead. Our takes, after all, are paying for the weapons with which this country can remain strong and free. They are the laryest single source of funds for the guns ond ships, the tanks and plenes on which our future and our children's future depend.

It will do us no good to look at our vast wealth as King Midas looked at his cold end assume that our wealth will keep us safe. The peopic of Holland wore wealthy and their standard of living wes onc of the highest in the world, yet they did not tax themselves sufficiontl:" for dofense, and they heve now lost everything -- their nronerty, their freedom, and in thousands of cescs their vory lives. We must
profit from the example of those peoples who taxed themselves too little and too lete to pay for preparedness. We must always romember, and I think we do remember, that our toxes sepve an essontial purpose.

I can do no better in concluding this talk than to quote the words of Secretary Morgenthru to the Ways and Means Comnittee of the House of Representatives last 1pril. He said: "The American neople, I believe, have outcrpown the old idea that taxes were exactions forced unon them by their Government. We have come to understand, especially in recent years, that taxes are payments for services rendered. We are now about to pay for the greatest service of all: the safety and protection of our country. How much does it mean to the American taxpayer to have a navy guarding American shores? How much does it mean to him to have an adequate supply of airplanes and other weapons of nationel aefense? How much is it worth to be a free man living in
a free land?" The Secretary said thon that the new taxes were a small price to pay for those blessings. They are a stiff price when measured in dollars alone. Thoy are a small price when measured in terms of our strength, our need, and our átermination to keep end perpetuate the freedoms that we enjoy.

Press Service
No. 28-3

## PRESS RELEASE

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 September 27, 1941, inclusive, as follows:


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 - Appears and Protests (Quota Unit),
Bureau of Customs)

## TREASURY DEPARTIENT

Washington

FOR IMMEDIATE RELEASE, Tuesday, October 14, 1941.

Press Service No. 28-3

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
sugust 7, 1939, from the beginning of the quota periods to September 27, 1941, inclusive, as follows:

| Products of : Established Quota |  |  | Unit of duantity | Imports as of Sept. 27, 1941 |
| :---: | :---: | :---: | :---: | :---: |
| Coconut oil | Calendar year | 425,600,000 | Pound | 305,770,068 |
| Refined sugars | Calendar year | 112,000,000 | Pound | 86,394,564 |
| Sugars other than refined | Calendar year 1, | ,792,000,000) | Pound | 1,428,018,599 |
| Cordage | $\begin{aligned} & \text { Period - May } 1 \\ & \text { to Dec. } 31,1941 \end{aligned}$ | $4,000,000$ | Pound | 2,478,905 |
| Buttons of pearl or shell | Calendar year | 807,500 | Gross | 572,853 |
| Cigars | Calendar year | 190,000,000 | Number | 127,328,049 |
| Scrap tobacce and stemmed and unstemmed filler tobacco | Calendar year | 4,275,000 | Pound | $\begin{aligned} & \text { (Duty-free } \\ & \text { quota filled) } \end{aligned}$ |

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.

FOR IMMEDIATE RELEASE, Wednesday, October 15, 1941.

Press Service No. 28-4
(Revision of Press Service No. 28-3)
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 September 27, 1941, inclusive, as follows:


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.
2/ Press Service No. 28m3 showed this quota filled. Revised reports show imports as of September 27, 1941, of $3,357,094$ pounds.
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(Prepared Appeals and Protests (Quota Unit) , Bureau of Customs).


## PRESS RHLEASE (Revision of Press Service No. 28-3)

The Bureau of Customs announced today preliminary figures for imports of commodifies 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 September 27, 1941, inclusive, as follows:


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2/ Press Service No. 28 m 3 showed this quota filled. Revised reports show imports as of September 27, 1941, of $3,357,094$ pounds.
-000-
(Prepared Appeals and Protests (Quota Unit). Bureau of Customs).


## TREASURY DEPARTMENT Washington

FOR IMMEDIATE RELEASE, Wednesday, October 15, 1941.

Press Service No. 28-4
(Revision of Press Service No. 28-3)
The Bureau of Customs announced today preliminary figures for imports of commodities within the quota limitations provided for under the Philippine Independence fct, as amended by the act of August 7, 1939, from the beginning of the quota periods to September 27, 1941, inclusive, as follows:

| Products of <br> Philippine Islands | Established Quota |  | Unit of :Imports as of Quantity:Sept.27,1941 |  |
| :---: | :---: | :---: | :---: | :---: |
|  | Period | Quantity |  |  |
| Coconut oil | Calendar year | 425,600,000 | Pound | 305,770,068 |
| Refined sugars | Calendar year | 112,000,000) | Pound | 86,394,564 |
| Sugars other than refined | Calendar year | 1,792,000,000) | Pound. | 1,428,018,599 |
| Cordage | $\begin{aligned} & \text { Period - May } 1 \\ & \text { to Dec. 31, } 1941 \end{aligned}$ | 4,000,000 | Pound | 2,478,905 |
| Buttons of pearl or shell | Cllendar year | 807,500 | Gross | 572,853 |
| Cigars | Calendar year | 190,000,000 | Number | 127,328,049 |
| Scrap tobacco and stemmed and unstemmed filler |  |  |  |  |
| tobacco | Calendar year | 4,275,000 | Pound | $3,357,094$ |

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## TREASURY DEPARTMENT

Washington

Press Service 20.28-5

The Secretary of the Treasury today announced the subscription figures and the basis of allotment for the cash offering of $2-1 / 2$ percent Treasury Bonds of 1967-72.

Reports received from the Federal Reserve Banks show that subseripLions aggregate $\$ 10,446,000,000$. All subscriptions were allotted $12 \frac{1}{2}$ percent, on a straight percentage basis, with adjustments, where necessary, to the $\$ 100$ denomination.

About 92 percent of the Treasury notes maturing December 15, 1941, were exchanged for the new bonds.

Original delivery of the new issue, except in the case of registered bonds, will be made in the form of interim certificates, title to which will pass by delivery, as in the case of coupon bonds. Definitive coupon bonds will probably be available to replace the interim certificates early in January.

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

## TREASUSY DEPARTMENT

Washington

FOR IIIEDIATE RELEASE,
$\qquad$

Press Service
No. 28-5.

The Secretary of the Treasury today announced the subscription figures and the basis of allotment for the cash offering of $2-1 / 2$ percent Treasury Bonds of 1967-72.

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

Assets and liabilities of all active banks in the United States and possessions, by classes, at tne close of business June 29, 1940 - Cont'd.
(In thousands of dollars)


Otner deposits (certified and casniers'
checks (including dividend cnecks),
letters of credit and travelers' checks
sold for cash, and amounts due to reserve
agents (transit account))..................
Total deposits...............................

| 534,885 | 301,925 | 232,960 | 232,023 | 100 | 837 |
| ---: | ---: | ---: | ---: | ---: | ---: | ---: |
| $71,153,458$ | $33,074,407$ | $38,079,051$ | $27,302,072$ | $10,631,438$ | 142,541 |

Bills payable, rediscounts, and other
liabilities for borrowed money............
Acceptances executed by or for account of
reporting banks and outstanding..........
Interest, discount, rent, and otner income
collected but not earned.
Interest, taxes, and other expenses accrued and unpaid.
Other liabilities (including securities borrowed \& dividends declared but not payable) Total liabilities........................... CAPITAL ACCOUNTS
Capital stock:
Capital notes and debentures...............
Preferred stock..................................
Cominon stock. . . . . . . . . . . . . . . . . . . . . . . . . . .

Undivided profits....................................
Peserves and retirement account for pre-
ferred stock and capital notes and de-
bentures.............................................. Total capital accounts...................
Total liabilities and capital accounts

| 26,969 | 2,910 | 24,059 | 23,738 | 3 | 318 |
| ---: | ---: | ---: | ---: | ---: | ---: |
| 117,220 | 50,641 | 66,579 | 58,162 | - | 8,417 |
| 81,125 | 41,376 | 39,779 | 39,373 | 363 | 43 |
| 102,584 | 49,741 | 52,843 | 45,411 | 7,283 | 149 |


| 407,116 | 189,564 | 217,552 | 197,306 | 17,059 | 3,187 |
| ---: | ---: | ---: | ---: | ---: | ---: | ---: |
| $71,888,502$ | $33,408,639$ | $38,479,863$ | $27,650,062$ | $10,656,146$ | 127,655 |

Assets and liabilities of all active banks in the United States and possessions, by classes, at the close of business June 29, 1940 - Cont'd.
(In thousands of doliars)


Interest, commissions, rent, and other in-
come earned or accrued but not collected..
Other assets (including securities borrowed,
insurance and other expenses prepaid, and
cash items not in process of collection)..
Total assets..

| 154,756 | 58,672 | 96,084 | 53,802 | 42,041 | 241 |
| ---: | ---: | ---: | ---: | ---: | ---: | ---: |
| 275,952 | 40,305 | 235,647 | 195,910 | 37,301 | 2,436 |
| $80,213,629$ | $36,885,080$ | $43,328,549$ | $31,193,917$ | $11,952,218$ | 182,414 |

> 二IASILITIES

Demand deposits:
Deposits of individuals, pertnerships, and corporations.
Deposits of United States Government......
Deposits of States and political sub-
$\qquad$
Deposits of banks in the United States....
Deposits of banks in foreign countries....
Total demand deposits......................
Time deposits (including postal savings):
Deposits of individuals, partnerships, and corporations:
Savings deposits

Deposits accumulated for payment of
personal loans...............................
Christmas savings and similar accounts.
Open accounts...................................
Postal savings deposits.........................
Deposits of States and political sub-
divisions. . . . . . . . . . . . . . . . . . . . . . . . . . . .

| $29,981,981$ | $15,976,786$ | $14,005,195$ | $13,912,859$ | 2,529 | 89,807 |
| ---: | ---: | ---: | ---: | ---: | ---: |
| 807,273 | 518,805 | 288,468 | 288,467 | 1 | $\ldots$ |
| $3,185,964$ | $1,936,456$ | $1,249,508$ | $1,247,508$ | 463 | 1,537 |
| $9,125,762$ | $5,641,680$ | $3,484,082$ | $3,469,386$ | 56 | 14,640 |
| 775,461 | 343,676 | 431,785 | 407,344 | $\ldots-$ | 24,441 |
| $43,876,441$ | $24,417,403$ | $19,459,038$ | $19,325,564$ | $3,049,130,425$ |  |

Deposits of banks in the United States...
Deposits of banks in foreign countries....
Total time deposits........................

| $23,630,682$ | $6,977,727$ | $16,652,955$ | $6,071,906$ | $10,574,162$ | 6,887 |
| ---: | ---: | ---: | ---: | ---: | ---: | ---: |
| $1,220,403$ | 533,532 | 686,871 | 682,978 | 370 | 3,523 |
| 94,570 | 36,604 | 57,966 | 57,683 | 283 | - |
| 206,100 | 76,792 | 127,308 | 74,242 | 52,259 | 807 |
| 674,697 | 249,137 | 425,560 | 422,333 | 430 | 2,797 |
| 76,082 | 46,192 | 29,890 | 29,890 | - | $-\ldots$ |
|  |  |  |  |  |  |
| 527,633 | 334,400 | 193,233 | 192,424 | 644 | 165 |
| 303,959 | 93,720 | 210,239 | 209,998 | 141 | 100 |
| 8,006 | 4,975 | 3,031 | 3,031 | -.0 | ---2 |
| $26,742,132$ | $8,355,079$ | $18,387,053$ | $7,744,485$ | $10,628,289$ | 14,279 |

Assets and liabilities of all active banks in tne United States and possessions, by classes, at the close of business June 29, 1940 - Cont'd.
(In thousands of dollars)

assets and liabilities of all active banks in the United States and possessions, by classes, at the close of business June 29, 1940.
(In tnousands of dollars)



| LIABILITIES - Continued |  |
| :--- | :--- |

1/ Licensed banks; i.e., those operating on an unrestricted basis.
$\overline{2} /$ Not called for separately prior to December 31, 1938; previously included with loans and investments.
$\overline{3} /$ Revised to exclude acceptances of other banks and bills of exchange or drafts sold with endorsement, now reported as contingent liabilities.
$4 /$ Includes amounts set aside for undeclared dividends on capital stock and for accrued interest on capital notes and debentures which, since December 31, 1938, are included with "Reserves".

TKiHASUKY DHPAKTMEITI Comptroller of the Currency Washington

FOK RHLHASE, MOKIVING NeWSPAPeikS
Thursday, October 31, 1940

The Comptroller of the Currency today released the following preliminary figures, showing the assets and liabilities of all active banks in the United States and possessions on June 29, 1940, and comparisons of such figures with the assets and liabilities of all active banks on December 30, 1939, June 30, 1939, and June $30,1933$.

|  | $\begin{aligned} & \text { June } 29, \\ & 1940 \end{aligned}$ | $\begin{gathered} \text { Dec. } 30 \\ 1939 \\ \hline \end{gathered}$ | $\begin{gathered} \text { June } 30, \\ 1939 \\ \hline \end{gathered}$ | $\begin{aligned} & \text { June 30, } \\ & 1933 \end{aligned}$ |
| :---: | :---: | :---: | :---: | :---: |
| Number of banks. <br> ASSETS | 15,017 | 15,096 | 15,146 | 1/14,624 |
|  |  |  |  |  |
| Loans on real estate. | \$ 9,257,868 | \$ 9,101,693 | \$ 8,914,452 | \$ 9,627,534 |
| Other loans, including overdra | 13,299,802 | 13,273,007 | 12,601,827 | 12,760,284 |
| Total loans............. | 22,557,670 | 22,374,700 | 21,516,279 | 22,387,818 |
| U. S. Government securities: |  |  |  |  |
| Direct obligations.... | 15,734,668 | $15,445,858$ $4,001,606$ | $15,223,316)$ $3,567,515)$ | $-7.795 .999$ |
| Guaranteed obligatio | 3,975,835 | 4,001,606 | 3,567,515) | 3,001,466 |
| Obligations of States and political subdivisions Other bonds, notes, and debentures.............. | $4,230,472$ $4,404,188$ | $4,008,397$ $4,618,289$ | $3,902,702$ $4,970,207$ | $3,001,466$ $6,354,474$ |
| Corporate stocks, including stock of Federal Reserve Banks | 729,746 | 721,475 | 722,028 | 778,724 |
| Total investments | 29,074,909 | 28,795,625 | 28,385,768 | 17,930,663 |
| Currency and coin. | 1,148,589 | 1,196,539 | 1,042,408 | 672,556 |
| Balances with other banks, including reserve balences | 24,535,268 | 22,197,935 | 19,584,188 | 7,092,229 |
| Bank premises owned, furniture and fixtures. | 1,239,300 | 1,251,798 | 1,271,978 | 1,382,831 |
| Real estate owned other than bank premises...................... | 971,279 | 1,056,262 | 1,112,556 | 637,646 |
| Investments and other assets indirectly representing bank premises or other real estate.................................... Customers' liability on acceptances outstanding............ | 155,474 | 160,087 | 167,851 | $2 /$ |
|  | 100,432 | 130,960 | 124,319 | 424,264 |
| Interest, commissions, rent, and other income earned or accrued but not collected. <br> Other assets. | 154,756 | 150,166 | 158,159) | /765,905 |
|  | 275,952 | 261,185 | 237,814) | 765,905 |
| Total assets | 80,213,629 | 77,575,257 | 73,601,320 | 3/51,293,912 |

Deposits of individuals, partnerships, and corporations:

Assets and liabilities of all active banks in the United States and possessions, by classes, at the close of business June 30, 1941 - Continued
(In thousands of dollars)


Assets and liabilities of all active banks in the United States and possessioms, by classes, at the close of business June 30, 1941 - Continued
(In thousands of dollars)


Assets and liabilities of all active banks in the United States and possessions, by classes, at the close of business June 30, 1941-Continued
(In thousands of dollers)


Assets and liabilities of all active banks in the United States and possessions, by classes, at the close of business June 30, 1941.
(In thousands of dollars)

|  | Total all banks | $\begin{aligned} & \text { : National } \\ & \text { : banks } \end{aligned}$ | - All banks <br> other than national | $\begin{aligned} & : \text { Banks other } \\ & :(\text { State }) \\ & :(\text { I } 1 \end{aligned}$ | than nati <br> Mutual savings | Private |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| Number of banks. . . . . . . . . . . <br> ASSETS | 14,918 | 5,136 | 9.782 | 9,178 | 550 | 4 |
|  |  |  |  |  |  |  |
| Loans and discounts: |  |  |  |  |  |  |
| Commercial and indu | \$7,944,418 | \$4,698,523 | \$3,245,895 | \$3,216,055 | \$402 | \$29,438 |
| Agricultural loans. | 1,211,640 | \$4,620,833 | 590,807 | . 590,160 | 115 | +532 |
| Open-market paper . . . . . . . . . . . . . . . . . . . . . | 638,008 | 361,117 | 276,891 | 263,950 | 9,420 | $3,521$ |
| Loans to brokers and dealers in securities.. | 615,086 | 237,898 | 377,188 | 371,139 | 30 |  |
| Other loans for the purpose of purchasing or carrying stocks, bonds, and other securities. $\qquad$ |  |  | 370,386 | 311,139 | 30 |  |
| Real estate loans: |  |  |  |  |  |  |
| On farm land. | 601,598 | 233.956 | 367,642 | 352,181 | 15,051 | 410 |
| On residential propert | 7,931,331 | 1,456,662 | 6,474,669 | 1,671,308 | 4,801,591 | 1,770 |
| On other properties. | 1,100,376 | 491,043 | 609,333 | 567,492 | 41,671 | - 170 |
| Loans to banks.. | 45,777 | 20,436 | 25,341 | 25,341 |  |  |
| All other loans | 4,716,787 | 2,439,476 | 2,277,311 | 2,182,060 |  | 6,269 |
| Overdrafts. | 12,046 | -6,554 | 5,492 | 4,948 | 88,982 38 | 506 |
| Total loans and discount | 25,543,438 | 10,922,483 | 14,620,955 | 9,608,654 | 4.957 .967 | 54,334 |
| Investments: |  |  |  |  |  |  |
| U. S. Government direct obligations....... | 18,892,790 | 8,856,499 | 10,036,291 | 7,030,957 | 2,969,887 | 35,447 |
| Obligations guaranteed by U. S. Government |  |  |  |  |  |  |
| Reconstruction Finance Corporation...... | 1,532,277 | $\begin{array}{r} 548,294 \\ 1,046,672 \end{array}$ | $\begin{aligned} & 983,983 \\ & 696,847 \end{aligned}$ | 846,825 | 131,373 | 5,785 |
| Home Owners' Loan Corporation............ | 1,743,519 |  |  | 489,396 | 205,819 | 1,632 |
| Federal Farm Mortgage Corporation......... | 605,095 | $1,046,672$ 279,849 | $325,246$ | $\begin{aligned} & 257,980 \\ & 342,351 \\ & \hline \end{aligned}$ | $\begin{aligned} & 67,093 \\ & 51,852 \\ & \hline \end{aligned}$ | $\begin{array}{r} 173 \\ 4.539 \\ \hline \end{array}$ |
| Other Government corporations and agencies | 803,380 | $\begin{array}{r} 217,849 \\ 404,638 \\ \hline \end{array}$ | $398,742$ |  |  |  |
| Total U. S. Government obligations, direct and guaranteed................. | 23,577.061 | 11,135,952 | 12,441,109 | 8,967,509 | 3,426,024 | 47,576 |
| Obligations of States and political subdivisions. | 4,206,526 | $2,020,242$ | 2,186,284 | 1,644,111 | 536,244 | 5,929 |

Includes trust companies and stock savings banks.

| June 30, | Dec. 31, | June 29, |
| :---: | :---: | :---: |
| 1941 | $1940^{\circ}$ | $1940^{\circ}$ |

## LIABILITIES

Deposits of individuals, partnerships, and corporations:
$\qquad$

U. S. Government and postal savings deposits....................

Deposits of States and political subdivisions....................
Deposits of banks.
Other deposits (certified and cashiersi checks, etc.).......
Total deposits.
Bills payable, rediscounts, and other liabilities for
borrowed money..........................................................
Acceptances executed by or for account of reporting banks...
Interest, discount, rent, and other income collected but
not earned.
Interest, taxes, and other expenses accmued and unpaid......
Other liabilities
Total liabilities.

## CAPITAI ACCOUNTS

Capital notes and debentures.
Preferred stock.
Common stock. $\qquad$
Surplus.
$\qquad$
Undivided profits
Reserves and retirement account for preferred stock and capital notes and debentures.

Total capital accounts
Total liabilities and capital accounts.

$\$ 35,571,528$

## 26,247,184

800,326
4,140,029
$10,982,431$
807,831
78,549,329

| $\$ 33,636,143$ | $\$ 29,981,981$ |
| ---: | ---: |
| $26,072,015$ | $25,826,452$ |
| 805,449 | 883,355 |
| $3,939,312$ | $3,713,597$ |
| $10,973,203$ | $10,213,188$ |
| 981,763 | 534,885 |
| $76,407,885$ | $71,153,458$ |


| $\begin{array}{r} 22,559 \\ 106,594 \end{array}$ | $\begin{array}{r} 25,060 \\ 120,773 \end{array}$ |
| :---: | :---: |
| $\left.\begin{array}{l} 101,181 \\ 114,899 \\ 409,638 \end{array}\right\}$ | 608,626 |

26,969 117,220

81,155 102,584
1,888,502

128,171
113,311
123,134
331,087
2,610,607
3,616,763
1,247,041
2,599,772
3,561,155
2,595,730
1,186,924
3,492,259

| 605,710 | 590,960 | 562,304 |
| ---: | ---: | ---: |
| $8,524,519$ | $8,409,558$ | $8,325,127$ |
| $87,828,719$ | $85,571,902$ | $80,213,629$ |

TRHASURY DEPARIMENT
omptroller of the Currency
Washington

The Comptroller of the Currency today released the following preliminary figures, showing the assets and liabilities of all active banks in the United States and possessions on June 30, 1941, and comparisons of such figures with the assets and liabilities of all active banks on December 31, 1940, and June 29, 1940 .
(In thousands of dollars)


# TREASURY DEPARTMIENT Comptroller of the Currency Washington 

FOR RELEASE, MORNING NEWSPAPERRS
faxuxday Cetcber $7 \%$. 1941.
The Comptroller ef the Currency today released the following preliminary figures, showing the assets and liabilities of all active banks in the United States and possessions on June 30, 1941, and compariscns of such figures with the assets and liabilities of all active banks on December 31, 1940, and June 29, 1940.
(In Thousands of dollars)

June 30, Dec. 31.

1941
1940

## June 29.

1940

## LIABILITIES

Deposits of individuals, partnerships, and corporations:
Derand. . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . .
Time.
$\$ 35,571,528$
. S. Government and postal savings deposits.
. . . . . . . . . . . . . . . . . .
Deposits of States and political subdivisions
Deposits of banks.
Other deposits (certified and cashiers' checks, etc.)........
Total deposits. ...........................................................
Bills payable, rediscounts, and other liabilities for borrowed money. .
Accertances executed by or for account of roporting banks. Interest, discount, rent, and other income collected but
not earned.
26,247,184
800,326
4,140,029
10,982,431
$\begin{array}{r}1 \quad 807,831 \\ \hline 78,549,329 \\ \hline\end{array}$
$78,549,329$

| 22,559 | 25,060 | 26,969 |
| ---: | ---: | ---: |
| 106,594 | 120,773 | 117,220 |
|  |  | $(81,155$ |
| $101,181)$ | 608,626 |  |
| $114,899)$ |  |  |
| 409,638 |  | $(102,584$ |

Interest, taxes, and other expenses accrued and unpaid......
Other liabilities
409,638
79,304,200
CAPITAL ACCOUNTS
Capital notes and debentures.
Preferred stock.
Common stock.
Surplus
Undivided profits.
Reserves and retirement account for preferred stock and

Total capital accounts.
Total liabilities and capital accounts.

| 113,311 | 123,134 | 128,171 |
| ---: | ---: | ---: |
| 331,087 | 347,613 | 367,892 |
| $2,610,607$ | $2,599,772$ | $2,595,730$ |
| $3,616,763$ | $3,561,155$ | $3,492,259$ |
| $1,247,041$ | $1,186,924$ | $1,178,771$ |
| 605,710 | 590,960 |  |
| $8,524,519$ | $8,409,558$ | $8,325,127$ |
| $87,828,719$ | $85,571,902$ | $80,213,629$ |

Assets and liabilities of all active banks in the United States and possessions, by classes, at the close of business June 30, 1941.
(In thousands of dollars)

|  | : Total all banks | $\begin{gathered} \text { National } \\ \text { banks } \end{gathered}$ | All banks other than national | $\begin{aligned} & : \text { Banks other } \\ & \vdots \text { State } \quad \vdots \\ & \vdots(\text { commercial }) \\ & \vdots \quad \text { I/ } \end{aligned}$ | than nat <br> Miutual <br> savings | Private |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| Number of banks............ | 14,918 | 5.136 | 9.782 | 9,178 | 550 | 54 |
| Loans and discounts: |  |  |  |  |  |  |
| Commercial and industrial loans. Agricultural loans. | \$7.944,418 | \$4,698,523 | \$3.245,895 | \$3,216,055 | \$402 | \$29,438 |
| Open-market pape | 1,211,640 | 620,833 | 590, 807 | 590,160 | 115 | \$29,432 |
| Loans to brokers and dealers in securities. | 615,086 | 237 | 276.891 | 263.950 | 9,420 | 3,521 |
| Other loans for the purpose of purchasing or carrying stocks, bonds, and other securities. | 615,086 | 237,898 | 377,188 | 371,139 | 30 | 6,019 |
| Reazestateleloans: | 726,371 | 355,985 | 370.386 | 364,020 | 667 | 5,699 |
| On farm land............. | $\begin{array}{r} 601,598 \\ 7.931,331 \end{array}$ | $\begin{array}{r} 233,956 \\ 1,456,662 \end{array}$ | $\begin{array}{r} 367.642 \\ 6,474,669 \end{array}$ |  | $\begin{array}{r} 15,051 \\ 4,801,591 \end{array}$ | $\begin{array}{r} 410 \\ 1,770 \end{array}$ |
| On residential properti |  |  |  | $\begin{array}{r} 352,181 \\ 1,671,308 \end{array}$ |  |  |
| Loans to banks | $\begin{array}{r} 1,100.376 \\ 45.777 \end{array}$ | $\begin{array}{r} 491,043 \\ 20,436 \end{array}$ | 609.333 | 567,492 | 41,671 | 170 |
| All other loan | $\begin{array}{r} 4,716,787 \\ \quad 12,046 \\ \hline \end{array}$ |  | 2,277,311 | 25.341 |  |  |
| Overdrafts........ |  | $\begin{array}{r} 2,439,476 \\ 6,554 \\ \hline \end{array}$ |  | $\begin{array}{r} 2,182,060 \\ 4,948 \end{array}$ | 88,982 | 6,269 506 |
| Investments: | 25,543,438 | 10,922,483 | 14,620,955 | 9,608,654 | 38 $4,957,967$ | 506 54,334 |
| U. S. Government direct obligations | 18,892,790 | 8,856,499 | 10,036,291 | 7.030.957 | 2,969,887 | 35,447 |
| Obligations guaranteed by U.SS. Government: |  |  |  |  |  |  |
| Reconstruction Finance Corporation....... | $\begin{array}{r} 1,532,277 \\ 1,743,519 \\ 605,095 \\ 803,380 \\ \hline \end{array}$ | $\begin{array}{r} 548,294 \\ 1,046,672 \\ 279,849 \\ 404,638 \\ \hline \end{array}$ | $\begin{aligned} & 983,983 \\ & 696,847 \\ & 325,246 \\ & 398,742 \\ & \hline \end{aligned}$ | $\begin{aligned} & 846,825 \\ & 489,396 \\ & 257,980 \\ & 342,351 \\ & \hline \end{aligned}$ | $\begin{array}{r} 131,373 \\ 205,819 \\ 67,093 \\ 51,852 \\ \hline \end{array}$ | $\begin{array}{r} 5,785 \\ 1,632 \\ 173 \\ 4,539 \\ \hline \end{array}$ |
| Federal Farm Mortgage Corporatio |  |  |  |  |  |  |
| Other Government corporations and agencies |  |  |  |  |  |  |
| Total U. S. Government obligations, |  |  |  |  |  |  |
|  | 23,577,061 | 11,135,952 | 12,441,109 | 8,967,509 | 3,426,024 | 47.576 |
| divisions. | 4,206,526 | 2,020,242 | 2,186,284 | 1,644,111 | 536,244 |  |

Assets and liabilities of all active banks in the United States and possessions, by classes, at the close of business June 30, 1941 - Continued
(In thousands of dollars)


Assets and liabilities of all active banks in the United States and possessions, by classes, at the close of business June 30, 1941 - Continued
(In thousands of dollars)


Other assets (including securities borrowed,
insurance and other expenses prepaid, and
cash items not in process of collection)... Total assets

| $\$ 226,953$ | $\$ 53,025$ | $\$ 173,928$ | $\$ 136,429$ | $\$ 34,726$ | $\$ 2,773$ |
| ---: | ---: | ---: | ---: | ---: | ---: | ---: |
| $87,828,719$ | $41,314,635$ | $46,514,084$ | $34,334,642$ | $11,996,107$ | 183,335 |

## IIABILITIES

Demand deposits:
Deposits of individuals, partnerships, and corporations.
Deposits of United States Government.......
Deposits of States and political sub-
divisions............................................
Deposits of banks in the United States.....
Deposits of banks in foreign countries.....
Total demand deposits.......................
Time deposits:
Deposits of individuals, partnerships, and corporations:
Savings deposits..............................

Deposits accumulated for payment of
personal loans..............................
Christmas savings and similar accounts..
Open accounts....................................
Postal savings deposits.
Deposits of States and political sub-
divisions.
Deposits of banks in the United States....
Deposits of banks in forei gn countries.....
Total time deposits..........................

| $35,571,528$ | $19,194,051$ | $16,377,477$ | $16,278,852$ | 3,012 | 95,613 |
| ---: | ---: | ---: | ---: | ---: | ---: |
| 733,523 | 498,900 | 234,623 | 234,557 | 66 | $-\ldots$ |
| $3,634,724$ | $2,200,817$ | $1,433,907$ | $1,431,951$ | 441 | 1,515 |
| $9,893,403$ | $6,151,745$ | $3,741,658$ | $3,722,130$ | 52 | 19,476 |
| 769,805 | 337,633 | 432,172 | 411,523 | 1 | 20,648 |
| $50,602,983$ | $28,383,146$ | $22,219,837$ | $22,079,013$ | 3,572 | 137,252 |

$23,988,580$
$1,174,919$
504,332
129,477 235.132 719.076 66,803

505,305 311,919 311,919
7,304 $27,138,515$

55,138
91,237
238.925

42,037
328.362
96.944
5.323

8,514,979
7.152.681
16.835,899

6,244,300 10,584,220
7.379

670,587
$666,871 \quad 442$

3,274
73.867 85,006 85,006 477.690 24.766 175,937
176,943
214.975 1,981
$18,623,536$
214. 607
472961

2,084
2,084196201
$7,965,025 \quad 10,644,416 \quad 14,095$

Assets and liabilities of all active banks in the United States and possessions, by classes, at the close of business June 30, 1941 - Continued (In thousands of dollars)


TREASURY DEPARTMENT

## Washington

## FOR IMMEDIATE RELEASE <br> Wednesday, October 15, 1941

## Press Service

no 28-7

On October 2, 1941 the Treasury announced the definite denial of an application by General Dyestuff Corporation to purchase the controlling shares of General Aniline \& Film Corporation from Internationals Gesellschaft fur Chemische Unternehmungen A.G. (I. G. Chemie), a company organized under the laws of Switzerland.

General Dyestuff Corporation has since filed a reapplication with the Treasury Department relating to this transaction. The Treasury today reaffirmed its decision and denied the reapplication.


FOR IMAEDIATE RELEASE Wodncsday, October 15, 1341

Press Service No. 23-7

On October 2, 1941 the Treasury announced the definite denial of an application by General Dyestuff Corporation to purchase the controlling shares of General Anilinc \& Film Corporation from Internationals Gesellscheft fur Chemische Unternehmungen A. G. (I. G. Chemic), a company organjzed under the laws of Switzerland. General Dyestuff Corporation hes since filcd a reapplication with the Trosury Departmont relating to this transaction. The Treasury today renffirmod its decision and denied the reapplication.

# never releaxed TREASURY DEPARTVENT not to ae queen Washington 

October 15, 1941.

My dear Senator:
Receipt is acknowledged of your letter of October 11, 1941, enclosing copies of correspondence between you and Mir. J. L. Behrens of Muscatine, Iowa, and letter from Mr. Chesty Manly of the Chicago Tribune's Washington Bureau to Mir. Behrens, concerning an article written recently by Walter Trohan on the expenditure of Lend-Lease funds.

In reference to Mr . 'manly's statement that "Mr. Trohan's article was based upon actual vouchers, invoices, requisitions, and other documents of the procurement division of the Treasury", it is the policy of the Treasury Department to treat all records in connection with the Lend-Lease program as confidential and Mr. Mack, Director of Procurement, has informed me that neither he nor any official of the Procurement Division has released or authorized the release of any such documents for any purpose except to other agencies of the Government in connection with official action. Of course conies of such records are filed with other agencies of the Government, and with the exception of requisitions mede by foreign governments, copies of ell other documents referred to in Mr. Manly's letter are in the possession of the contractors from whom such purchases were made.

The Procurement Division has made purchases of the articles described in Mr. Trohon's article. These purchases were made sa result of requisitions received from foreign governments involved, through the Division of Defense Aid Reports which, as you know, is charged with the administration of the Lend-Lcese Act.

However, the statements mede by Mr. Trohan ore inaccurate in many respects, and in other resncets while they are accurate, they convey a misleading picture
because all of the facts in connection with the particular purchase have not been stated. The following are examples of such inaccuracies:

1. The purchases of alcohol were made in Philadelphia, not in New Jersey and were in the amount of 7,200,000 sallons: such alcohol was not "pure grain" and can not be used for beverage purposes but will be used by the British in the manuiacture of munitions. The fact that the type of alcohol purchased can not be used for beverage purposes is a matter of common knowledge.
2. The phosphate referred to in the article as being purchased for $63 \phi$ per 20 pound sack, was actually what is known as triple super phosphate and was purchased for $63 \not \subset$ per 20 pounds of available $\mathrm{P}_{2} \mathrm{O}_{5}$ (phosphoric acid). This material wos in $100^{\circ}$ pound bags, and would cost approximately $\$ 30.00$ per ton. The 495,000 tons of phosphate rock purchased with Lend-Lease funds was so bought at prices ranging from $\$ 2.03$ to $\$ 1.15$ per ton.
3. No asphalt has been purchased for Great Britain, the asphalt referred to in the article having been acquired for the Chinese government.
4. The article creates the inference that shorthand notebooks were purchased at the price of 60\& apiece. The unit, the price of which was 60ф, was a dozen shorthand notebooks.

If there is any other information in connection with this matter which you desire, I will be glad to supply the same upon your request.

Very truly yours,
(Signed) II. Morgenthau, Jr.
Secretary of the Treasury.
Honorable Clyde L. Herring,
United States Senate.

TREASURY DEPARTUETM
washington
FOR IMIEDIAME RELEASE, Thursday, October 16, 1941.

Press Sorvice No. 28-9

Market transactions in Government securities for Treasury investment eccounts in Scptumber, 1341, resulted in net sales of $\$ 2,500$, Secretary inorgenthau announced today.

## 

issue or on subsequent purchase, and the amount actually received either upon sale or redemption at maturity during the taxable year for which the return is made, as ordinary gain or loss.

Treasury Department Circular No. 418, 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.

## Accutix

Reserve Banks and Branches, following which public announcement will be made by the Secretary of the Treasury of the anount 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 October 22. 1941.

The incone 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 here. after 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. Under Sections 42 and 117 (a) (I) of the Internal Revenue Code, as anended by Section 115 of the Revenue Act of 1941, the anount of discount at which bills issued hereunder are sold shall not be considered to accrue until such bills shall be sold, redeened or otherwise disposed of, and such bills are excluded from consideration as capital assets. Accordingly, the owner of Treasury bills (other than life insurance companies) issued hereunder need include in his income tax return only the difference between the price paid for such bills, whether on original

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## 1TRASURY DFPARTMENT Washington.

FOR RELEASE, MOR ING NEWSPAPERS, Friday, October 17, 1941.

## ***

The Secretary of the Treasury, by this public notice, invites tenders for $\$ 150,000,000$, 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 $\qquad$ October 22, 1941 ( C 㭳 , and will mature $\qquad$ , 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 Resorve Banks and Branches un to the closing hour, two o'clock p. m., Eastern Standard time, Monday October 20, 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 nade on the puinted 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 fron others must be accompanied by paynent 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 a.t the Federal

## TREASURY DEPARTMENT

## Washington

## FOR REIEASE, NORNING NEWSPAPHRS, Friday. October 17. 1941 <br> $\qquad$ . (X)

The Secretary of the Treasury, by this public notice, invites tenders for $\$ 150,000,000$, or thereabouts, of $\frac{91}{}$-day Treasury bills, to be issued ( 8 ) $x$ ( $(8) x$ on a discount basis under competitive bidding. The bills of this series will be dated $\qquad$ October 22, 1941
 , and will mature $\qquad$ , 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 Resorve Banks and Branches un to the closing hour, two o'clock p. m., Eastern Standard time, Monday, October 20, 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 pinted 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 fron others must be accompanied by payment of 10 percent of the face anount of Treasury bills aplied 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 Federel

TREASURY DEPARTMENT Washington.

FOR RELEASE, MORNING NEWSPAPERS, Friday, October 17, 1941.

The Secretary of the Treasury, by this public notice, invites tenders for $\$ 150,000,000$, 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 October 22, 1941, and will mature January 21, 1942, 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, October 20, 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. 28-10

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 accopt 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 offored must be made or completed at the Federal Reserve Bank in cash or other immediately available funds on October 22, 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. Under

Sections 42 and 117 (a) (1) of the Internal Revenue Code, as amended by Section 115 of the Revenue Act of 1941, the amount of discount at which bills issued hereunder are sold shell not be considered to accrue until such bills shall be sold, redeemed or otherwise disposed of, and such bills are excluded from consideration as capital assets. Accordingly, the owner of Treasury bills (other than life insurance companies) issued hereunder need include in his income tax return only the difference between the price paid for such bills, whether on original issue or on subsequent purchase, and the amount actually received either upon sale or redemption at maturity during the taxable year for which the return is made, as ordinary gain or loss.

Treasury Department Circular No. 418, 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 obtaine from any Federal Reserve Bank or Branch.

Accordingly, although a merchant may absorb the tax and not pass it on to the customer, he may not make use of that fact in any manner to induce the sale of his merchandise without subjecting himself to possible liability for the penalty specified in the law.

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-\infty 00
$$

FOR IMMEDIATE RELEASE, Friday, October 17, 194.


The Bureau of Internal Revenue today issued a warning to merchants not to advertise that they are paying retail taxes on certain articles and not passing on the cost to their customers.
quternal Cre,
The Revenue Aet of 1947, offieleIs pointed out, prohibits such advertising and provides a fine of not more then $\$ 1,000$ for violation The of prohibition.

Reports received by the Bureau, officials said, indicate that a lack of knowledge apparently prevails concerning the penalty which is applicable to such advertising concerning the retail taxes on sales of jewelry, furs and toilet preparations.

To create a demand for their products, some merchants are publishing advertisements containing statements to the effect that the retail taxes are not included in the sales price of the articles because the taxes will be paid by them and not passed on to the customer, the officials said.

To prevent the new retail soles taxes from being used as a means of deriving unfair competitive advantages, the law provides for the fine in connection with the sale of a taxable article and makes illegal any statement, whether written or oral, whether in advertisement or otherwise, intended or calculated to lead prospective purchasers to believe that the sale price of the article does not include the retail sales tax.

## TREASURY DEPARTMENT Washington

FOR IMMEDIATE RELEASE, Friday, October 17, 1941.

Press Service No. 28-11

The Bureau of Internal Revenue today issured a waming to merchants not to advertise that they are paying retail taxes on certain articles and not passing on the cost to their customers.

The Internal Revenue Code, officials pointed out, prohibits such advertising and provides a fine of not more than $\$ 1,000$ for violation of the prohibition.

Reports received by the Bureau, officials said, indicate that a lack of knowledge apparently prevails concerning the penalt.y which is applicable to such advertising concerning the retail taxes on sales of jewelry, furs and toilet preperations.

To create a demand for their products, some merchants are publishing advertisements containing statements to the effect that the retail taxes are not included in the sales price of the articles because the taxes will be paid by them and not passed on to the customer, the officials said.

To prevent the new retail sales taxes from being used as a means of deriving unfair competitive advantages, the law provides for the fine in connection with the sale of a taxable article and makes illegal any statement, whether written or orel, whether in advertisement or otherwise, intended or calculated to lead prospective purchasers to believe that the sale price of the article does not include the retail sales tax.

Accordingly, although a merchant may absorb the tax and not pass it on to the customer, he may not make use of that fect in any manner to induce the selo of his merchendise without subjecting himself to possible liability for the penalty specified in the law.

THRASURY DEPARTMEMT
Washington
FOR RELRASE, MORNIMO MEWSPAPGRS,
Press Service Tuesday, October 21, 2941. 10/20/41

The Secretary of the Treasury announced last evening that the tenders for $\$ 150,000,000$, or thereabouts, of 91 -day Freasury bills, to be dated October 22, 1941, and to mature January 21, 1942, which were offered on October 17, were opened at the Pederal Meserve Manks on October 20.

The details of this issue are as follows:
Total applied for - \$303,852,000
Total accepted - 150,185,000
Range of accepted bids:

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

## TREASURY DEPARTMENT Washington

FOR RELEASE, MORNING NEWSPAPERS, Tuesday, October 21, 1941

Press Service No. 28-12

The Secretary of the Treasury announced last evening that the tenders for $\$ 150,000,000$, or thereabouts, of 91 -day Treasury bills, to be dated October 22, 1941, and to mature January 21, 1942, which were offered on October 17, were opened at the Federal Reserve Banks on October 20.

The details of this issue are as follows:
Total applied for - $\$ 303,852,000$
Total accepted - 150,185,000
Range of accepted bids:
High - 100.

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

Due August 1, 1943
Issued at Par and Acorued Interest
ACCSPRABLS AT PAR AND ACCROBD INTGREST IN PAYMEMT OF PRDBRAL INCOMS TAXES

1941
Second Amendment to Dopartment Circular No. 667

TREASURY DEPARTLINT, office of the Secretary, Fiahington, October 21, 1941.

Fiscal Service Bureau of the Public Debt

1. Section II (1) of Department Circular No. 667, dated July 22, 1942, is hereby asended to read as follows:
2. 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 redeived by a Federal Reserve Bank or Branch, or by the Troasurar of the United States, w111 determine the purchase price and issue date of each note. The notes may not be transferred except in the case of notes issued in the name of a parent corporation, in which case they may be reissued in the name of a subsidiary of that corporation with the same dating as the notes surrendered, upon presentation to the Fedaral Reserve Bank of issue; for the purposes of this paragraph a subsidiary corporation is defined as one more than 50 per cent of whose stock with voting power is held by anothar corporation. No hypothecation of the notes on any account will be recognized by the Treasury Departreent, 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.
[^1]Secretary Morgenthau has approved an amendment to Treasury Department Circular No. 667, the original announcement of issue of two series of Tax Savings Notes, in order to permit parent corporations to buy the notes and subsequently to transfer them to subsidiaries. The text of the amended section of the circular is as follows:

# TREASURY DEPARTVENT <br> Weshington 

FOR IMMEDIATE RELEASE, Wednesday, October 22, 1941.

Press Service
No. 28-13

Secretary Morgenthau has approved an amendment to Treasury Department Circular No. 667, the original announcement of issue of two series of Tax Savings Notes, in order to permit parent corporations to buy the notes and subsequently to transfer them to subsidiaries. The text of the amended section of the circular
is as follows:

THE UNITED STATES OF ANERICA TREASURY NOTTS

Tax Series A-1943
Tax Series B-1943
Dated August 1, 1941
Issued at Par and Accrued Interest
ACCEPTABIE AT PAR AND ACCRUED INTEREST IN PAYMENT OF FEDERAL INCOME TAXES

1941
Second Amendment to
Department Circular No. 667
Fiscal Service
Bureau of the Public Debt

1. Section II (1) of Deprrtment Circular No. 667, dated July 22, 1941, is hereby amended to read as follows:
2. General. - The notes of oth series will be dated August 1, 1941, and will mature August 1, 1943. The owner's name and address, and the dite 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 rice and issue date of each note. The notes may not be transferred except in the case of notes issued in the name of a parent corporation, in which case they may be reissued in the name of a subsidiary of that corporation with the same dating as the notes surrendered, upon presentation to the Federal Reserve Bank of issue; for the purposes of this paragraph a subsidiary corporation is defined as one more than 50 per cent of whose stock with voting power is held by another corporntion. 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 regulatinns of the Treasury Department, now or hereafter prescribed, governing bonds and notes of the United States.

## Washington

FOR IMMEDIATE RELEASE, Wednesday, October 22, 194.

Press Service
n+2.814

Secretary of the Treasury Morgenthau today announced the final subscription and allotment figures with respect to the current offering of $2-1 / 2$ percent Treasury Bonds of 1967-72. In addition to the amount allotted on public subscriptions, $\$ 93,256,950$ of the bonds have been allotted to Government investment accounts, within the $\$ 100,000,000$ reservation.

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

Federal Reserve District

Boston
New York Philadelphia Cleveland Richmond Atlanta Chicago St. Louis Minneapolis Kansas City Dallas
San Francisco
Treasury
Government Investmont Accounts TOTAL

| Total Cash |
| :--- |
| Subscriptions |
| Received |

- 951,726,650 4,921,587,550 $616,842,550$ 692,193,300 418,370,400 535,350,350 1,091,686,900 255,191,450 163,917,350 137,529,200 193,407,050 446,072,050 22,466,300
(10,445,342,100

Total Cash Subscriptions Allotted

- 119,071,100 $615,575,950$ 77,328,350 $86,556,300$ 52,392,900 67,069,950 $236,679,450$ 32,022,100 20,542,900 17,275,800 24,267,600 $55,826,900$ 2,812,100
$\frac{93,256,950}{1,400,676,350}$

Total Exchange
Subscriptions Received (Allotted in full)

$$
\begin{array}{r}
12,907,700 \\
127,640,100 \\
7,763,300 \\
3,294,700 \\
2,562,900 \\
509,200 \\
13,634,300 \\
3,334,800 \\
9,114,600 \\
1,347,000 \\
2,351,500 \\
3,997,500 \\
513,600
\end{array}
$$

$$
\overline{188,971,200}
$$

Total
Subscriptions Allotted

- $231,978,800$

743,216,050 85,091,650 89,851,000 $54,955,800$ 67,579,150 150,322,750 35,356,900 29,656,500 18,622,800 26,619,300 $59,824,4100$ 3,325,700
$\frac{93,256,950}{\$ 1,589,647,550}$


## TREASURY DEPARTMENT

Washington

FOR IMMEDIATE REIRASE; Wednesday, October 22, 1941.

Press Service
No. 28-14

Secretary of the Treasury Morgenthau today announced the final subscription and allotment figures with respect to the current offering of $2-1 / 2$ percent Treasury Bonds of 1967-72. In addition to the amount allotted on public subscriptions, $\$ 93,256,950$ of the bonds have been allotted to Government investment accounts, within the $\$ 100,000,000$ reservation.

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

Federal Rescrve District

Total Cash
Subscriptions
Received
\$ $951,726,650$ 4,921,587,550 616,842,550 691,193,300 418,370,400 535,350,350
1,091,686,900 255,191,450 163,917,350 137,529,200 193, 407,050 446,072,050 $22,466,300$
Ir easury

Totel Cash Subscriptions Allotted
\$ 119,071,100 615,575,950 77,328,350 86,556,300 52,392,900 67,069,950
$136,678,450$ 32,022,100 20,541,900 17,275,800 24,267,600 55,826,900 2,812,100
$\frac{93,256,950}{\$ 1,400,676,350}$

Total Exchange Subscriptions Received (Allotted in full)

Total
Subscriptions Allotted
\$ 12,907,700
127,640,100 7,763,300 3,294,700 2,562,900

509,200
13,634,300 3,334,800 9,114,600 1,347,000 2,351,500 3,997,500 513,600
$\$ 131,978,800$ 743,216,050 85,091,650 89,851,000 54,955,800 67,579,150
150,312,750
35,356,900 29,656,500 18,622,800 26,619,100 59,824,400
3,325,700
$\$ 188,971,200$
$\frac{93,256,950}{\$ 1,589,647,550}$
as official agencies.
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, all subseriptions will be allotted in full. Allotment notices will be sent out promptly upon allatment.

## IV. PAMISII

1. Payment at par for notes allotted hereunder must be made on or before Wovember 1, 1941, or on later allotment, and may be made only through application of the principal proceeds of payment of a like par amount of Reconstruction Finance Corporation notes of Series P, meturing Movember 1, 1941, or of Commodity Credit Corporation notes of Series E , maturing Movember 15, 1941. Commodity Credit Corporation notes of Series $\mathbf{E}$ tendered for purchase must have coupons dated Novellber 15, 1941, attached, and payment will be made at par and accrued interest to Movember 1, 1941. Acerued interest from May 15, 1941 to November 1, 1941 on Series F notes ( $\$ 4.619565$ per $\$ 1,000$ ) will be paid following acceptance of the notes

## V. GEMERAL PROVISIONS

1. As fiscal agents of the United States, Federal Reserve Banks are authorivd and requested to receive subscriptions, to make allotments on the basis and up to th amounts indicated by the Secretary of the Treamury 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 subseriptions allotted, and they may issue interim receipts pending delivery of the definitive notes.
2. The Secretary of the Treasury may at any time, or Prom time to time, preseribe supplemental or amendatory rules and regulations governing the offering, which will be commanicated promptly to the Federal Reserve Banks.

March 15 and September 15 in each year until the principal amount becomes payable. They will mature larch 15, 1946, and will not be subject to call for redemption prior to maturity.
2. The income derived from the notes shall be subject to all Federal taxes, now or hereafter irposed. 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.
3. The notes will be accepted at par during such time and under such rules and regulations as shall be preseribed or approved by the Secretary of the Treasury In payment of income and profits taxes payable at the maturity of the notes.
4. The notes will be acceptable to secure deposits of public moneys, but will not bear the circulation privilege.
5. Bearer notes with interest coupons attached will be issued in denominations of $\$ 100, \$ 500, \$ 1,000, \$ 5,000, \$ 10,000$ and $\$ 100,000$. The notes will not be issued in registered form.
6. The notes will be subject to the general regulations of the Treasury Department, now or hereafter preseribed, governing United States notes.
III. SUBSGRIPTION AND ALLOTESMI

1. Subscriptions will be received at the Federal Reserve Banks and Branches and at the Treasury Department, Washington, and should be accompanied by Reconstruction Finance Corporation notes of Series $P$ tendered for payment, or Commodity Credit Corporation notes of Series B tendered for purchase, to a par amount equal to the par amount of Treasury Wotes of Series A-1946 subacribed for. Banking institutions generally may submit subscriptions for account of customers, but only the Federal Reserve Banks and the Treasury Department are authorized to act

## UNITED STATBS OF AMEEICA

1 PERCIITY TREASUAY NOTES OF SERTES A-1946
Dated and Bearing interest from Movember 1, 1941
Due March 15, 1946
Interest payable March 15 and September 15

1941<br>Department CIrcular IIO. 671<br>$\qquad$<br>Fiscal Service<br>Bureau of the Public Debt

TREASURT DEPAREMEMT, Office of the Secretary, Washington, October 23, 1941.

1. OFPSRING OF HORES AND INVITATION FOR TEMDERS
2. The Secretary of the Treasury, pursuant to the authority of the Second Liberty Bond Act, as amended, invites subscriptions, at par, from the people of the United States for 1 percent notes of the United States, designated Treasury Notes of Series A-1946, the offering to be limited to the amount of subscriptions ontered as provided in the two next succeeding paragraphs.
3. The Secretary of the Treasury offers to apply the proceeds of payment of Reconstruction Finance Corporation Notes of Series P, maturing November 1,1941 , tendered for payment in accordance with Sections III and IV of this circular, to payment for Treasury notes subscribed for hereunder. Tenders of Series P notes for that purpose are invited.
4. The Secretary of the Treasury, on behalf of Comnodity Credit Corporation, offers to purchase on November 1, 1941, at par and acerued interest, Commodity Credit Corporation Notes of Series E, maturing November 15, 1941, to the extent to which the holders thereof subscribe for Treasury notes hereunder. Tender of Series E notes for that purpose are invited.
II. DESCRIPTION OF NOTES.
5. The notes will be dated Movember 1, 1941, and will bear interest from thet date at the rate of 2 percent per annum, payable on a semiannual basis on

## Credit Corporation Notes of Series I.

The text of the official eireuler follows:
outstanding. These provisions are specifically set forth in the official eircular released today.

Holders of Reconstruction Finance Corporation notes of Series P who desire the proceeds of payment applied to the purchase of a like par amount of the new notes may subseribe for an amount equal to the amount of Series $P$ notes so tendered for payment.

The Seeretary of the Treasury, on behalf of the Commodity Credit Corporation, offers to purchase on November 1, 1941 at par and acerued interest to that date, Commodity Credit Corporation notes of Series E to the extent that the holders of such notes subseribe for the new Treasury notes.

Subseriptions will be received at the Federal Reserve Banks and Branches, and at the Treasury Department, Washington. Banking institutions generally may submit subseriptions for account of customers, but only the Federal Reserve Benks and the Treasury Department are authorized to act as offieial agencies. Subseriptions should be accompanied by a like face anount of Reconstruction Finance Corporation Hotes of Series P, or of Commodity Gredit Corporation Notes of Series E , with final coupon due November 15, 1941, attached. Following the acceptance of the Series $\mathbb{E}$ notes, acerned interest from May 15 to November 1, 1941, about $\$ 4.62$ per $\$ 1,000$ face amount, will be paid the owners of the surrendered notes.

The right is reserved to close the books as to any or all subseriptions at any time without notice. Subject to the reservations set forth in the official circular, all subseriptions will be allotted in full. 839.

There are now outstanding $\$ 299,739,000$ of $7 / 8$ percent Reconstruction Finsnce Corporation Notes of Series $P$ and $\$ 204,241,000$ of 1 percent Commodity

Wash ington

| POR RRLTASE, MOREING NTWSPAPBRS, |
| :--- |
| Thursdsy, Ootober 23,1941 . |
| $10 / 28 / 41$ |

Press Service
No. $28-15$

Secretary of the Treasury Morgenthau today announced the plan for refinancing the outstanding notes of Series $p$ of the Reconstruction Pinence Corporation maturing Movember 1,1941 , and the outstanding notes of Series E of the Commodity Creatt Corporation maturing November 25, 1941. In order to reduce the number of financing operations in the market on behalf of the Government and to simplify the financing program, an issue of Freasury notes is being made availeble to the holders of the two maturing corporate issues. It is contemplated that all of the Covernment-cuaranteed issues now outstending in the hande of the public will eventuelly be converted into Treasury issues so that the maricet will ultimately be dealing with but one class of Government obligation.

The Treasury notes now offered will be dated November 1, 1941, and will bear interest from that date at the rate of 1 percent per annum payable on a semiannual basis on March 25 and September 15 in eneh year. They will mature on litarch 15, 1946, and will not be subject to call for redemption prior to maturity. They will be issued only in bearer form with coupons attached, in


Purguant to the provisions of the Public Debt Aet of 1941, interest upon the notes now offered shall not heve any exemption, as such, under Federel Tax Aots now or herearter enacted. Otherwise they will be accorded the same exemptions from taxation as are acorded other issues of Treasury notes now

FOR REIEASE, MORNING IEWSPAPERS, $\frac{T h u r s d a y,}{10 / 22 / 41}$ October 23, 1941.

Press Service
No. 28-15

Secretary of the Treasury Morgenthau today announced the plan for refinancing the outstanding notes of Series $P$ of the Reconstruction Finance Corporation maturing November l, 1941, and the outstanding notes of Series $E$ of the Commodity Credit Corporation maturing November 15, 1941. In order to reduce the number of financing operations in the market on behalf of the Government and to simplify the financing program, an issue of Treasury notes is being made availeble to the holders of the two maturing corporate issues. It is contemplated that 811 of the Government-guaranteed issues now outstrnding in the hands of the public will eventually be converted into Treasury issues so that the market will ultimately be dealing with but one class of Government obligation.

The Treasury notes now offered will be dated November 1, 1941, and will bear interest from that date at the rate of 1 percent per annum payable on a semiannuel besis on March 15 and September 15 in each year. They will mature on March 15, 1946, and will not be subject to call for redemption prior to maturity. They will be issued only in bearer form with coupons attached, in denominetions of $\$ 100, \$ 500, \$ 1,000, \$ 5,000, \$ 10,000$ and $\$ 100,000$.

Pursuant to the provisions of the Public Debt Act of 1941, interest upon the notes now offered shell not heve any exemption, as such, under Federal Tax Acts now or heresfter enccted. Otherwise they will be accorded the same oxemptions from texation as are accorded other issues of Treasury notes now outstanding. These provisions are specifically set forth in the officiel circular relensed today.

Holders of Reconstruction Finance Corporation notes of Series $P$ who desire the proceeds of payment applied to the purchase of 2 Iike per emount of the new notes may subscribe for an amount equel to the amount of Series $P$ notes so tendered for payment.

The Secretary of the Treasury, on behelf of the Commodity Credit Corporetion, offers to purchese on November 1 , 1941 at par and accrued interest to that date, Commodity Credit corporation notes of Series $E$ to the extent that the holders of such notes subscribo for the new Treasury notes.

Subscriptions will be received at the Federal Reserve Benks end Branches, and at the Trensury Department, Washington. Benking institutions generally may submit subscriptions for account of customers, but only the Federal Feserve Benks and the Tres sury Depertment are euthorized to sct as officiel agencies. Subscriptions should be fccompenied by a like face mount of Reconstruction Finence

Corportion Notes of Series P, or of Commodity Credit Corporetion Notes of Series E, with finel coupon due November 15, 1941, attached. Following the accoptance of the Series E notes, accrued interest from May 15 to Novembor l, 1941, about $\$ 4.62$ per $\$ 1,000$ face amount, will be paid the owners of the surrendered notes.

The right is reserved to close the books as to any or all subscriptions at any time without notice. Subject to the reservetions set forth in the official circuler, all subscriptions will be allotted in full.

There re now outstending $\$ 299,839,000$ of $7 / 8$ percent Reconstruction Finance Corporation Notes of Series P and 4,204,241,000 of 1 percent Commodity Credit Corporation Notes of Sorios E.

The text of the official circular follows:

## UNITED STATES OF AMERICA

## 1 PERCENT TREASURY NOTES OF SERIES A-1946

Dated and Bearing interest from November 1, 1941
Due March 15, 1946
Interest payable March 15 and September 15

1941
Department Circular No. 671

Fiscal Service
Bureau of the Public Debt

TREASURY DEPARTMENT, Office of the Secretary, Washington, October 23, 1941.

## I. OFFERING OF NOTES AND INVITATION FOR TENDERS

1. The Secretery of the Treasury, pursuant to the authority of the Second Liberty Bond Act, as amended, invitos subscriptions, at par, from the people of the United States for 1 percent notes of the United States, designated Treasury Notes of Series A-1946, the offering to be limited to the emount of subscriptions entered as provided in the two next succeeding paregraphs.
2. The Sccretery of the Treasury offers to apply the proceeds of payment of Reconstruction Finance Corporation Notes of Series P, matiring November l, 1941, tendered for payment in accordance with Sections III and IV of this circular, to payment for Treasury notes subscribed for hereunder. Tenders of Series $P$ notes for that purpose are invited.
3. The Secretary of the Treasury, on behalf of Commodity Credit Corporation, offers to purchese on November 1, 1941, at par and accrued interest, Commodity Credit Corporation Notes of Series E, meturing November 15, 1941, to the extent to which the holders thereof subscribe for Treasury notes hereunder. Tenders of Series E notes for thet purpose ere invited.

## II. DESCRIPTION OF NOTES

1. The notes will be deted November 1, 1941, and will bear interest from that date et the rate of 1 percent per ennum, peyable on a semiennuel besis on March 15 and Septomber 15 in each year until the principil amount becomes peyeble. They will meture March 15, 1946, and will not be subject to coll for redemption prior to meturity.
2. The income derived from tho notes shell be subject to all Federal taxes, now or hereafter imposed. The notes shall he subject to estate, inheritence, gift or other excise taxes, whother Federal
or state, but shall be exempt from all taxation now or hereefter imosed on the principal or intorest thereof by any state, or any of the possessions of the United states, or by any local taxing authority.
3. The notes will be accepted at par during such time and under such rulos and regulations as shall be prescribed or approved by the Secretary of the Treasury in peyment of income and profits taxes payable at the maturity of the notes.
4. The notes will be acceptable to secure deposits of public moneys, but will not berr the circulstion privilege.
5. Berrer notes with interest coupons attached will be issued in denominetions of \$100, $\$ 500, \$ 1,000, \$ 5,000, \$ 10,000$ and $\$ 100,000$. The notes will not be issued in registered form.
6. The notes will be subject to the general reguletions of the Tressury Depertment, now or hereciter prescribed, governing United States notes.

## III. SUBSCRIPTION AND ALLOTMENT

1. Subscriptions will be received at the Federal Reserve Banks and Branches and at the Treasury Depertment, Washington, and should be accompanied by Reconstruction Finence Corporation notes of Series $P$ tendered for payment, or Cormodity Credit Corporation notes of SeriesE tendered for purchase, to a par amount equal to the per amount of Treesury Notes of Series A-1946 subscribed for. Banking institutions generflly may submit subscriptions for account of customors, but only the Federal Reserve Banks and the Tressury Department re suthorized to act as official agencies.
2. The Secretary of the Tressury reserves the right to reject eny subscription, in whole or in pert, to ellot less then the amount of notes applied for, and to close the books as to any or all subscriptions et any time without notice; and any action ho may take in these respects shall be final. Subject to these reservetions, all subscriptions will be Ellotted in full. Allotment notices will bo sent out promptly upon allotment.

## IV. PAYMENT

1. Paymont at per for notes rlotted hereunder must be made on or before November l, 1941, or in leter ellotment, and mey be mede only through applicntion of the principsl proceeds of payment of f like par amount of Reconstruction Finence Corporetion notes of Series P, meturing November 1, 1941, r of Comndity Credit Corporetion notes of Series E, meturing November 15, 1941. Commodity Credit Corporation notes of Series E tendered for purchase must have coupons dated November 15, 1941, attached, and peyment will be msde at per and accrued interest to Novembor 1, 1941. Accrucd interest from Mey 15, 1941 to November I, 1941 on Sories E notes ( $\$ 4.619565$ per $\$ 1,000$ ) will be paid following ecceptence 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 districts, to issue allotment Reserve Banks of the respective ellotted, to moke delivery of notes on folloceive peyment for notes ted, and they may issue interim definitive notes.
2. The Secretary of the Treasury may at ony time, or from time to time, prescribe supplemental or amendatory rules and reguletions governing the offoring, which will be conmunicated promptly to the
Federal Reserve Banks.

HENRY MORGENTHAU, JR., Secretary of the Treasury.
into a bitter future of enormous debts, heavy interest burdens, and low national income. But the sacrifices of a heavier tax burden today burl mean a better life in the future. Those sacrifices will be a small price to pay for the maintenance of our way of life in the years to come.

freedom from want and freedom from fear are beyond evaluation. $n$

So, also, do they know that $\$ 1$ paid in taxes today accomplishes as much as 32 paid twenty-five years from now, for they learned from the last war that financing charges can equal the original expenditure. They know, too, that taxes constitute the only source of revenue of our Government, that they afford the only means of paying eventually for the tanks, the guns, the planes, the ships we may so desperately need to preserve our civilization. Nore than this - they know that if we are to preserve our American system, this bill for defense will be paid 100 cents on the dollar, and the sooner, the cheaper. They know, too, that whatever amount we are now obliged to borrow we must service through taxes.

A tax bill is not as inspiring as a battalion of marching men, a squadrom of planes, or a column of tanks dashing across a field. But it is just as vital to the defense of our nation in time of emergency and equally vital to the penfetnation the emergency has ended. These things the American people know. Their cooperation and their response is not to be doubted.

We must all make sacrifices, sacrifices that will hurt. But we may find solace in the realization that the dollars that are taken now out of a rising national income are far more easily payable than the dollars that would have to be wrung out of a dislocated post-defense economy. The measures we take today may
fietermine our way of life a decade from now. If we take the easy path and borrow instead of tax a less painful today may turn
payer can budget his resources and plan his spending with a reasonable degree of certainty. But he is defenseless before the creeping paralysis of inflation. How can he budget his resources when he does not know how much he must spend for eggs today, for eggs tomorrow, for eggs the day after, for butter, for bread? Tax sacrifices are accompanied by an understanding of the contribution that is being made, by a realization that one is doing one's part in a bitter struggle. But the sacrifices of inflation are accompanied only by the the fear of uncertainty, by the helplessness and hopelessness that comes with trying to fight the invisible. Knowing all this, how far are we willing to go to prevent inflation? How deeply shall we ask the surgeon to cut to free us of this malignant growth? of equal importance, how soon do we want the operation?

The willingness of the American people to submit to substantially higher texes is attested on all sides. In this city

one of
first tax revoltson this continent. It was the result of the imposition of a tax for the benefit of others upon a people denied representation. The taxes which have been and will be imposed upon the American people have been imposed and will be voted by the duly elected representatives of the American people. by policies the These taxes have been necessitated policies the representatives of the American people have determined are essential to $\longrightarrow$ the defense of our Democracy. The people of America know you cannot place a price tag on the freedom of speech. They know that no sum is too great to pay for freedom of worship. They know that
load to be borne by the structure constantly increases. But even under the best of circumstances
a tax system rarely achieves complete exist which produces billions of dollars in
. In times of emergency the problem becomes even more
difficult.
The job, like
all defense jobs, whether it be priorities, armaments, or taxation,
is to accomplish first things first. We can only promise that in
imposing a heavy tax burden all that is possible within these limits
will be done to make its impact equitable.
$\varphi$ There is another reason, however, which appeals to our fiscal sanity to extend Federal taxes and to do it promptly. We need not look to the future alone to justify this heavy burden. Compare the burden of additional taxes with the burden of inflation. In the last two years the cost of living in America has risen $9 / 2$ man amen percent. It has risen 7 percent since March of this year. So far as the great proportion of American wage earners are concerned the result is the same as though we had levied upon their wages a payroll tax of $9 \mathrm{y} / \mathrm{2}$ percent. And yet the tremendous sum this represents has vanished in the thin air of inflation; it has not bought one plane, one rifle, or one bullet. While penalizing the
 the wage envelope is far better than having the spectre of inflation as a guest at the dinner table. Tax increases are manageable by both Government and taxpayer. Each can see what is happening. The tax-
the national income of France found its way to that Republic's Wary el alas odvrae treasury. Dy thentromen, I mel rowing you that the best estimates available indicate that 70 percent of the national income of the people of Germany is now being appropriated lu Fifty percent of the iva thatural nome va devoted to their war effort of Que hasted states of our job a job which was defined by the President on September 11, 1947, to be "to turn the workshops of our industry into mighty forges of war - to outbuild the aggressors in every category of modern arms".

The national income of America at the present time is running well over the rate of 90 billion dollars a year. It is mot unlikely in the wean future
that in may reach the rate of 100 billion dollars a year. It would seem to be folly itself were the Federal government not to avail itself of this opportunity obtaining of in taxes an increasing share of this huge national income. This may be the opportunity for years to come to put our fiscal house in order. Every dollar collected in taxes now leaves us that much better off when we rust face the period of readjustment following this war.

While we are in a position to bear still heavier taxes, it is undeniable that this heavy tax burden means individual sacrifices and individual inequities. Those of us who are living on fixed incomes, for example, will be heavily hit by tax increases. Many of us who now see in rising wages a chance to obtain some of the things long denied must be disappointed. The weal thy who now bear high taxes will be called upon to shoulder even heavier loads. Rewh Defects in inequitable In the tax structure will become more and more as the
ulterior motive or unworthy purpose. However, I feel obliged to state to you and to the country that the information contained in that statement release is at great variance with all of the information at the disposal of the United States Treasury Department. Perhaps one reason for this difference is that the figures in the appeared to include Social Security taxes in the Uni, ted, States while excluding them and similar tax charges from the

British Similarly, a result of uni for the British national income 36 billions of dollars rather than 24 billions of dollars (which we do believe the correct figure) the estimates were thrown far out of focus. The correction Made in the figures as a result of our information establishes that, whereas the Chamber of Commerce states that the per capita tax in America $15 \$ 168$ per year as against a similar per capita tax paid in Great Britain of $\$ 165$, this latter figure should be changed to $\$ 200$ per year. Similarly I wish to correct the statement about the proportion of national income being collected in taxes in the two countries. In the current fiscal year approximately 22 percent of the national income of the United States is being collected in taxes by national, state and municipal governments. In Great Britain approximately 40 percent of the national income is going this year for taxes, Since the per capita income the United States is much higher than $m$
Great Britain, the actual burden of current taxation upon the British people is very much greater than that upon the American people. that in the year of 1939 - after Munich - point out to you
on the application of these principles.

## It is easy to set that wo should pay acmergo.

Intent remind
A Last April the Secretary of the Treasury, Henry Morgenthau, Jr., asked the Congress to provide us with tax revenues which would enable us to defray two-thirds of our current expenditures out of tax collections and only one-third out of borrowings. The nation applauded this statement of principle, and yet so rapidly did our defense expenditures mount that even before that tax bill was enacted into law the total yield of old taxes supplemented by those in the new bill fell short of the two-thirds goal. We are still aiming at that goal, for we all want to pay as we go insofar as is practicable. But how far is it "practicable"? Surely there is a point beyond which we cannot go and which we probably cannot safely approach. That is the point where taxes become so great that they kill individual initiative, they dull sharp corporate management, they disrupt commerce, and eventually they kill the goose that lays the golden egg. It may be of some comfort for you $a l l$ to know that those men who are charged with formulating tax policies are keenly aware of this factor. you to hear that all are agreed we have not yet reached this point. Recently the Chamber of Commerce of the United States Loured statement percafita than they are in Great Britain, and that a larger proportion of our national income goes to the Federal Treasury in the form of taxes than in the pase of Great Britain. I do not know the motive or the the statement purpose of From my acquaintance with the officers and members of that association I am led to attribute to that statement

But, for the purposes of our discussion of the tax problem, the most important figures I have given you are the receipts and expenditures for the fiscal year 1942. From these figures we learn that the largest amount of revenue ever collected by any nation in the world in one year still represents 50 percent of our expenditures during that year. I am sure that this must demonstrate very clearly to you that if we areto rest on our oars, if we are unwilling to extend our taxing powers, if we are reluctant to syphon off from our record-breaking but still growing national income even a larger share in the form of taxes, it will be only a question of time until the national debt will get beyond all reasonable bounds, it will be only a question of time until the worst type of inflation will be upon us. Once we have reached that point, borrowings will be geometrically increased at ever-increasing rates of interest, and Government purchases will continue at ever-rising prices. We will then be in a situation from which no amount of sacrifice may be great enough to extricate us.

I believe I am safe in assuming that all of us are in accord on three general principles:

1. We should pay as we go insofar as practicable.
2. Inflation, next to war and pestilence, is one of the worst fates that can befall a nation.
3. The American people are ready and willing and anxious to pay every last penny necessary to defend America and preserve our way of life.

But even these three principles leave room for some discussion and it might be well for us to see to what extent, if any, we disagree
in 1940 to 12 billion 700 million in 1941 , and we anticipate total expenditures in the current fiscal year of about $24 y$ end onotren billion dollars - anount equal to the total investment in American railways, and equal to the total value of all passenger automobiles produced in this country in the past 14 years. Defense expenditures accounted for about 18 percent of our 1940 expenditures. The defense bill in 1941 represented almost one-half of our total expenditures, and in the current fiscal year 18 billion of our total expenditures of $24 /$ billion will be devoted for defense as compared with nondefense expenditures of $6 / / \frac{n}{2}$ billion dollars.

I think you will be interested to know that the net revenues during the current fiscal year almost double the non-defense expenditures for this same period.

I have before me a table showing for the fiscal y. 1 years 1940,
1941 the total government receipts exclusive of Social Security taxes, the total number of income tax return filers, and total expenditures both for defense and non-defense purposes.


| 1940 | 7,818 | 5,387 | 8,998 | 1,657 | 7,470 |
| :--- | ---: | ---: | ---: | ---: | ---: |
| 1941 | Est. | 15,160 | 7,607 | 12,710 | 6,080 |

1942 Est. 22,108
Est.11,998 Est. 24,581 Est.18,000 Est. 6,581

1/ Excluding debt retirement
3
You might be interested to know that in 1940, 7 million 800 thousand individuals filed income tax returns, Within 100,00 of number ever filed up to that time. In 1941 we estimate we will receive more than 15 million individual income tax returns and in 1942 we expect returns furn wore than individuals. 1941 the total net receipts rose from 5 billion 300 odd million to 7 billion 600 odd million. We estimate that in the fiscal year of 1942 our total net receipts will be 12 billion dollars. During these three years our total expenditures rose from about 9 billion

American men may be needlessly sacrificed in the absence of the almost fantastic am unts of materisl you are being called upon to produce. From my knowledge of your records and my acquaintance with your rembers I feel sure that the manufacturers of America will not fail their native land. But if such a failure is to be avoided, it is evident that present production may have to be doubled or tripled. The stark realities of the world of today cannot be ovorcome by merely better-than-usual accomplishment.

I have been asked to speak today on the place the Federal tax program occupies in this defense effort. It seems to me that this is a particularly fine audience with whom to discuss taxation. After all, this group includes some of our best custoncrs. More importent than that, the members of your Association are seasoned veterans in the front-line trenches of industrial endeavor who have had a great deal of practice in looking forward, anticipating payrolis, in providing for inventories, in forecasting seasonal changes. Almost every phase of your training has sharpened your foresight. I strongly suspect that from your ranks there have been eliminated some individuels who preferred to dwell upon the past rather than to face the unpleasant but obvious facts of the future. I assume that you who heve weathered the stoms of the past not only can face the future but do so eagerly and expectently.

To get down to earth on this subject and better to prepere curselves for looking forwerd to the tax problems of the next few yoars it might be well to review a few statistics of the netion's recont fiscal activities.

I have before me a table showing for the fiscal years 1940, 1941 and 1942, the total government receipts exclusive of Social Security taxes, the total number of income tax return filers, and total expenditures both for defense and non-defense purposes.

Fiscal Total Number Total Net Year

Income Tex

Return Filers Return Filers Receipts During Calendar (Millions) (Thousands) Budget

Expenditures I/
Total Defense Non-Defense
(Millions) (Millions)(Millions

| 1940 | 7,818 | 5,387 | 8,998 | 1,657 | 7346 $\times 7.46$ |
| :---: | :---: | :---: | :---: | :---: | :---: |
| 1941 | Est. 15,160 | 7,607 | 12,710 | 6,080 | $\begin{gathered} 6630 \\ 0,684 \end{gathered}$ |
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But despite this lack of a large military class in America, there is one field of warlike endeavor in which for at least a generation we have believed ourselves to be outstanding, and I trust that this assumed superiority is well founded. During 1917 and 1918 we demonstrated to the world a greater capacity for mass production of the tools of war than had ever before been known. The oughout the 19201s our industrial eapaeities made new records yeax after yraar. Through the 1930 's American industry repeatedly demenstmeteduit could do impossible jobs on impossible Ever since then
time schedules. For sueh a long time we have so loudly and so frequently boasted of our industrial superiority that we have taken for granted something which may not actually exist today or cannot be achieved tomorrow without tremendous effort and sacrifice.

Recently we have read in the newspapers evidence of disappointment and growing impatience over production figures. I do not know whether this criticism is justified or whether it springs from the laudable desire of a people to see its own progress accelerated beyond reason. God grant that it may be the latter, for upon you men and upon your associates well may rest the outcome of the defense of our country. The lives of thousands of brave young American men may be needlessly sacrificed in the absence of the almost fantastic amounts of materiel you are being called upon to produce. From my knowledge of your records and my acquaintance with your members I feel sure that the manufacturers of America will not fail their native land. But if such a failure is to be avoided, it is evident that

John L. Sullivan, Assistant Secretary of the Treasury at the Annual Meeting of the Associated Industries of Massachusetts, Boston, Massachusetts, October 23, 1941.

## Tr. President, Ladies and Gentlemen:

I am indeed happy to have this opportunity of meeting today with the members of the Associated Industries of Massachusetts. The members of your group have played a preeminent role in the economic life of New England and America. Today this group is playing a truly indispensable role in helping to rearm America against the ever-rising threats to our civilization from across the seas.

I think that the average American citizen is apt to forget the importance of the American industrialist in the general plan for the defense of our shores. America is not a warlike nation, MIL ITARISTIC and we have no traditions comparable to those of other great powers. We have never fought a war with professional soldiers. Ever since the Revolution we have maintained a professional navy which today is rapidly approaching a size and competency that will make it adequate for any task it can reasonably be asked to perform. But today, as in every war since and including the Revolution, we have no large professional army. Rather do we rely upon the rapidlytrained amateur troops who are recruited from the youth of the nation, -- young men who are asked to leave their homes, their factories, their farms and their offices but who enter the army only temporarily and in the hope that they may quickly complete the unpleasant task at hand and then return to their former peace-time pursuits.
(The frelowing adores by for L. Sullivan, Assistant fecretory of the Treasung, before the annual meeting if the Associated Industries of Massachusetts in Boston is scheduled for delivery at 11:15 oiclock, Eastern Standard Time, Thurodaynogederer 23, 1941 and is for release ufo n delivery at that time .)
into a bitter future of enormous debts, heavy interest burdens, and Low national income. But the sacrifices of a heavier tax burden today will mean a better life in the future. Those sacrifices will be a small price to pay for the maintenance of our way of Ilfe in the years to come.
freedom from want and freedom from fear are beyond evaluation. So, also, do they know that ${ }^{3}$ patd in taxes today acomplished as much as ${ }^{2}$ paid twenty-five years from now, for they learned from the last war that financing charges can equal the ordginnl. expenditure. They know; too, that taxes constitute the only source of reverne of our Government, that they afford the oniy means of paying eventualiy for the tanks, the guns, the planes, the shipe we may so desperately need to preserve our oiviligation. More than this - they know that If we are to preserve our Ameriean system, this bill for defense will be paid 100 cents on the dollar, and the sooner, the cheaper. They know, too, that whatever amount we are now obliged to borrow we must service through taxes.

A tax bili is not as inspixing as a battalion of marching men, a squadrom of planes, or a column of tanke danhing across a field. But it is just as vital to the defense of our nation in tive of emergency and equally vital to the perpetfation of our ideals when the emergency has ended. These thinge the American people know. Their oooperation and their response is not to be doubted.
 that will hurt. But we may PInd solace in the realisation that the dollars that are taken out of a riging national income are far more easily payable than the dollars that would have to be wrung out of a disloasted post-defense econong. The measures we take today hray deternine our way of ilfe a decade from now. If we take the easy path and borrow instead of tax, a less painful today mactif turn
payer cen budget his resources and plan his spending with a reasonable degree of eertainty. But he is defonseless before the creeping paralysis of intlation. How can he budget his resources when he does not know how muoh he must spend for eggs today, for eggs tomorrow, for egeg the day after, for butter, for bread? Tax sacrifices are acoompanied by an understanding of the contribution that is being made, by a realigation that one is doing one's part in a bitter struggie. Fut the sacrifioes of inflation are acooupanied only by the fear of uncertainty, by the helplessness and hopelessness that comes with trying to fight the inviaible. Knowing all this, how far are we willing to go to prevent infletton? Hew deeply shall we ask the surgeon to out to free us of this malignant growth? of equal fraportanee, how soon do we want the operation?

The willingness of the American people to submit to substantially higher taxes is. attested on all wides. In this oity more than a century and a half ago occurred the first tax revolts/on this continent. It was the result of the imposition of a tax for the benefit of others upon a people doniad representation. The taxes which have been and will be imposed upon the American people have been ixposed and will be voted by the duly elected representatives of the Anerican people. These taxes have been necessitated hemby form policies ano the representativee of the American people have determined are essential to fanahat the defense of our Democraby. The people of America know you cannot place a price tag on the freedom of speech. They know that no gum is too grest to pay for freedom of worship. They know that
load to be borne by the structare constantly inereases. But even under the best of eircumstances smindith themetamphes a tar syetem which produces billions of dollars in reveme rargly achieves. complete a $\mathrm{u}^{\text {th }} \alpha$ problom puoed hion. In thmes of ewergency the feturtive becomes even more

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the national income of France found ate way to that Republic's treasury. By the same token, I wish to remind you that the best estimates available indicate that 70 percent of the national income of the people of Corruany is now being appropriated by the reich. "mise figures on shed total nat ament upon the magnitude $i_{0}^{\circ}$ of our job, a job which was defined by the President on September 11, 1941, to be "to turn the workshops of our industry into mighty forges of war - to outbuild the aggressors in every category of modern arms".

The national income of America at the present time is running at the rate of billion dollars a year. It is not unlikely that before the end of the next calendar year it may reach the rate of billion dollars a year. It would seem to be folly itself were the Federal government not to avail itself of this opportunity of obtaining in taxes an increasing share of this huge national income. This may be the best opportunity for years to come to put our fiscal house in order. Every dollar collected in taxes now leaves us that much better off when we must face the period of readjustment following this way.

While we are in a position to bear still heavier taxes, it is undeniable that this heavy tax burden means individual sacrifices and individual inequities. Those of us who are living on fixed incomes, for example, will be heavily hit by tax increases. Many of yes who now see in rising wages a chance to obtain some of the things long denied must be disappointed. The wealthy who now bear high taxes will be called upon to shoulder even heavier loads. Bough
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| Piseal | Totel Mumber | Total \%et |  | Hxpenditures |  |
| :---: | :---: | :---: | :---: | :---: | :---: |
| Year | Income 7 \%ax | Budeot | Totad | Lefense | Hon-Defense |
|  | Return Tilere | Recelpte |  |  |  |
|  | During Colendar Yoar | (3111ans) | (M211 | ons) (M111ion | ) (M11ions) |
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## TREASURY DEPARTTENT

Washington
(The following address by John L. Sullivan, Assistant Secretary of the Treasury, before the annual meeting of the Associated Industries of Massachusetts in Boston is scheduled for delivery at $11: 15$ o'clock Eastern Standard Time, Thursday morning, October 23, 194l, and is for release upon delivery at that time.)

I am indeed happy to have this opportunity of meeting today with the members of the Associated Industrigs of Massachusetts. The members of your group have played a pre-eminent role in the economic life of New England and America. Tocay this group is playing a truly indispensable role in helping to rearm America against the everrising threats to our civilization from across the seas.

I think that the averace Anerican citizen is apt to forget the importance of the American industrialist in the general plan for the defense of our shores. Ancrica is not a warlike nation, and we have no militaristic traditions comparable to those of other great powers. We have never fought a war with professional soldiers. Evor since the Revolution we have maintained a professional navy which today is rapidly approaching a size and competency that will make it adequate for any task it can reasonably be asked to perform. But today, as in every war since and including the Revolution, we have no laree professional army. Rethor do we rely upon the rapidlytrained amateur troops who are recruited from the youth of the nation, -- young men who are asked to leave their homes, their factories, their farms and their offices but who enter the army only temporarily and in the hope that they may quickly complete the unpleasant task at hand and then return to their former peace-time pursuits.

But despito this lack of a laree military class in America, there is one field of warlike endeavor in which for at least a generation we have believed ourselves to be outstanding, and I trust that this assumed suneriority is well founded. Durine 1917 and 1918 we demonstrated to the world a greater capacity for mass production of the tools of war than had ever before been known. Ever since then we have so loudly and so frequently boasted of our industrial superiority that we have taken for granted something which may not actually exist today or cannot be achieved tomorrow without tremendous effort and sacrifice.

Reccntly we have read in the newspapers evidence of disappointment and growing impatience over production figures. I do not know whether this criticism is justified or whether it springs from the laudable desire of a pcople to see its own progress accelerated beyond reason. God grant that it may be the latter, for upon you men and upon your essociates well may rest the outcome of the defense of our country. The lives of thousands of brave young

American men may be needlessly sacrificed in the absence of the almost fantastic amounts of materiel you are being called upon to produce. From my knowledge of your records and my accuaintance with your members I focl sure that the manufacturers of America will not fail their native land, But if such a failure is to be avoided, it is evident that present production may have to be doubled or tripled. The stark realities of the world of today cannot be overcome by merely better-then-usual accomplishment.

I have been asked to speak today on the place the Federal tax procram occupies in this defense effort. It seems to me that this is a particularly fine audience with whom to discuss texation. After all, this group includes some of our best customers. More important then that, the members of your Association are seasoned veterans in the front-line trenches of industrial endeavor who have had a great deal of practice in looking forward, anticipoting peyrolls, in providing for inventories, in forecasting seasonal changes. Almost every phase of your training has sharpened your foresight. I strongly suspect that from your ranks there have been eliminated some individuals who preferred to dwell unon the past rather than to face the unpleasant but obvious facts of the future. I assuric that you who have weathored the storms of the past not only can face the future but do so eagerly and expcctantly.

Tu gुt down to earth on this subject and better to prepare ourselves for looking forward to the tax problems of the next few years it might be well to review a few statistics of the nation's recent fiscal activities.

I have before me a table showing for the fiscal years 1940, 1941 and 1942 , the totel government receipts exclusive of Social Sccurity taxes, the total number of income tax return filers, and total expenditures both for defense and non-defense purposes.

Fiscal Year

Total number Income Tax Return Filers Return Reccipts Durine Calondar (Millions) Year
(Thousands)

Expenditures I/
Defonse $\overline{\text { Non-Defense }}$
(Millions) (Millions) (Millions,

Total
Total net Buaget


You inight be interosted to know that in 1940, 7 million 800 thousand individuals filed income tax returns, within 100,000 of the largest number ever filed up to that time. In 1941 we estimate we will receive more than 15 million individual income tex returns and in 1942 we expect returns from more then 22 million individuels. From 1940 to 1941 the total net receipts rose from 5 billion 300 odd million to 7 billion 600 odd million. We estimate that in the fiscal year of 1942 our totel net receipts will be l2 billion dollers. During these three yerrs our totel expenditures rose from about 9 billion in 1940 to 12 billion 700 million in 1941, and we anticipate total exponditures in the current fiscal year of about $24 \frac{1}{2}$ billion dollars - an amount equal to the total investment in American railways, and equal to the total value of all passenger automobiles produced in this country in the past 14 years. Defense expenditures accounted for about 18 percent of our 1940 expenditures. The defense bill in 1941 represented almost one-helf of our total expenditures, and in the current fiscal year 18 billion of our total expenditures of $24 \frac{1}{2}$ billion will be devoted for defense as compered with nondefense expenditures of $6 \frac{1}{2}$ billion dollers.

I think you will be interested to know thet the net revenues during the current fiscel yosr almost double the non-defense expenditures for this seme period. But, for the purposes of our dise cussion of the tax problem, the most importent figures I heve given you rre the receipts and expenditures for the fiscal year 1942 . From these figures we leam that the largest amount of revenue ever collected by any netion in the world in one year still represents less then 50 percent of our expenditures during that year. I am sure that this must demonstrate very cleerly to you that if we are to rest on our onrs, if we are unwilling to extend our taxing powers, if we are reluctent to syphon off from our record-breaking but still growing netional income even a lfrger shore in the form of taxes, it will be only a question of time until the netional debt will get beyond all reasonable bounds, it will be only a question of time until the worst type of infletion will be upon us. Once we heve reached that point, borrowings will be geometrically incressed at everincreasing rates of interest, and Government purchases will continue at ever-rising prices. Wo will then be in a situation from which no emount of sacrifice mey be great enough to extricate us.

I believe I am sefe in assuming thet all of us are in accord on three general principles:

1. We should pay as we go insofer as precticable.
2. Infletion, next to wer and pestilence, is one of the worst fetes thet cen befell s netion.
3. The Americen people cre reody end willing end enxious to pay every lest penny nocossary to dofend America and presorve our way of life.

But even these three principles leave room for some discussion and it might be well for us to see to what extent, if any, we disagree on the application of these principles.

Last April the Secretary of the Treasury, Henry Morgenthau, Jr., asked the Congress to provide us with tax revenues which would enable us to defray two-thirds of our current expenditures out of tax collections and only one-third out of borrowings. The nation applauded this stetement of principle, and yet so rapidiy did our defense expenditures mount that even before that tax bill was enacted into law the total yield of old taxes supplemented by those in the new bill fell short of the two-thirds goal. We are still aiming at that goal, for we all want to pay as we go insofar as is practicable. But how far is it "practicable"? Surely there is a point beyond which we cannot go and which we probebly cannot safely approach. That is the point where taxes becorne so great that they kill individual initiative, they dull sharp corporate management, they disrupt commerce, and eventually they kill the goose that lays the golden egg. It may be of some comfort for you all to know that those men who are charged with formulating tax policies are keenly aware of this factor. But it may be of less personal consolation for you to hear that all are agreed we have not yet reached this point.

Recently the Chamber of Commerce of the United States issued a statement purporting to show that per capita taxes are higher today in America than they are in Great Britain, and that a larger proportion of our national income goes to governmental treasuries in the form of taxes than in the case of Great Britain. I do not know the motive or the purpose of this statement. From my acquaintance with the officers and members of that association I am led to attribute to that statement no ulterior motive or unworthy purpose. However, I feel obliged to state to you and to the country that the information contained in that statement is at great variance with all of the information at the disposal of the United States Treasury Department.

Perhaps one reason for this difference is that the figures in the statement appeared to include Social Security taxes in the United States while excluding them and similar tax charges from the British estimate. Similarly, as a result of using as a figure for the British national income 36 billions of dollars rather than 24 billions of dollars (which we believe is the correct figure) the estimates were thrown far out of focus. The correction made in the figures as a result of our information establishes that, whereas the Chamber of Commerce states that the per capita tax in America is $\$ 168$ per year as against a similar per capita tax paid in Great Britain of $\$ 165$, this latter figure should be changed to $\$ 200$ per year.

Similerly I wish to corroct the statement about the proportion of nationcl income being collected in taxes in the two countries. In the current fiscal yesr approximately 22 percent of the netional income of the United States is being collected in texes by national, state and municipal governments. In Grent Britein approximetely 40 percent of the netional incomo is going this year for taxes. Since the por copite income in the United Statos is much higher thon in Greet Britsin, the sctual burden of current taxation unon the British people is very much greater than that upon the American people.

May I point out to you that in the year of 1939 -- after Munich about 20 percent of the national income of Frence found its way to that Republic's treasury. May I also advise you that the best estinates available indicate that 70 percent of the national income of the people of Germany is now being approprieted by the Reich. Fifty percent of their total national income is devoted to their war effort. These figures may shed some light upon the magnitude of our job -- a job which was defined by the President of the United States on September 11, 1941, to be "to turn the workshops of our industry into mighty forges of war -- to outbuild the aggressors in every cetegory of modern arms".

The national income of America at the present time is running well over the rate of 90 billion dollars a Year. It is not unlikely that in the near future it may reach the rate of more than 100 billion dollars a year. It would seem to be folly itself were the Federal government not to avail itself of this opportunity of obtaining in taxes en increasing shere of this huge netional income. This mey be the best opportunity for years to come to put our fiscal house in order. Every dollar collected in texes now leaves us thet much better off when we must face the period of readjustment following this wer.

While we are in a position to bear still heavier taxes, it is undenieble thet this heavy tax burden means individual sacrifices and individunl inequities. Those of us who are living on fixed incomes, for exemple, will be heavily hit by tax increases. Meny of us who now see in rising wages f chence to obtrin some of the things long denied must be disappointod. The wealthy who now berr high taxes will be called upon to shoulder even heavior losds. Defects in the tex structure will become more ond more inequitable as the loed to be bome by the structure constantly increases. But even under the best of circumstances a tax system which produces billions of dollers in revenue rarely echieves complete equity. In times of emergency the problem becomes even more difficult. The job, like all defense jobs, whether it be priorities, ormements, or taxetion, is to accomplish first things first. We can only promise thet in imposing a heavy trx burden all that is possible within these limits will be done to meke its impsct equitoble.

There is another reason, however, which sppeals to our fiscal sanity to extend Federal taxes and to do it promptly. We need not look to the future alone to justify this heavy burden. Compare the burden of additional texes with the burden of inflation. In the lest two years the cost of living in America has risen $9 \frac{1}{2}$ percent. It has risen 7 percent since March of this year. So for as the great proportion of American wage oorners ore concerned the result is the same as though we had levied upon their wages a payroll tax of $9 \frac{1}{2}$ percent. And yet the tremendous sum this represents has vanished in the thin air of inflation; it has not bought one plene, one rifle, or one bullet. While penalizing the wage earner cruelly it hes not netted the Federal Treasury so much $\Omega$ s one red cent becsuse whatever has thereby been added in higher income tax revenue has been more than offset by the increase in the price of those things the Government must buy.

Having Uncle Sam as a portner in shoring the salary check or the wage envelope is far better then having the spectre of inflation as a guest at the dinner teble. Tax increases are manageable by both Government and taxpayor. Each can see what is happening. The taxpayer can budget his resources and plan his spending with a reasoneble degree of certeinty. But he is defenseless before the creeping paralysis of infletion. How con he budget his resources when he does not know how much he must spend for eggs todey, for eggs tomorrow, for eggs the dey after, for butter, for bread?

Tax secrifices are accompenied by an understanding of the contribution that is being made, by a realization that one is doing one's part in a bitter struggle. But the sacrifices of infletion are accompenied only by the fear of uncerteinty, by the helplessness end the hopelessness that comes with trying to fight the invisible. Knowing all this, how far are we willing to go to prevent inflation? How deeply shall we ask the surgeon to cut to free us of this melignant growth? Of equal importence, how soon do we want the operation?

The willingness of the American people to submit to substantially higher texes is attested on all sides. In this city 168 years ago occurred one of the first tax revolts on this continent. It was the result of the imposition of a tax for the benefit of others upon a people denied representstion. The taxes which have been and will be imposed upon the American people heve been imposed and will be voted by the duly elected representatives of the American people. These texes have been necessitated by policies the representatives cf the American people have determined are essential to the defense of our Democracy. The people of America know you cennot ploce a price tag on the freedom of speech. They know that no sum is too grest to pay for freedom of worship. They know that freedom from want and freedom from fear are beyond eveluation.

So, also, do they know that $\$ 1$ paid in taxes today accomplishes as much as \$2 paid twenty-five years from now, for they learned from the last war that financing charges can equal the original expenditure. They know, too, that taxes constitute the only source of revenue of our Government, that they afford the only means of paying eventually for the tanks, the guns, the planes, the ships we may so desperately need to preserve our civilization. More than this -- they know that if we are to preserve our American system, this bill for defense will be paid 100 cents on the dollar, and the sooner, the cheaper. They know, too, that whatever amount we are now obliged to borrow we must service through taxes.

A tax bill is not as inspiring as a battelion of marching men, a squadron of planes, or a column of tanks dashing across a field. But it is just as vital to the defense of our nation in time of emergency and equally vital to the perpetuation of our ideals when the emergency has ended. These things the American people know. Their cooperation and their response is not to be doubted.

We must all make sacrifices, sacrifices that will hurt. But we may find solace in the realization that the dollars that are taken now out of a rising national income are far more easily payable than the dollars that would have to be wrung out of a dislocated postdefense economy. The measure we take today may determine our way of life a decade from now. If we take the easy path and borrow instead of tax, a less painful today may turn into a bitter future of enormous debts, heavy interest burdens, and low national income. But the sacrifices of a heavier tax burden today will mean a better life in the future. Those spcrifices will be a small price to pay for the maintenance of our way of life in the years to come.

# TREASURY DEPARTMENT Washington 

October 23, 1941.

In text of address by Assistant Secretary John L. Sullivan before the Associated Industries of Massachusetts, as distributed earlier today, please make it read:

Page 4, third paragraph, line 4: "\% \% \% \% portion of our national incomes goes to governmental treasuries in the ****instead of previous.

Page 7, first paragraph, line 10: "****know, too, that whatever amount we are now obliged to borrow we must****" instead of previous.

## TREASURY DEPARTIENT Washington

FOR IMEDIATE REIEASE Thursday, October 23, 1941.

Press Service No. 28-17

The Treasury Department today took further strong measures to prevent the Axis from realizing free dollars or other valuable foreign currencies through remittances to Axis controlled areas.

Uncer today's amendment to General License No. 32 remittances to persons in the Axis countries and in Axis controlled countries camnot be made if such remittances make free dollars or valuable foreign currency available to the Axis. Such remittances are still permitted if only blocked dollars result from the transaction.

This policy has not as yet been fully applied with respect to remittances to Anerican citizens in the "frozen" countries. Remittances to such Anericans may continue substantially as at present under General License No. 33.

The Treasury Department also indicated that the same strict policy would be followed in dealing with applications for special licenses. It was further indicated that amounts made available to Anorican citizens in Axis countries and Axis controlled countries under special licenses may be drastically curtailed.

> GENERAL LICENSE NO. 32, AS AMENDED, 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. 32 is amended to reed as follows:
(1) a general license is hereby granted authorizing remittances by any individual through any domestic bank to any individual who is a national of a blockec country and who is within any foreign country, and any domestic benk is authorized to effect such remittances, provided the following terms and conditions are complied with:
(a) Such remittances are made only for the neressary living expenses of the payee and his household and do not exceed $\$ 100$ in any one calendar month to any one household, except thet eaditionel sums not exceeding $\$ 25$ in any one calendar month may be remitted for each member of the payee's household in addition to the payfe, provided that in no case shall a sum in excess of $\$ 200$ prr celendar month be remitted to any one household;
(b) Such remittances are not made from a blocked account other than from an account in a benking institution within the United States in the name of, or in which the beneficial interest is held by, the payee or members of his
(c) If the payee is within any blocked country, the remittance may beffected only:
(i) By the payment of the dollar amount of the remittance to a domestic bank for credit to a blocked account in the name of a banking institution within such country; or
(ii) By the acquisition of foreign exchange from a person in the United States having a license specifically authorizing the sale of such exchange.

[^3](d) If the payee is within any foreign country other than a blocked country the remittance may be effected in the same manner that such remittance would be effected if the payee were not a national of a blocked country.
(2) Ail individuals making such remittances and all domestic banks effecting such remittances shall satisfy themselves that the foregoing terms and conditions are comolied with.
(3) Domestic banks through which any such remittances originate shall execute promptly Section A of Form TER-132 in triplicate with respect to each such remittance. When so executed, such copins of Form TFR-132 shall be forwerded promptly to the domestic bank. ultimately transmittine abroad (by cable or otherise) the payment instructions for such remittance and the latter bank shall, upon the receipt thereof, execute Section B of such copins of Form TFR-132 and promptly file such executed report in triplicate with the appropriate Federal Reserve Bank. If the domestic bank through which any such remittance originates is also the bank ultimately transmitting abroad the payment instructions for such remittance, then such bank shall execute both Sections A and $B$ of such report. No report on Form TFR-132 shall be deemed to have been filed in comoiiance with this generel license unless both Sections $A$ and $B$ thereof have been duly executed as herein prescribed.
(4) As used in this general license the term "houschold" shall mean:
(a) those individuals sharing a common dweling as a family; or
(b) any individual not sharing a common dwelling with others as a femily.
E. II. FOLEY, JR.

Acting Socretary of the Treasury.

TREASURY DEPARTMENT
Office of the Secretary October 23, 1941.

GENERAL LICENSE NO. 33, AS AMENDED, UNDER EXECUTIVE ORDER NO. 8389, APRIL 10, 1940, A3 AMENDED, AND REGULATIONS ISSUED PURSUANT THERETO, RELATING TO TRANSACTIONS IN FOREIGN EXCHANGE, ETC.*

General License No. 33 is amended to read as follows:
(1) A general license is hereby granted authorizing remittances by any individual through any dnmestic benk to any individual who is a citizen of the United stetes within any foreign country and any domestic bank is authorized to effect such remittances, provided the following terms and conditions are complied with:
(a) Such remittances co not exceed $\$ 500$ in any one calendar month to any payee ent his household and are mare only for the necessary living and traveling expenses of the payee and his household, except that an adतitional sum not exceeding $\$ 1000$ may be remitter once to such payee if such sum will be used for the purpose nf enabling the payee or his household to return to the United States;
(b) Such remittances are not mare from a blocked account other than from an account in a banking institution within the United States in the name of, or in which the boneficial interest is held by, the payee or members of his household.
(2) Remittances herein authorizer shall be effected pursuant to the terms and conditions of (c) or (d), as the case may be, under (I) of General License No. 32. If remittances cannot be effected pursuent to (c) under (l) of General License No. 32, domestic banks are authorized to effect such remittances in any of the following three ways:

[^4](a) By establishing or maintaining free dollar accounts;
(b) By payment of the dollar amount of the remittance to a domestic bank for credit to a blocked account in the name f a banking institution within any blocked country; or
(c) By payment of the doIlar ancunt of the remittence to a domostic bank for credit to the dollar acocunt of a banking institution which is not a national finy blocked country.
(3) All individuals making such remittances and all domestic banks effecting such remittances shall satisfy themselves that the foregoing terms and conditions are compliod with.
(4) With respect to each remittance made pursuant to this general license, reports on Form TFR-I32 shall be executed ant filed in the manner and form and under the conditions prescribed in Generol License No. 32.
(5) As used in this general license the term "household" shall be deemed to heve the meaning prescribed in General License No. 32.
E. H. FOLEY, JR.

Acting Secretary of the Treasury.

TREASURY DEPARTMENT
Office of the Secretary
October 23, 1941.
GENERAL LICENSE NO. 72, AS AMENDED, UNDER EXEOUTIVE GRUGR NO. 8389, APRIL 10, 1940, AS AMENDE, AND REGULATTONS ISSUED PURSUANT THDTETO, REJATING TO TRANSACTIONS IN FORETGN EXCHANGE, ETC.*

Paragraph (2) of General. License No. 72 is hereby amended in the following respects:
(a) The following sentinces are deleted:
"Domestic banks are outhorized to effect the payments referred to in (c) and to establish and maintain free dollar accounts if necessary, and only to the extent necessary, to effect such payments. Domustic banks are not authorized to ustablish or maintain free dollar accounts in cases where such payments may be effected in the manner prescribed in (a) or (b) of General License No. 32, as anended."
(b) The following sentence is substituted for the sentences deleted by paragraph (a) of this amendment:
"Domestic banks shall effect the payments referred to in (c) pursuant to the terms and conditions of paragraph (2) of General License No. 33."

> E. H. FOLEY, JR.

Acting Secretary of the Treasury.

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issue or on subsequent purchase, and the amount actually received either upon sale or redemption at maturity during the taxable year for which the return is made, as ordinary gain or loss.

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

Reserve Banks and Branches, following which public announcenent will be made by the Secretary of the Treasury of the amount and price range of accepted bids. Those subritting 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 imnediately available funds on $\qquad$ October 29, 1941
( $\mathrm{c}+\mathrm{x}) \mathrm{x} x$
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 anount of discount at which Treasury bills are originally sold by the United States shall be considered to be interest. Under Sections 42 and 117 (a) (I) of the Internal Revenue Code, as amended by Section 115 of the Revenue Act of 1941, the amount of discount at which bills issued hereunder are sold shall not be considered to accrue until such bills shall be sold, redeened or otherwise disposed of, and such bills are excluded from consideration as capital assets. Accordingly, the owner of Treasury bills (other than life insurance companies) issued hereunder need include in his income tax return only the difference between the price paid for such bills, whether on original

TREASURY DEPARTVENT Washington

FOR RELBASE, MORNIIG NESSPAPERS, Friday, October 24, 1941.

The Secretary of the Treasury, by this public notice, invites tenders for $\$ 150,000,000$, or thereabouts, of $\frac{91}{(- \text { day }}$-day Treasury bills, to be issued on a discount basis under competitive bidding. The bills of this series will be dated $\qquad$ October 29. 1941 , and will mature $\qquad$ , 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. Resorve Banks and Branches up to the closing hour, two oiclock p. m., Eastern Standard time, Monday, October 27, $\frac{\text { Oh41. }}{x}$. 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 piinted 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 investiment 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 a.t the Feder

## TREASURY DEPARTMENT

Washington
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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 bias. Those submitting tenders will be advised of the acceptance or rejection thereof. The Secretary of the Treasury expressiy 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 October 29, 1941.

The income derived from Treasury bills, whether interest or gain from the sale or other aisposition 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 bs 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. Under Sections 42 and 117 (a) (1) of the Internal Revenue Code, as amended by Section 115 of the Revenue Act of 1941, the amount of discount at which bills issued hereunder are sold shall not be considered to accrue until such bills shall be sold, redeemed or otherwise disposed of, and such bills are excluded from consideration as capital assets. Accordingly, the owner of Treasury bills (other than life insurance companies) issued hereunder need include in his income tax return only the difference between the price paid for such bills, whether on original issue or on subsequent purchase, and the amount actually received either upon sale or redemption at maturity during the taxable year for which the return is made, as ordinary gain or loss.

Treasury Department Circular No. 418, 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.

## Washington

FOR TMMEDIATE RELSASE,
Press Service Thursday. October 23, 1942.

Secretary of the Treasury Morgenthau announced today that the subscription books for the current offering of 1 percent Ireasury Notes of Series A-1946 will close at the close of business Friday, October 24. This offering is open only to the holders of Reconstruction Finance Corporation Hotes of Series P, maturing November 1,1941 , and of Commodity Gredit Corporation Motes of Series E, maturing Noveriber 15, 1941. The offer to apply the proceeds of payment of the Series $P$ notes and the offer to purchase Series $E$ notes, in either case the principal proceeds of payment to be applied to payment for a like par amount of the new Treasury notes, will also terminate at the close of business Friday, October 24.

Subscriptions addressed to a Federal Reserve Bank or Branch, or to the Treasury Department, and placed in the mail before $12 o^{\prime}$ clock midnight, Priday, October 24 , wiL1 be considered as having been entered before the close of the subseription books.

Announcement of the amount of subscriptions and their division among the several Federal Reserve Districts will be made later.


FOR IMMEDIATE RELEASE,
Press Service Thursday, October 23, 1941. No. 28-19

Secretary of the Treasury Morgenthau announced today that the subscription books for the current offering of 1 percent Treasury Notes of Series A-1946 will close at the close of business Friday, October 24. This offering is open only to the holders of Reconstruction Finance Corporation Notes of Series P, maturing November 1, 1941, and of Commodity Credit Corporation Notes of Series E, maturing November 15, 1941. The offer to apply the proceeds of payment of the Series $P$ notes and the offer to purchase Series E notes, in either case the principal proceeds of payment to be applied to payment for a like par amount of the new Treasury notes, will also torminate at the close of business Friday, October 24.

Subscriptions addressed to a Federal Reserve Bank or Branch, or to the Treasury Department, and placed in the mail before 12 o'clock midnight, Friday, October 24 , will be considered as having been entered before the close of the subscription books.

Announcement of the amount of subscriptions and their division among the several Federal Reserve Districts will be made later.

In making the announcement, Secretary Morgenthau reiterated his belief that it is extremely important for taxpayers to budget their ta in view of the greatly increased levies, and expressed the hope that this new plan would be helpful.

The new tables disclose, for instance, that if your net income for 1941 is $\$ 5,000$ and you are a single person with no dependents, you must save at the rate of $\$ 40$ every month, or $\$ 483$ a year, for your Federal income taxes. If you are married but have no dependents, your savings for taxes should amount to $\$ 31$ per month, or $\$ 375$ a year. If you are married and have one dependent, you must save $\$ 27$ a month, or $\$ 323$ a year. If you are married and have two dependents, you must save $\$ 23$ a month, or $\$ 271$ a year. If you a re married and have three dependents, you must save $\$ 18$ per month, or $\$ 219$ a year, for the payment of Federal income taxes.

These tables begin at the lowest taxable amount and include income tax classifications up to net incomes of $\$ 25,000$ a year. The Tax Savings Notes being offered by the Treasury are issued in two series, both dated August 1, 1941, and maturing August 1, 1943. They cannot be presented payment of income taxes before January 1, 1942 and must be held by the purchaser at least three months if they are to be used for that purpose. On January 1 of each year hereafter, two new series of notes will be provided so that a taxpayer can always purchase notes during the entire year in which he is receiving ! due his income for use in payment of taxes the following year.
(A copy of the "Know Your Taxes" pamphlet is enclosed)

TREASURY DEPARTMENT Washington

FOR RELEASE, MORNING NEWSPAPERS, Sunday, October 26, 1941.

Press Service No. 28-20

As a convenience to taxpayers, Secretary Morgenthau made public today a folder, "Know Your Taxes"
at a glance the approximate amount of individual income taxes due next year on 1941 salary and wage incomes of selected sizes and the amount of monthly savings needed to meet these payments.
the sing the secretary explained, a taxpayer may ascertain with a minimum of effort the portion of his monthly income he must set aside regularly to meet next year's tax payments.

The nnouneer the easy savings plan inaugurated last August 1. At that time the Treasury placed on sale a new type of security known as tax savings notes which enables taxpayers to save systematically and conveniently to meet next year's higher taxes. These notes bear interest when used in payment of Federal income taxes and provide the purchaser with an investment in advance to meet future taxes.

Arrangements have been made with the Federal Reserve banks to furnish each commercial bank in their district an ample supply of these folders for enclosure in the next statement of accounts mailed to depositors. In addition, it is planned to include the folder in the December reminder to taxpayers Mailed out My their $l_{0}$ Oollector of

Table showing how much you will have to pay in individual income taxes on salary and wage incomes of selected sizes and the monthly savings needed to meet these 1941 income tax payments. ${ }^{1}$

Married person living with husband or wife- No

| If your net income from salary or wages is- | You will have to pay, under the 1941 Act- | You will need to save every month payments- |
| :---: | :---: | :---: |
| \$1,500 | $\$ 6$132332 | \$1 |
| \$1,600 |  |  |
| \$1,700 |  |  |
| \$1,800 |  |  |
| \$1,900 |  |  |
| \$2,000 | $\begin{aligned} & 42 \\ & 52 \\ & 61 \\ & 71 \\ & 80 \end{aligned}$ | 44567 |
| \$2,100 |  |  |
| \$2,200 |  |  |
| \$2,300 |  |  |
| \$2,400 |  |  |
| \$2,500 | $\begin{array}{r} 90 \\ 138 \\ 186 \\ 249 \\ 312 \end{array}$ | 812162126 |
| \$3,000 |  |  |
| \$3,500 |  |  |
| \$4,000 |  |  |
| \$4,500 |  |  |
| \$5,000 | $\begin{array}{r} 375 \\ 521 \\ 687 \\ 873 \\ 1,079 \end{array}$ | 3143577390 |
| \$6,000 |  |  |
| \$7,000 |  |  |
| \$8,000 |  |  |
| \$9,000 |  |  |
| \$10,000.. | 1,3051,5511,8172,1032,409 | 109129151175201 |
| \$11,000 |  |  |
| \$12,000 |  |  |
| \$13,000 |  |  |
| \$14,000 |  |  |
| \$15,000 | $\begin{aligned} & 2,739 \\ & 3,084 \\ & 3,444 \\ & 3,819 \\ & 4,209 \end{aligned}$ | $\begin{aligned} & 228 \\ & 257 \\ & 287 \\ & 318 \\ & 351 \end{aligned}$ |
| \$16,000 |  |  |
| \$17,000 |  |  |
| \$18,000 |  |  |
| \$19,000 |  |  |
| \$20,000 | 4, 614 <br> 5, 034 <br> 5, 469 <br> 5, 919 <br> 6, 384 <br> 6, 864 | $\begin{aligned} & 385 \\ & 420 \\ & 456 \\ & 493 \\ & 532 \\ & 572 \end{aligned}$ |
| \$21,000 |  |  |
| \$22,000 |  |  |
| \$23,000 |  |  |
| \$24,000 |  |  |
| \$25,000 |  |  |

${ }^{1}$ Computed to the nearest dollar.

Table showing how much you will have to pay in individual income taxes on salary and wage incomes of selected sizes and the monthly savings needed to meet these 1941 income tax payments. ${ }^{1}$

Married person living with husband or wife-One

| If your net income from salary or wages is- | You will have to pay, under the 1941 Act- | You will need to save every month to meet 1941 tax payments |
| :---: | :---: | :---: |
| \$1,500 |  | - |
| \$1,600 |  |  |
| \$1,700 |  |  |
| \$1,800 |  |  |
| \$1,900 |  |  |
| \$2,000 | \$6 | \$1 |
| \$2,100 | 12 | 1 |
| \$2,200 | 21 | 2 |
| \$2,300 | 31 | 3 |
| \$2,400 | 40 | 3 |
| \$2,500 | 50 | 4 |
| \$3,000 | 98 | 8 |
| \$3,500 | 146 | 12 |
| \$4,000 | 197 | 16 |
| \$4,500 | 260 | 22 |
| \$5,000 | 323 | 27 |
| \$6,000 | 453 | 38 |
| \$7,000 | 619 | 52 |
| \$8,000 | 789 | 66 |
| \$9,000 | 995 | 83 |
| \$10,000 | 1, 205 | 100 |
| \$11,000 | 1, 451 | 121 |
| \$12,000 | 1,701 | 142 |
| \$13,000 | 1, 987 | 166 |
| \$14,000 | 2,277 | 190 |
| \$15,000 | 2, 607 | 217 |
| \$16,000 | 2, 940 | 245 |
| \$17,000 | 3, 300 | 275 |
| \$18,000 | 3, 663 | 305 |
| \$19,000 | 4, 053 | 338 |
| \$20,000 | 4, 446 | 371 |
| \$21,000 | 4, 866 | 406 |
| \$22,000 | 5, 289 | 441 |
| \$23,000 | 5, 739 | 478 |
| \$24,000 | 6, 192 | 516 |
| \$25,000 | 6, 672 | 556 |

Table showing how much you will have to pay in individual income taxes on salary and wage incomes of selected sizes and the monthly savings needed to meet these 1941 income tax payments. ${ }^{1}$

Married person living with husband or wife-Two dependents

| If your net income from salary or wages is- | You will have to pay, under the 1941 Act- | You will need to save every month to meet 1941 tax payments- |
| :---: | :---: | :---: |
| \$1,500 |  |  |
| \$1,600 |  |  |
| \$1,700 |  |  |
| \$1,800 |  |  |
| \$1,900 |  |  |
| \$2,000 |  |  |
| \$2,100 |  |  |
| \$2,200 |  |  |
| \$2,300 |  |  |
| \$2,400 | \$6 | \$1 |
| \$2,500 | 12 |  |
| \$3,000 | 58 |  |
| \$3,500 | 106 | 9 |
| \$4,000 | 154 | 13 |
| \$4,500 | 208 | 17 |
| \$5,000 | 271 | 23 |
| \$6,000 | 397 | 33 |
| \$7,000 | 551 | 46 |
| \$8,000 | 717 | 60 |
| \$9,000 | 911 | 76 |
| \$10,000 | 1, 117 | 93 |
| \$11,000 | 1, 351 | 113 |
| \$12,000 | 1, 597 | 133 |
| \$13,000 | 1, 871 | 156 |
| \$14,000 | 2, 157 | 180 |
| \$15,000 | 2, 475 |  |
| \$16,000 | 2, 805 | 234 |
| \$17,000 | 3, 156 | 263 |
| \$18,000 | 3, 516 | 293 |
| \$19,000 | 3, 897 | 325 |
| \$20,000 | 4, 287 |  |
| \$21,000. | 4, 698 | 392 |
| \$22,000 | 5, 118 | 427 |
| \$23,000 | 5, 559 | 463 |
| \$24,000 | 6, 009 | 501 |
| \$25,000 $\ldots$ - | 6, 480 | 540 |

Table showing how much you will have to pay in individual income taxes on salary and wage incomes of selected sizes and the monthly savings needed to meet these 1941 income tax payments. ${ }^{1}$
Married person living with husband or wife-Three dependents

| If your net income from salary or wages is- | You will have to pay, under the 1941 Act- | You will need to save every month payments- |
| :---: | :---: | :---: |
| \$1,500 |  |  |
| \$1,600 |  |  |
| \$1,700 |  |  |
| \$1,800 |  |  |
| \$1,900 |  |  |
| \$2,000 |  |  |
| \$2,100 |  |  |
| \$2,200 |  |  |
| \$2,300 |  |  |
| \$2,400 |  |  |
| \$2,500 |  |  |
| \$3,000 | \$18 | \$2 |
| \$3,500 | 66 |  |
| \$4,000 | 114 | 10 |
| \$4,500 | 162 | 14 |
| \$5,000 | 219 | 18 |
| \$6,000 | 345 | 29. |
| \$7,000 | 483 | 40 |
| \$8,000 | 649 | 54 |
| \$9,000 | 827 | 69 |
| \$10,000 | 1, 033 | 86 |
| \$11,000 | 1,251 | 104 |
| \$12,000 | 1, 497 | 125 |
| \$13,000 | 1, 755 | 146 |
| \$14,000 | 2, 041 | 170 |
| \$15,000 | 2, 343 |  |
| \$16,000 | 2, 673 | 223 |
| \$17,000 | 3, 012 | 251 |
| \$18,000 | 3, 372 | $\begin{aligned} & 281 \\ & 312 \end{aligned}$ |
| \$19,000 | 3, 741 |  |
| \$20,000 | 4, 131 |  |
| \$21,000 | 4, 530 | 378 |
| \$22,000 | 4,950 | 413 |
| \$23,000 | 5, 379 | 448 |
| \$24,000 | 5, 829 | 486 |
| \$25,000 | 6,288 | 524 |

START SAVING NOW to make tax payments easier

You will see from the tables that if your net income for 1941 is $\$ 5,000$ and you are a single person with no dependents, you must save at the rate of $\$ 40$ every month or $\$ 483$ a year for your Federal income taxes. If you are married but have no dependents, your savings for taxes should amount to $\$ 31$ per month or $\$ 375$ a year. If you are married and have one dependent, you must save $\$ 27$ per month or $\$ 323$ a year. If you are married and have two dependents, you must save $\$ 23$ per month or $\$ 271$ a year. If you are married and have three dependents, you must save $\$ 18$ per month or $\$ 219$ a year for the payment of Federal income taxes.

CONSULT YOUR BANK about Tax Savings Notes
The Tax Savings Notes being offered by the Treasury to make it easier for taxpayers to plan ahead ace and maturing August 1, 1943. They bear interest only when used to pay income taxes up to and including the month when the tax payment is made. The ing the month when the tax payment is made. The nefore January 1, 1942, and must be held by the purbefore January 1,1942 , and must he hat least three months if they are to be used for chaser at least three months if they are to be hereafter, that purpose. On January 1 of each year hereatter, two new series of Notes will be provided so that a year year in which he is receiving his income for use in payment of taxes due the forme year. Dhe remainto save 1 in calendar year to be used for paring months of this calendar year to be used for pay ment of Federal income taxes.

The Treasury urges that you go immediately to your neighborhood bank to secure detailed information about the Tax Savings Plan and how you personally can best take advantage of it. Treasury Department Circular No. 667 describing the Tax Savings Notes in detail has been sent to all banks, where you will find someone who will be glad to answer any questions.
It is extremely important that the increased Federal income taxes vitally necessary for National Defense be provided for in your budget as you would provide for other expenses.

UNITED STATES TREASURY

## KNOW

 YOUR TAXESA Message to Taxpayers from the Secretary of the Treasury
Through our representatives in Congress we have decided upon an "all-out" defense program. We have also expressed our preference for paying as much as possible of the cost of defense out of current earnings. Your Government, therefore is anxious that each taxpayer know as promply as possible what his in axpayer hill will have had prepared the attached tables showing what have will have to pay in the coming yowng wha oh of your monthly income you should regularly for tax payments.
Tax Savings Notes are now being sold by the Treasury because thousands of citizens asked for a plan to nable them to save money systematically and con veniently for this purpose. When you examine the attached tables you will, I think, see the usefulness of these Treasury Notes in helping you to meet your own tax payments next year. I am sure that your neighborhood bank will be glad to help you start such a savings program. If you wish any additional information, I shall be glad to have you write to me at the Treasury Department, Washington, D. C.

- Hewry Morgentian So.

October 20, 1941.

THe attached tables show how much you will have to pay in individual income taxes on 1941 salary and wage incomes of selected sizes and the savings needed to meet these payments. If your gross income is not more than $\$ 3,000$ and consists wholly of salaries, wages, other compensation for personal services, dividends, interest, rent, annuities, or royalties, you may make your tax payments in accordance with the instructions contained in Form 1040-A. In this case your tax will be slightly different from that shown in the following tables, but the monthly savings necessary will be approximately the same.

Table showing how much you will have to pay in individual income taxes on salary and wage incomes of selected sizes and the monthly savings needed to meet these 1941 income tax payments. ${ }^{1}$
Single person-Not head of family - No dependents

| If your net income from salary or wages is | You will have to pay, under the 1941 Act - | You will need to save every month payments- |
| :---: | :---: | :---: |
| \$750 |  |  |
| \$800 | \$3 | (2) |
| \$900 | 11 | \$1 |
| \$1,000 | 21 |  |
| \$1,100 | 31 |  |
| \$1,200 | 40 |  |
| \$1,300 | 50 |  |
| \$1,400 | 59 |  |
| \$1,500 | 69 |  |
| \$2,000. | 117 | 10 |
| \$2,500 | 165 | 14 |
| \$3,000 | 221 | 18 |
| \$3,500- | 284 | 24 |
| \$4,000 | 347 | 29 |
| \$5,000 | 483 | 40 |
| \$6,000 | 649 | 54 |
| \$7,000 | 825 | 69 |
| \$8,000 | 1, 031 | 86 |
| \$9,000 | 1,247 | 104 |
| \$10,000 | 1,493 | 124 |
| \$11,000 | 1, 749 | 146 |
| \$12,000. | 2, 035 | 170 |
| \$13,000 | 2, 331 | 194 |
| \$14,000 | 2,657 | 221 |
| \$15,000 | 2,994 | 250 |
| \$16,000 | 3, 354 | 280 |
| \$17,000 | 3, 722 | 310 |
| \$18,000 | 4, 112 | 343 |
| \$19,000. | 4, 509 | 376 |
| \$20,000 | 4, 929 | 411 |
| \$21,000 | 5,357 |  |
| \$22,000 | 5, 807 | 484 |
| \$23,000 | 6, 264 | 522 |
| \$24,000 | 6, 744 | 562 |
| \$25,000 | 7, 224 | 602 |

${ }_{2}^{1}$ Computest to the nearest dollar

## TREASURY DEPARTMENT Washington

FOR RELEASE, MORNING NEWSPAPERS, Sunday, October 26, 1941.

Press Service
No. 28-20

As a convenience to taxpayers, Secretary Morgenthau made public today a folder, "Know Your Taxes," "which shows at a glance the approximate amount of individual income taxes due next year on 1941 salary and wage incomes of selected sizes and the amount of monthly savings needed to meet these payments.

Arrangements have been made with the Federal Reserve banks to furnish each commercial bank in their district an ample supply of these folders for enclosure in the next statement of accounts mailed to depositors. In addition, it is planned to include the folder in the December "reminder" to taxpayers mailed out by their local Collectors of Internal Revenue.

By using this simple guide, the Secretary explained, a taxpayer may ascertain with a minimum of effort the portion of his monthly income he must set aside regularly to meet next year's tax payments.

The new tax tables augment the easy savings plan inaugurated last August 1. At that time the Treasury placed on sale a new type of security known as Tax Savings Notes which enables taxpayers to save systematically and conveniently to meet next year's higher taxes. These notes bear interest when used in payment of Federal income taxes and provide the purchaser with an investment in advance to meet future taxes.

In making the announcement, Secretary Morgenthau reiterated his belief that it is extremely important for taxpayers to budget their taxes in view of the greatly increased levies, and expressed the hope that this new plan would be helpfui.

The new tables disclose, for instance, that if your net income for 1941 is $\$ 5,000$ and you are a single person with no dependents, you must save at the rate of $\$ 40$ every month, or $\$ 483$ a year, for your Federal income taxes. If you are married but have no dependents, your savings for taxes should amount to $\$ 31$ per month, or $\$ 375$ a year. If you are married and have one dependent, you must save $\$ 27$ a month, or $\$ 323$ a year. If you are married and have two dependents, you must save $\$ 23$ a month, or $\$ 271$ a year. If you are married and have three dependents, you must save $\$ 18$ per month, or $\$ 219$ a year, for the payment of Federal income taxes.

These tables begin at the lowest taxable amount and include income tax classifications up to net incomes of $\$ 25,000$ a year. The Tax Savings Notes being offered by the Treasury are issued in two series, both dated August 1, 1941, and maturing August 1, 1943. They cannot be presented in payment of income taxes before January 1,1942 , and must be held by the purchaser at least three months if they are to be used for that purpose. On January 1 of each year hereafter, two new series of notes will be provided so that a taxpayer can always purchase notes during the entire year in which he is receiving his income for use in payment of taxes due the following year.
(A copy of the "Know Your Taxes" pamphlet is enclosed)
which he considers warrant exemption. The first general license of this character was issued under date of October 16, signed by the Commandant of the Coast Guard and approved by Herbert E. Gaston as Acting Secretary of the Treasury. It provided for the free movement of vessels except those falling into certain specified categories or others specially segregated. Its effect has been to require licenses for the movements of small vessels and small boats where such activity is within 100 feet of navy yards, arsenals and other prescribed types of waterfront property ${ }_{k}$ in the interest of national defense.

While there are many exceptions to the exemptions, and while at any time more rigid enforcement may be immediately applied, the enforcement at present is of such a nature as to suet in minimum intafereng with legitimate and necessary activities in American ports.

Local enforcement of the new regulations for the movement of vessels is under the direction of the Coast Guard officers already designated as Captains of the Port in all the principal seaports of the United\&tatery

## United States Coast Guard Washington

FOR RELEASE, AFOEPNNON PAPERS, Friday, October 24, 1941 10/23/41<br>NEW REGULATIONS GOVERNING VESSFE<br>MOOHMMMT IN AMERICAN PORTS

Press Service No. 28-21

Anchorage regulations for vessels in the navigable waters of the United States, of far reaching significance as a national defense measure, have 3 The new regulations permit the evert Guard a cnotwil fill the mene the President. These have been followed by the granting of a general \% u license for the movement of certain classes of vessels by the Commandant a of the Coast Guard, under whose direction Captains of the Ports throughout the country operate. the ship or her cargo could reasonably be considered to be in danger.

In order that the new regulations may not prove burdensome to shipping, they will be applied only in part, except in such instances or at such time as it may be necessary to invoke them in full. To afford relief from strict compliance with the regulations, the Commandant of the Coast Guard has been empowered to issue general licenses to classes of vessels

## TREASURY DEPARTMENT United States Coast Guard Washington

FOR RELEASE, MORNING NEWSFAPERS, Saturiay, October $25,1941$.

Press Service No. 28-21

Anchorage regulations for vessels in the navigable waters of the United States, of far reaching significance as a national defense measure, have been published by the Treasury Department with the approval of the President. The new regulations permit the Coast Guard to control fully the movements of vessels of all types in harbors of the United States. These have been followed by the granting of a general license for the movement of certain classes of vessels by the Commandant of the Coast Guard, under whose direction Captains of the Ports throughout the country operate.

According to Rear Admiral Russell R. Waesche, the Commandant, the new regulations will, if found necessary, prove a most effective means of protection of shipping and shipping facilities, for they place in the hands of the Coast Guard, the Federal maritime Iaw enforcement agency, the means of preventing ships from proceeding to or remaining at docks, piers, and terminals where conditions are such that the ship or her cargo could reasonably be considered to be in danger.

In order that the new regulations may not prove burdensome to shipping, they will be applied only in part, except in such instances or at such time as it may be necessary to invoke them in full. To afford relief from strict compliance with the regulations, the Commendant of the Coast Guard has been empowered to issue general licenses to classes of vessels which he considers warrant exemption. The first general license of this character was issued under date of October 16, signed by the Commandant of the Coast Guard and approved by Herbert E. Gaston as Acting Secretary of the Treasury. It provided for the free movement of vessels except those falling into certain specified categories or others specially segregated. Its effect has been to require licenses for the movements of small vessels and small boats where such activity is within 100 feet of navy yards, arsenals and other prescribed types of waterfront property.

While there are many exceptions to the exemptions, and while at any time more rigid enforcement may be immediately applied, the enforcement at present is of such a nature as to result in minimum interference with legitimate and necessary activities in American ports.

Local enforcement of the new regulations for the movement of vessels is under the direction of the Coast Guard officers already designated as Captains of the Port in all the principal seaports of the United States.

TREASURY DEPARTMETTT
Washington.

FOR IIMEDIATE RETEASE Friday, October 24, 1941

Press Service Mo. 23-22

The Treasury Department today announced the amendment of General License Mo. 9 issued under the freezing order and relating to the purchase and sale of commodity futures contracts for the accounts of blocked nationals. The amended license permits transactions only for the purpose of covering short positions or liquidating long positions taken prior to October 25, 1941.

TREASURY DEPARTMENT
Office of the Secretary October 24, 1941

> GENERAL LICENSE NO. 9, AS AMENDED, UNDER EXECUTIVE ORDER NO, 8389 , APRIL IO, I94O, AS AMENDED, AND REGULGIONS IGSUED PURSUANT THERETO, FEILATNG TO TRANSECTIONS IN FOREIGN EXCHANGE, ETC.**

General License No. 9 is amended to read as follows:
(I) A general license is hereby granted authorizing the bona fide purchase anc sale of commocity futures contracts and of evidences of ownership of actuel commodities on an exchange or board of trade within the United States by banking instituticns within the United States, for the account of nationals of any blocked country, pursuant to the instructions of such nationals, and necessary transfers or other dealings in evidences of ownership of commodities, transfers of credit and payments between acocunts in banking institutions within the United States as requires in connection with such purchases or sales or because of fluctuations in the market value of the commodities covered by such contracts or evidences of ownership, provided that:
(a) No such purchase shall be made except for the purpose of covering a short position taken prior to October 25, 1941, in the accrunt of the natinnal for whom the purchase is mace;
(b) No such sale shall be made except for the

* Part 131; - Sec. 5 (b), 40 3tat. 415 and 966 ; sec. 2, 48 Stat. 1; 54 Stat. 179 ; Jx. Orier 8389, April 10, 1940, as amended by Ex. Order 8785, June 14, 1941; and Ex. Orcer 8832, July 26, 1941; Regulations, April 10, 1940, as amender June 14, 1941, and July 26, 1941.
purpose of liquidating a long position taken prinr to Octcber 25, 1941, in the account of the national for whom the sale is made; and
(c) In the case of either purchase or sale the net proceeds of the transaction are credited to a blocked account in the name of the national for Whose account the transaction was effected and in the banking institution within the United Statfs which maintains the account for which the transaction was effected.
(2) Each banking institution encaging in any transaction herein authorizec is required to file promptly with the appropriate Federal Reserve Brak monthly roports showing the details of each such trensaction, inclurine a description of the commodity futures contracts or evicences of ownership of actual commodities purchased or sold, the dates of the purchases or sales, the persons for whose account the purchases or sales were made, the price at which each purchase was made, the name of the exchande or brard of trade on Which each such transacticn was effected, an the net market position in the commodity in question of the national for whose acccunt the transaction was effecter before such transaction and after such transactinn.
E. H. FOLEY, JR.

Acting Secretary of the Treasury.

## TREASURY DEPARTMITMT

Washington
FOR RELSASE, MORNTMG HEMSPAPMRS, Tuesday, October 28, 1941 10/27/41

Press Service
№. $28-23$

The Secretary of the Treasury announced last evening that the tenders for $\$ 150,000,000$, or thereabouts, of 91 -day Treasury 8111 s , to be dated October 29,1941 , and to mature January 28,1942 , which were offered on October 24, were opened at the Federal Reserve Banks on October 27.

The details of this issue are as follows:
Total applied for - $\$ 269,407,000$
Total accepted - 150,010,000
Range of accepted bids: (excepting one tender of $\$ 10,000$ )
High -100 .
$\begin{array}{lll}\text { Low - } & 99.973 & \text { Equivelent rate approximately } 0.107 \\ 0.067 & 0.067 & \text { percent }\end{array}$ Average price - 99.983
(73 percent of the amount bid for at the low price was accepted)


## TREASURY DEPARTMENT Washington

FOR REIEASE, MORNING NEWSPAPERS,
Press Service
No. 28-23 Tuesday, October 28, 1941. $10 / 27 / 41$

The Secretary of the Treasury announced last evening that the tenders for $\$ 150,000,000$, or thereabouts, of 91 -day Treasury bills, to be dated Qctober 29, 1941, and to mature January 28 , 1942, which were offered on October 24, were opened at the Federal Reserve Banks on October 27.

The details of this issue are as follows:
Total applied for - \$269,407,000
Total accepted - 150,010,000
Range of accepted bids: (excepting one tender of $\$ 10,000$ )
High - 100.
Low - 99.973 Equivalent rate approximately 0.107 percent Average

Price - 99.983 " " 0.067 "
(73 percent of the amount bid for at the low price was accepted)

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issue or on subsequent purchase，and the amount actually received either upon sale or redemption at naturity during the taxable year for which the return is made，as ordinary gain or loss．

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

Reserve Banks and Branches, following which public announcenent will be made by the Secretary of the Treasury of the amount and price range of accepted bids. Those subraitting 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 November 5, 1941

The incone 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 anount of discount at which Treasury bills are originally sold by the United States shall be considered to be interest. Under Sections 42 and 117 (a) (I) of the Internal Revenue Code, as anended by Section 115 of the Revenue Act of 1941, the amount of discount at which bills issued hereunder are sold shall not be considered to accrue until such bills shall be sold, redeened or otherwise disposed. of, and such bills are excluded from consideration as capital assets. Accordingly, the owner of Treasury bills (other than life insurance companies) issued hereunder need include in his income tax return only the difference between the price paid for such bills, whether on original

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## TRPASURY DEPARTMENT

## Washington

FOR REIEASE, NORNING NEWSPAPHPS, Wednesday, October 29, 1941..
$x(-1 x) x$

The Secretary of the Treasury, by this nublic notice, invites tenders for $\frac{\$ 150,000,000}{(a) x}$, or thereabouts, of $\frac{91}{(3) x}$ day Treasury bills, to be issued on a discount basis under competitive bidding. The bills of this series will be dated $\qquad$ , and will mature $\qquad$ 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 Resorve Banks and Branches up to the closing hour, two o'clock p. m., Eastern Standerd time, Friday, October 31, 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 nade on the p\#inted 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 fron 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.

TREASURY DEPARTMENT' Washington

FOR RELEASE, MORNING NEWSPAPERS, Wednesday, October 29, 1941.

The Secretary of the Treasury, by this public notice, invites tenders for $\$ 150,000,000$, 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 November 5, 1941, and will mature February 4, 1942, when the face amount wili 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, Friday, October 31, 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 November 5, 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
28-24
originally sold by the United States shall be considered to be interest. Under Sections 42 and 117 (a) (1) of the Internal Revenue Code, as amended by Section 115 of the Revenue Act of 1941, the amount of discount at which bills issued hereunder are sold shall not be considered to accrue until such bills shall be sold, redeemed or otherwise disposed of, and such bills are excluded from consideration as capital assets. Accordingly, the owner of Treasury bills (other than life insurance companies) issued hereunder need include in his income tax return only the difference between the price paid for such bills, whether on original issue or on subsequent purchase, and the amount actually received either upon sale or redemption at maturity during the taxable year for which the return is made, as ordinary gain or loss.

Treasury Department Circular No. 418, 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.

## TREASUEX DEPARTMESNT

## Washington

FOR IMEDIATE RELEASE, Thursday. October 30, 1942.

Press Service 72 $28-25$

Secretary of the Treasury Morgenthan today announced the final subscription and allotment figures with respect to the current offering of 1 percent Treasury Notes of Series A-1946.

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 Reconstruction Finance Corporation Notes of Series P | Total Subscriptions Heceived from Holders of Comnodity Credit Corporation Notes of Series $\mathbf{F}$ | Total Subscri tions Receive (Allotted in full) |
| :---: | :---: | :---: | :---: |
| Boston | \$ 1,020,000 | \$ 5,887,000 | 6,907,000 |
| New York | 227,076,000 | 132,088,000 | 359,164,000 |
| Philadelphia | 1,512,000 | 5,741,000 | 7,253,000 |
| Cleveland | 4,712,000 | 8,267,000 | 12,979,000 |
| Richmond | 3,848,000 | 2,647,000 | 6,495,000 |
| Atlanta | 250,000 | 1,450,000 | 1,700,000 |
| Chicago | 51,712,000 | 29,091,000 | 80,803,000 |
| St. Louis | 2,010,000 | 3,755,000 | 5,765,000 |
| Minneapolis | 2,170,000 | 3,250,000 | 5,420,000 |
| Kansas City | 2,731,000 | 3,401,000 | 6,132,000 |
| Dallas | 1,920,000 | 6,041,000 | 7,961,000 |
| San Francisco | 590,000 | 1,504,000 | 2,094,000 |
| Treasury | \% $\begin{array}{r}10,000 \\ \hline 299.561,000\end{array}$ | -300,000 | 310,000 |
| TOTAL | \$299,561,000 | \$203,422,000 | \$502,983,000 |

## TREASURY DEPARTMENT

## Washington

FOR IMMEDIATE RELHASE,
Press Service
Thursday, October 30, 1941. No. 28-25

Secretary of the Treasury Morgenthau today announced the final subscription and allotment figures with respect to the current offering of 1 percent Treasury Notes of Series A-1946.

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

Federal Reserve District

Boston
New York
Philadelphia
Cleveland
Richmond
Atlanta
Chicago
St. Louis Minneapolis Kansas City
Dallas
San Francisco
Treasury

TOTAL

Total Subscriptions Received from Holders of Reconstruction Finance Corporation Notes of Series P
\$ 1,020,000
227,076,000
1,512,000
4,712,000
3,848,000
250,000
51,712,000 2,010,000 2,170,000 2,731,000 1,920,000

590,000
10,000
\$299,561,000

Total Subscriptions Received from Holders of Commodity Credit Corporation Notes of Series $\Xi$

| $5,887,000$ |
| ---: |
| $132,088,000$ |
| $5,741,000$ |
| $8,267,000$ |
| $2,647,000$ |
| $1,450,000$ |
| $29,091,000$ |
| $3,755,000$ |
| $3,250,000$ |
| $3,401,000$ |
| $6,041,000$ |
| $1,504,000$ |
| 300,000 |

$\$ 203,422,000$

Total Subscriptions Received (Allotted in full)
\$ 6,907,000 359,164,000

7,253,000 12,979,000
6,495,000
1,700,000 80,803,000
5,765,000
5,420,000
6,132,000
7,961,000
2,094,000
310,000
\$502,983,000

## TREASURY DEPARTMENT

Washington

FOR IMMEDIATE RELEASE, Friday, October 31, 1941.

Press Service No. $28-26$

The Treasury announced today the denial of applications for licenses authorizing the purchase of Silesian Holding Company by European interests. The proposed transaction, applications covering which have been denied, would have involved also a loan by such European interests to Silesian-American Corporation. Previous applications involving a similar transaction were denied prior to the maturity on August 1, 1941 of the Silesian-American Corporation bonds.
$-000=$

## TREASURY DEPARTMENT Washington

FOR IMMEDIATE RELEASE,
Press Service Friday, October 31, 1941. No. 28-26

The Treasury announced today the denial of applications for licenses authorizing the purchase of Silesian Holding Company by European interests. The proposed transaction, applications covering which have been denied, would have involved also a loan by such European interests to Silesian-American Corporation. Previous applications involving a similar transaction were denied prior to the maturity on August 1,1941 of the Silesian-American Corporation bonds.

TREASURY DEPARTMENT Washington

FOR IMMEDIATE RBLTHASH

The Treasury announced today the denial of an
application to purchase Schering Corporation of Bloomfield, New Jersey, by a group consisting primarily of employees of that corporation.

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TREASURY DEFARTMENT Washington

FOR IMMEDIATE RELEASE, Friday, October 31, 1941.

Press Service No. 28-27

The Treasury announced today the denial of an application to purchase Schering Corporation of Bloomfield, New Jersey, by a group consisting primarily of employees of that corporation.

## TREASURY DEPARTIEENT

## Washington

FOR FELEASB, MORNIIG NEWSPAPRRS,
Press Service Saturday. November 1. 1941. 10/31/41

The Secretary of the Treasury announced last evening that the tenders for $\$ 150,000,000$, or thereabouts, of 91 -day Preasury b111s, to be dated November 5 , 1941, and to mature February 4, 1942, which were offered on October 29, were opened at the Federal Reserve Banks on October 31.

The details of this issue are as follows:
Total applied for $-\$ 199,998,000$
Total accepted - 150,098,000
Range of accepted bids:

| High | -100. |  |  |  |  |  |
| :--- | :--- | :--- | :--- | :--- | :--- | :--- |
| Low | -99.944 | Equivalent rate approximately 0.222 | percent |  |  |  |
| Lverage price | -99.962 | $n$ | $n$ | $n$ | 0.151 | n |

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

## TREASURY DEPARTMENT Washington

| FOR RELEASE, MORNING NEWSPAPERS, | Press Service |
| :--- | :---: |
| Saturday, November $1,1941$. | No. $28-28$ | Saturday, November 1, 1941. No. 28-28

## 10/31/41

The Secretary of the Treasury announced last evening that the tenders for $\$ 150,000,000$, or thereabouts, of 91 -day Treasury bills, to be dated November 5, 1941, and to mature February 4, 1942, which were offered on October 29, were opened at the Federal Reserve Banks on October 31.

The details of this issue are as follows:
Total applied for - \$199,998,000
Total accepted - 150,098,000
Range of accepted bids:
High - 100.
Low - 99.944 Equivalent rate approximately 0.222 percent
Average
Price - 99.962 "
"
"
0.151 "
( 52 percent of the amount bid for at the low price was accepted)
$\frac{\text { STATUPORY DEBT IIMITATION }}{\text { AS OF OCTOBER } 31,1941}$

Section 21 of the Second. Iiberty 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 that may be outstanding at any one time

Outstanding as of October 31, 1941:
Interest-bearing:
Bonds -
Treasury
Savings (Maturity value)*
Depositary
Adjusted Service
Treasury notes
Certificates of indebtedness
Treasury bills (maturity value)

Matured obligations, on which interest has ceased
Face amount of obligations
issuable under above authority

$$
\begin{array}{rr}
\$ 31,759,318,650 \\
6,654,365,642 \\
60,851,000 \\
735,189,857 \\
\$ 10,934,126,975 & \$ 39,209,725,149 \\
2,556,550,000 \\
1,404,367,000 & \frac{14,895,043,975}{\$ 54,104,769,124} \\
& 167,149,050
\end{array} \quad 1 \begin{aligned}
& \text { 54,271,918,174} \\
& \\
&
\end{aligned}
$$

## Reconcilement with Daily Statement of the United States Treasury October 31, 1941

Total face amount of outstanding public debt obligations issued under authority of the Second Iiberty Bond Act, as amended
Deduct, unearned discount on Savings bonds (difference between current redemption value and maturity value)

Add other public debt obligations outstanding but not subject to the statutory limitation:

Interest -bearing (Pre-War, etc.) $\$ 1.96,046,600$ Matured obligations on which interest
has ceased
Bearing no interest
$12,349,360$
$364,133,871$
Total gross debt outstanding as of Octo ber 31, 1941 according to preliminary public debt statement $\$ 5,393,965,508$.

## STATUTORY DEBT LIMITATION AS OF OCTOBER 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:
\$otal face amount that may be outstanding at any one time $\$ 65,000,000,000$

Outstanding as of October 31, 1941:
Interest-bearing: Bonds Treasury
$\$ 31,759,318,650$
Savings (Maturity
value)*
Depositary

$$
6,654,365,642
$$

60,851,000
Adjusted Service
Treasury Notes
Certificates of indebtedness
Treasury bills
(maturity value)
$735,189,857 \quad \$ 39,209,725,149$
$\$ 10,934,126,975$
2,556,550,000
1,404,367,000
$\frac{14,895,043,975}{\$ 54,104,769,124}$
Matured obligations, on which interest has ceased
$167,149,050$

## 54, 271,918, 174

Face amount of obligations issuable under above authority

$$
10,728,081,82 \epsilon
$$

Reconcilement with Daily Stetement of the United States Treasury October 31, 1941
Total face amount of outstanding public debt obligetions issued under authority of the Second Liberty Bond Act, is amended
Deduct, unearned discount on Savings bonds (difference
between current redemption value end meturity velue)
Add other public debt obligations outstending but not $\$ 54,271,918,174$ subject to the statutory limitation:

Interest-bearing (Pre-War, etc.) \$ 196,046,600
Matured obligations on which interest has ceased
Bearing no interest
12,349,360
364,133,871
Totel gross debt outstanding as of October 31, 1941
*Approximate maturity value. Principel emount (current redemption value) eccording to preliminery public debt statement $\$ 5,393,965,508$.

28-29

Press Service
No. 28-30

## Wednesday, November 5, 1941.

 11/4/41Conmissioner of Customs W. R. ohnson today issued the following statement showing imports of distilled liquors and wines, and duties collected thereon, covering August, 1941, with comparative figures for August, 1940, and July, 1941 and the eight month periods ending Augustx弱 1941 and August 1940 respectively:

|  | August $1941$ | $\begin{aligned} & \text { July } \\ & 1941 \end{aligned}$ | $\begin{gathered} \text { August } \\ 194.0 \\ \hline \end{gathered}$ | $\frac{8 \text { months endi }}{1941}$ | $\frac{\text { August } 31,}{1940}$ |
| :---: | :---: | :---: | :---: | :---: | :---: |
| Stock in Customs Bonded Warehouses at beginning | 8,007,581 |  |  |  |  |
| Total Imports (Free and Dutiable) | 1,150,060 | 7,964,421 | 1,187,033 | 8,223,455 | 4,474,317 |
| Available for Consumption |  | 8,740,162 | 8,998,694 | 7,223,159 | 10,795,625 |
| Entered into Consumption (a) | -853,348 | -727,953 | $\begin{array}{r} 3,998,694 \\ 503,721 \end{array}$ | 15,446,614 | $15,269,942$ |
| Exported from Gustoms Gustody | 3,704 | 4,628 | 1,119 | 32,578 | $\begin{array}{r} 6,757,794 \\ 18,294 \end{array}$ |
| Stock in Customs Bonded Warehouses at end | 8,300,589 | 8,007,581 | 8,493,854 | 8,300,589 | 8,493,854 |
| STILL WINES (Liquid Gallons): |  |  |  |  |  |
| Stock in Customs Bonded Warehoye beginning | 2,153,013 | 2,135,198 | 1,556,098 | 1,516,518 |  |
| Total Imports (Free and Dutiabl(e) | 97,844 | 187,537 | 195,875 | 1,692,002 | $\begin{aligned} & 1,67,499 \\ & 2,676,222 \end{aligned}$ |
| Available for Consumption | 2,250,85? | 2,322,735 | 1,751,973 | 3,208,520 | $\begin{aligned} & 2,676,222 \\ & 3,959,721 \end{aligned}$ |
| Entered into Consumption (a) | 98,273 | 168,888 | 1,102,434 | 1,052,320 | $\begin{aligned} & 3,959,721 \\ & 2,304,070 \end{aligned}$ |
| Exported from Customs Gustody | 493 | , 834 | -801 |  | 2,304,070 |
| Stock in Customs Bonded Warehouses at end | 2,152,091 | 2,153,013 | 1,648,738 | 2,152,091 | 1,648,738 |
| SPARKLING WINES (Liquid Gallons): |  |  |  |  |  |
| Stock in Customs Bonded Warehouges ${ }^{\text {at }}$ beginning | 214,693 | 218,624 |  |  |  |
| Total Imports (Free and Dutiab(e)) | 322 | 1,473 | $1,431$ | $44,519$ | $\begin{aligned} & 310,146 \\ & 272,164 \end{aligned}$ |
| Available for Consumption | 215,015 | 220,097 | 373,407 | 265,809 | 648,910 |
| Entered into Consumption (a) | 3,629 | 5,273 | 17,983 | 52,782 | 293,017 |
| Exported from Customs Custody | -199 | $\underline{131}$ | , $0^{3}$ | 2, 2,140 | 3,017 |
| Stock in Customs Bonded Warehouses at end | 210,887 | 21.4,693 | 355,339 | 210,887 | 355,339 |

DUTIES COLLECTED ON:
Distilled Liquors
Still Wines
Sparkling Wines
Total Duties Collected on Liquor
Total Duties Collected on Other Commodities TOTAL DUPTES COLTEGTBD

| $\$ 2,076,548$ | $\$ 1,778,783$ | $\$ 1,208,466$ | $\$ 17,497,275$ | $\$ 16,679,301$ |
| ---: | ---: | ---: | ---: | ---: |
| 77,956 | 136,690 | 92,549 | 943,982 | $1,91,196$ |
| 10,545 | 15,306 | 51,573 | 152,485 | 869,916 |
| $\$ 2,165,049$ | $\$ 1,930,779$ | $\$ 1,352,588$ | $\$ 18,593,742$ | $\$ 19,463,413$ |
| $32,346,186$ | $34,812,200$ | $23,277,643$ | $285,971,641$ | $200,365,102$ |
| $\$ 34,511,235$ | $\$ 36,742,979$ | $\$ 23,630,231$ | $\$ 304,565,383$ | $\$ 219,828,515$ |

Percent Colleeted on Liquor
(a) Including withdrawals for ship supplies and diplomatic use.

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## TREASURY DEPARTMENT

 WashingtonFOR RELEASE, MOFNING NEWSPAPERS,
Press Service
No . 28-30
Commissioner of Customs W. R. Johnson today issued the following statement showing imports of distilled liquors and wines, and duties collected thereon, covering August, 1941, with comparative figures for August, 1940, and July, 1941, and the eight month periods ending August 1941 and August 1940, respectively:

| August | July | August | $\frac{8}{8}$ months ending Aug. 31. |  |
| :---: | :---: | :---: | :---: | :---: |
|  | 1941 | 1941 | 1940 | $\frac{1941}{1940}$ |

DISTILLED LIQUORS
(Proof Gallons)
Stock in Customs
Bonded Warehouses
at beginning......: 8,007,581 7,775,741 7,811,661 8,223,455 4,474,317
Total Imports (Free and Dutiable).... 1,150,060 964,421 1,187,033 7,223,159 10,795,625
Available for Consumption......... 9,157,641 8,740,162 8,998,694 15,446,614 15,269,942
Entered into Con sumption (a)..... 853,348 727,953 503,721 7,113,447 6,757,794
Stock in Customs. Bonded Warehouses at end............ 8,300,589 8,007,581 8,493,854 8,300,589 8,493,854
STILL WINES (Liquid
Gallons)
Stock in Customs
Bonded Warehouses
at beginning.......
2,153,013 2,135,198
Total Imports (Free and Dutiable)....

97,844 187,537
195,875
1,692,002
2,676,222
Available for Con-
sumption..........
Entered into Consumption (a).....

98,273 168,888
102,434
1,052,320
2,304,070
Stock in Customs Bonded Warehouses at end.......... 2,152,091 2,153,013 1,648,738 2,152,091 1,648,738
SPAFKLING WINES
(Liquid Gallons)
Stock in Customs bonded Warehouses
at beginning........ 214,693 218,624 371,976 221,290 376,746
Total Imports (Free
and Iutiable.)........ 322
1,473 1,431
44, 519
272,164
Available for Con-
sumption.......... 215,015 220,097 373,407 265,809 648,910

Entered into Con$\begin{array}{llllll}\text { sumption (a)...... } 3,629 & \text { 27, } 273 & \text { 27,983 } & \text { 293, } 017\end{array}$
Stock in Customs Bonded Var ehouses
at end............ $210,887 \quad 214,693 \quad 355,339 \quad 210,887 \quad 355,339$

Distilled Liquors \$2,076,548 \$1,778,783 \$1,208,466 \$17,497,275 \$16,679,301
Still Wines
Sparkling Wines
Total Duties Collected
on Liquor \$2,165,049 \$1,930,779 \$1,352,588 \$18,593,742 \$19,463,413
(a) Including withdrawals for ship supplies and diplomatic use.

## ALPHA

issue or on subsequent purchase, and the amount actually received either upon sale or redemption at maturity during the taxable year for which the return is made, as ordinary gain or loss.

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

## $\times$ AITREA

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 subraitting 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 imnediately available funds on November 12, 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. Under Sections 42 and 117 (a) (1) of the Internal Revenue Code, as amended by Section 115 of the Revenue Act of 1941, the amount of discount at which bills issued hereunder are sold shall not be considered to accrue until such bills shall be sold, redeemed or otherwise disposed of, and such bills are excluded from consideration as capital assets. Accordingly, the owner of Treasury bills (other than life insurance companies) issued hereunder need include in his income tax return only the difference between the price paid for such bills, whether on original

## ALPHA

## TREASURY DEPARTMENT

## Washington

FOR RELEASE, MORNING NEWSPAPERS, Wednesday, November 5, 1941 ( 1 )

The Secretary of the Treasury, by this public notice, invites tenders for $\frac{150,000,000}{(0)}$, or thereabouts, of $\frac{91}{(-8)}$-day Treasury bills, to be issued on a discount basis under competitive bidding. The bills of this series will be dated $\qquad$ , and will mature February 11, 1942
$\qquad$ 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 att Federal Reserve Banks and Branches up to the closing hour, two o' clock p. m., Eastern Standard time, Friday, November 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 pinned 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 mount 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 att the Federal

TREASURY DEPARTMENT Washington

FOR RELEASE, MORNING NEWSPAPERS, Wednesday, November $5 ; 1941$.

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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 November 12, 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. Under Sections 42 and

117 (a) (I) of the Internal Revenue Code, as amended by Section 115 of the Revenue Act of 1941, the amount of discount at which bills issued hereunder are sold shall not be considered to accrue until such bills shall be sold, redeemed or otherwise disposed of, and such bills are excluded from consideration as capital assets. Accordingly, the owner of Treasury bills (other than life insurance companies) issued hereunder need include in his income tax return only the difference between the price paid for such bills, whether on original issue or on subsequent purchase, and the amount actually received either upon sale or redemption at maturity during the taxable year for which the return is made, as ordinary gain or loss.

Treasury Department Circular No. 418, 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.
burn; one place where men and women may work out their destiny in ways of their own fashioning. And we want it understood that while Hitler's domain reeks with blasphemy, America is one place where the Golden Rule, which is the very essence of democracy, is respected as a sound principle upon which to conduct humen affairs.

Oppressed, stricken people everywhere, have their eyes fixed upon we America. It is earnestly to be hoped that seeing the flame which/are resolved shall be kept aloft, they may find heart for the struggle, however long-deferred it must needs be, to reclaim the liberty which they have lost and for which they yearn.
sufferings that have been visited upon so many other countries, and would intensify their devotion, their allegiance to the principles of free government. Should, however, the United States be left, through an Axis victory, the only democratic stronghold in a dictator-dominated world, clearly there is danger ahead, for coming generations particularly. Can you not see the economic pressure from without that would be waged, with increasing force as years go by, by withdrawal of trade from this country and related means, while clever agents would be boring within, seeking to indoctrinate the population with their alien philosophy? Unless the stemina of our people were like the Rock of Gibraltar, there would be a little yielding of liberty here and a little more there, until the time might come when this Government would be unrecognizable as that which our forefathers handed down.

That angle to the present situation is rife with food for thought for every mother and father and serious minded patriot. Our forefathers established this government in the belief, to which every true American subscribes, that it makes for the greatest happiness and material well-being of the individual, and for his highest mental and spiritual development.

The foreign policy of our government in its entirety, is designed to forestall war on our soil, and also such a calemity as this I suggest. It behooves us, therefore, whether or not as individuals we approve of every feature of it, to let the whole world know that as a nation we stend back of it with a solidarity that is unshakable. It is important that it be driven into the mind of Hitler and his barbaric cohorts that we are determined that this shall be one spot in the world where the light of liberty shall ever

Lady Reading which encompasses practically all feminine war-workers. This American organization has a host of women training for a multitude of practical tasks, such as fire fighting, map reading, communication service, nutrition study - they even leam the mechanics of automobiles in mechanical schools so they will be prepared not only to drive but to repair ambulances.

I have suggested in this little talk ways in which the war overseas has already made its impact felt upon this defururey upon women directly and indirectly, by its hurt to the whole American family. In the back of my mind, though, I am thinking of the long tomorrow of the country that our children shall inherit, and their children after them. And I am wondering What this conflict, now tearing the Old World to pieces, is going to do to the soul of America, its spirituel structure. I cannot envisage your children and mine, as victims of physical conquest on their own soil, eringing before some tymenical foreign overlord, afraid to V oice aloud honest convictions, lest giving offense, they bring down punishment upon their heads; Mor see them stripped of all incentive to initiative and achievement. I have too much confidence in the fighting spirit, the character of our people, and their resourcefulness.

Disregarding that revolting possibility for the moment, let us consider a tremendous stake we have in the outcome of this foreign war. I have not in mind our economic interests, which indeed are vitally involved, but the effect upon the American people in a psychological sense. A triumphant victory for the Allies would unquestionably stir the people here to the depths of their souls with gratitude for escape from the frightful

Referring again to women, I am thinking of another vital way in which they can rise to the country's need \&as groups and individuals; that is by throwing their financial support back of the Treasury's undertaking to raise revenues for defense in addition to taxes, by the of defense bonds and stamps. They can render menumental service'fig envating in Woe Fouls. $60 \%$ of this nation's wealth; about half of the stocks and bonds, and $40 \%$ of the savings accounts. Scarcely one among us is so poor that she cannot invest some savings in these securities, and thereby help the Government and herself at the same time. Stamps can be bought in denominations from ten cents to five dollars, and the interest-bearing bonds from $\$ 18.75$ to $\$ 10,000$. It would not surprise me should it develop that the major portion of the funds going into these bonds were supplied by patriotic, thrifty women.

By no means are American women asleep at the switch while the outside world is on fire and sparks are flying
 Even now, alert to the plight of the old world, to the sufferings of humanity end the uncertainties in our own country, they are mobilizing their skills and energies in readiness for calls upon them to perform all sorts of practical tasks; Government agencies- the Civilian Defense organizations, uh and in each state, the Defense Councils) offers guidance. The Red Cross, always in the vanguard, when human need calls, has women at work making bandages, knitted garments, clothes of all kinds for the needy, and in training for nursing.

The American Women's Voluntary Services, 80,000 strong, is another organization. It parallels one in England hooded by
presented, can greatly strengthen national morale, and stimulate allegiance to the fundamentals of democracy. Teachers, by instilling these ideas and ideals in the minds of youth can, through them, reach the family back in the home and thereby exert a far-flung influence, the value of which cannot be measured. When once we get all those people over the country who have taken their liberty as a matter of course, like the air they breathe, thinking in concert along these lines, it will mean the crystallization of a public opinion that positively will not tolerate, in a crisis like this, the blocking of industrial production for defense for days and weeks at a time while labor leaders quarrel with one another over their conflicting aims, and with business management over division of profits. They will not tolerate subordination of the safety of the country to the advancement of group aims, whatever group or groups may be involved.

So strongly do I feel the importance of there being clearly defined in the consciousness of citizens what the civil rights are which are guaranteed to them, I should like to start a crusede to bring about the teaching of the Bill of Rights in the public schools, just as the multiplication table is taught there, and the Iord's Prayer in homes and Sunday Schools. Whoever was known to forget either in later, adult years! I digress somewhat to say that when this worst of all wars the world has known, has ended, the oncoming generation in all countries will have a rocky road to tread at best during the long period of readjustment. The responsibility now rests upon us to imbue our youth to the limit of our power, with Americanism that can stand severe tests.
in their implications as to call for nationwide wholehearted rededication on the part of the citizens, to the great defense program which the Government has launched. We a.ll know, and the world knows, that its value $\square$ its efficacy depends largely upon the speed with which it is executed; in other words, the speed with which we get into the hands of England and Russia the guns, planes, food and clothes, which are allotted for shipment to them.

The Chinese term for crisis, I am told, has two words meaning emergency and opportunity. In this connection, I am thinking of women and the power that is theirs to serve the needs of humanity at this critical time.

We women are, if anything, articulate. There are literally millions of mentally alert, intelligent, well-informed women in this country who are fully capable of arousing the entire public to a realization of the deep significance of the multiplied billion-dollar, wallmout defense effort; to a profound realization of what it is their Government is trying to save for its citizens. - In other words, what the practical effect upon their lives would be should they lose their liberty. What a blight there would be to their aspirations, what outrage to their dignity should they lose the right of free speech, free assemblage, the right to worship as they please, the right to work at tasks of their own choosing and on their own terms, to accumulate property and enjoy it, and to conduct their affairs generally according to their own liking.

My thought is that women, by upholding these ideals in their daily conversations among their friends, and elsewhere as opportunity is
hundreds of thousands from business and professional careers, to risk their lives in the air, in military planes, or take up arms in training camps preparatory to the day when they may have to face the guns of an aggressor, Already American women in multiplying numbers, mourn their beloved dead, as reports come in of disasters, one after another, to our ships on the high seas, and of disasters in the air, taking their toll of human life.

We see the men of this country, in the government, in businesses large and small, in the field of labor, and a vast number of women also, struggling with the valor of soldiers, straining their vitality to the limit, to get the huge industrial machine of this country working at top speed to produce for defense need.

We, men and women, all of us, see poised above our heads a tax burden ready to fall upon us with terrific weight; one so heavy as to jolt us into the realization that Hitler is at our door-step in a bread-andbutter sense, at least. Soon, I predict, we shall be wearing our old clothes as a badge of honor and denying ourselves many a creature comfort cheerfully that our men may have guns and planes, battleships and tanks. Young people in many a home will be denied higher education by reason of financial pinch occasioned by defense needs and the rising cost of living. Already enrollments in colleges are sharply falling off, I am told.

Such, in general, are the penalties paid by us for this wholesale war outside our borders .- disrupted homes, wrecked plans, upset lives in every direction; hardships aplenty.

Disastrous depredations on the high seas in recent days the attack upon the Kearney, the sinking of the Reuben James are so serious

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of women. They live to perform their biological function in order to increase the population of the Greater Germany, which, it is proposed shall dominate the world. That philosophy recognizes no right of wom to a voice in the determining of the kind of government under which her children shall live, or conditions generally.

He would have a hard time, I must say, practicing his philosophy on the American woman.

One can scarcely speak lightly of what appear to be his fantastic ambitions, in view of the monstrous performances we have seen.

The facility with which the mighty war machine of Hitler has swept over Furope, mowing down humen life and stamping out liberty in country after country in its path, would, it seems, disabuse the mind of any American of the idea that it could not happen here.

The fact that the President has called for the colossal sum of 13 billion dollars for lend-lease purposes alone, and that the Congress has appropriated it, shows how deadly earnest is their belief that our security is imperiled; cand that the surest way to protect it is to assist England and Russia with all the speed of which we are capable, in the overthrow of Naziism by sending them everything they need with which to wage battle.

Regardless of whether invasion of our country by a foreign power is ever accomplished or att mpted, already the impact of the frightful happenings in Furope and in the Orient is being felt with increasing force on us in this country.

Already mothers see their sons, young wives and girls their lovers and husbands, in whom their hopes are bound up, turning aside by
as we know, working in factories on munitions while the men go out to fight.
Look at the women of the Scandinavian countries - once highly privileged citizens of advanced democracies. The women of Finland had achieved not only full political rights, but outstanding recognition as factors in the shaping of all the important affairs of their country. How long, one wonders, will it be before these women regain the heights they had reached.

The women of France, never very alive to the responsibility that rested upon them as citizens of a free government, nonetheless basked in its benefits. My tongue cannot phrase the suffering which my mind envisages among the women of France over the plight of their fair, once highly-favored country. On top of all the physical suffering, the ignominy of serfdom, the blight to family life, the horror of seeing their innocent men massacred to expiate offense to their conquerer, how stricken with humiliation and sorrow they must be over the feeble resistance that was given to the overthrow of their liberty.

Should Hitler bring England to her knees and be able ultimately byapron upon our country to overthrow our democracy, the first to feel the heel on their necks would doubtless be the women.

Can you see Hitler permitting women the freedom of action now accorded them in our two countries? Can you see him countenancing the honor and recognition given them here not only as wives, mothers and homemekers, but as participants in all other fields of effort they choose to enter.

In the Nazi philosophy there is no place for the exaltation
by NELLIE TAYIOE ROSS, Director of the Mint

Speech delivered at Stephens College Forum on "The American Woman and Her Responsibilities". November 7, 1941 Columbia, Missouri.

## The War - Its Impact Upon the Women of a Democracy

The subject, you will agree, admits of many different approaches. It is elemental that impact upon the home is itself impact upon woman, for the stability of the home - a symbol of the established order that sustains family life - is woman's supreme concern. Let her once sense danger to that stronghold and she will spring to its defense as surely as the female animal in the jungle gives battle to protect her lair. to
There is a sense, be sure, in which women as a distinct element of society, stand to suffer special injury from a war-created situation. Consider the women of Germany. In the brief period following the World War when it appeared that free government was in store for their country, permanently, the women asserted their right as human beings to express their opinion in public meetings on questions of the day, and to conduct themselves generally as citizens of a free country. Their little fling at liberty was short-lived. When Herr Hitler rose to power and started his huge war machine, he put a stop to all that in short order. One of his first ruthless acts was to disband all women's organizations; to decree for them two vocations only - house work and farm labor; to deny them higher education, by fixing a $5 \%$ limit to enroll in colleges and universities. Young women he sent to camps, to toughen them for child bearing - had them sleeping on hard boards. Now he has them, of necessity,
"Oppressed, stricken people everywhere have their eyes
fixed mon Anerica", she said. "It is eaxnestly to be hoped that, shals be kept. wime seeing the flame which we are resolved aloft, they may find heart for the stmagle, however long deferred it m st needs be, to reclaim the liberty which they have lost, and for which they yearn

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"A triumphant victory for the Allies would unquestionably stir the people here to the depths of their souls with gratifude for escape from the frightful sufferings that have been visited uponso many other countries, and would intensify their devotion to the principles of free government," Mrs, Ross decare "Should, however, the United States be left, through Axis victory, the only Deomocratic stronghold in a dictatordominated world, clearly
 generations, particularly Can you not see the economic pressure from without that would be waged.... while clever agents mould be boring within, seeking to indoctrinate the population with their alien philosophy ?
"Unless the stamina of our people were like the Rock of Gibraltar, there would be a little yielding of liberty here, and a. lit le more there, until the time might come when this Government would be unrecognizable as that which our forefathers handed down." Director Ross said the foreign policy of the Government is designed to forestall war on our soil) She called upon the rem en "millions of alert, intelligent, wellinformed"/women in this country to rally the entire public to a solidarity in its defense effort that will be unshakable. She unreel women to sup ort that effort, financially, through purchasing Defense gonds; by accepting the drastic sacrifices required cheerfully; by contributing to the industrial expansion required; and by enthusiastic sup ort of civilian de ense organizations, the Red Cross, and other voluntary services.

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The the war when said her chief concern was the effect 1 upon the American people in a psychological sense. She emphasized the tremendous stake Amfican women have in the defeat of Hitlerism by painting a vivid picture of the oppression of womankind in Germany and the occupied countries.

Reminding the women of the United States of the "long tomorrow that our children shall inherit" after the present world war, Mrs.

Nellie Tayloe Ross, Director of the United States Mint, last night called upon them to gird themselves for the spiritual testing of the post-war period.
"I am wondering what this conflict, now tearing the old world to pieces, is going to do to the soul of America," she said.

Director Ross' address was prepared for a forum on the subject, "The American Woman and Her Responsibilities," at Stephens College, Columbia, Missouri. She spoke on "The War -- Its Impact Upon the Women of a Democracy."

Mrs. Ross chose to disregard what she termed the "revolting possibility" of German physical conquest of American soil, saying that she could not envisage "your children and mine -- cringing before some tyrannical, foreign overlord." Against that prospect she said she had "too much confidence in the fighting spirit, the character of our people, and their resourcefulness."

The Mint Director said her chief concern was the effect of the war upon the American people in a psychological sense. She emphasized the tremendous stake American women have in the defeat of Hitlerism by painting a vivid picture of the oppression of womankind in Germany and the occupied countries.
"A triumphant victory for the Allies would unquestionably stir the people here to the depths of their souls with gratitude for escape from the frightful sufferings that have been visited upon so many other countries, and would intensify their devotion to the principles of free government," Mrs. Ross declared.
"Should, however, the United States be left, through Axis victory, the only Democratic stronghold in a dictator-dominated world, clearly there is danger ahead, for coming generations, particularly. Can you not see the economic pressure from without that would be waged... while clever agents would be boring within, seeking to indoctrinate the population with their alien philosophy?
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Director Ross said the foreign policy of the Government is designed to forestall war on our soil. She called upon the "millions of alert, intelligent, well-informed" women in this country to rally the entire public to a solidarity in its defense effort that will be unshakable.

She urged women to support that effort, financially, through purchasing Defense Bonds; by accepting the drastic sacrifices required cheerfully; by contributing to the industrial expansion required; and by enthusiastic support of civilian defense organizations, the Red Cross, and other voluntary services.
"Oppressed, stricken people everywhere have their eyes fixed upon America," she said. "It is earnestly to be hoped that, seeing the flame which we are resolved shall be kept aloft, they may find heart for the struggle, however long deferred it must needs be, to reclaim the liberty which they have lost, and for which they yearn." Company and Isle Royale Copper Company call for the purchase of the copper produced in their Michigan mines at maximum prices of 15 and 16 cents a pound. These prices have been approved by the Office of Price Administration. Negotiations were conducted jointly by the Office of Production Management, Office of Price Administration and the Procurement Division with the three Michigan copper producers looking toward solution to the problem resulting from the high cost of operations and the 12 -cent ceiling price fixed for the metal by the Office of Price Administration.


Division will pay a price per pound equivalent to the "out-of pocket cost" of the producers for the six months period ended June 30, 1941, adjusted to include a wage increase of $\$ 1$ a day for each 8 -hour shift and expenses incident to the increase, plus an additional cent a pound if the total price per pound is lower than the cost of production during the contract period. On the other hand, if the "out-of pocket cost" per pound is lower during the contract period than the adjusted cost of production for the period Jromuary 1 to June 30 , 1941, the price to be paid will be the cost of production during the contract period plus fifty percent of the difference between the periods. In no case will the price per pound exceed the maximum provided for in the contracts. their operating costs below those prevailing during the first six months of 1941.


Contracts for the entire copper output of three $\frac{\prime \prime}{h i g h}-\operatorname{cost}{ }^{\text {" }}$ Michigan producers have been signed, the Procurement Division



TREASURY DEPARTIENT Washington

FOR IMEDIATE RELEASE, Wednesday, Hovember 5, 1941.

Press Service
No. 28-33

Contracts for the entire copper output of three "high-cost" Wichigan producers have been signed, the Procurement Division announced today.

The six-month contracts with Copper Range Company, Quincy Mining Company and Isle Royale Copper Company call for the purchase of the copper produced in their Jichigan mines at naximum prices of 15 and 16 cents a pound. These prices have been approved by the Office of Price Administration.

Negotiations were conducted jointly by the Office of Production Management, Office of Price Administration and the Procurement Division with the three Michigan copper producers looking toward solution to the problem resulting from the high cost of operations and the 12-cent ceiling price fixed for the metal by the Office of Price Administration.

Under arrangements with the companies, the Procurement Division will pay a price per pound equivalent to the "out-of-pocket cost" of the producers for the six months period ended June 30, 1941, ad justed to include a wage increase of $\$ 1$ a day for each 8 -hour shift and expensos incident to the increase, plus an additional cent a pound if the total price per pound is lower than the cost of production during the contract period. On the other hand, if the "out-of-pocket cost" per pound is lower during the contract period than the adjusted cost of production for the period from January l to June 30, 1941, the price to be paid will be the cost of production during the contract period plus fifty percent of the difference between the periods. In no case will the price por pound exceed the maximum provided for in the contracts.

This agrecment, Procurement Division officials pointed out, provides an incentive for the producers to roduce their operating costs below those prevailing during the first six months of 1941.

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

|  | $\begin{aligned} & : \operatorname{Sept} .^{24}, \\ & : \quad 1941 \\ & \hline \end{aligned}$ | $\begin{gathered} \text { June } 30, \\ 194.1 \end{gathered}$ | $\begin{array}{cc} \vdots \\ \vdots & \text { Dec. } 31, \\ \vdots \end{array}$ | Increase <br> since Jun <br> Amount | decreas <br> 30,1941 <br> Percent | Increase since Dec Amount | $\begin{aligned} & \text { decrease } \\ & 31,1940 \\ & \text { Percent. } \end{aligned}$ |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| Deposits of individuals, partnerships, and corporations: |  |  |  |  |  |  |  |
| Demand. | \$19,944, 103 | \$19,194,051 | \$17,939,331 | \$750,052 | 3.91 | \$2,004,772 | 11.18 |
| Time............ . . . . . . . . . . | 8,044, 337 | 8,042,313 | 7,954,096 | 2,024 | . 03 | \$2, 90,241 | 11.18 1.13 |
| Postal Savings deposits.......... | 15,556 | 16,352 | 18,981 | -796 | -4.87 | -3, 425 | -18.04 |
|  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |
| Deposits of banks................ | 6,957,718 | 6,591,645 | 6,575,298 | 366,073 | $5.55$ | $\begin{aligned} & 220,037 \\ & 382,420 \end{aligned}$ | $\begin{aligned} & 9.33 \\ & 5.82 \end{aligned}$ |
| Other deposits (certified and cashiers' checks, etc.)..... Total deposits............ | $\begin{array}{r} 410,314 \\ \hline 38,538,320 \end{array}$ | 453,178 $37,351,303$ | 518,760 $35,852,424$ | $-42,864$ $1,187,017$ | -9.46 | -108,446 | -20.90 |
| Bills payable, rediscounts \& other <br> liabilities for borrowed money |  |  |  |  |  |  |  |
| Other liabilities................. | 345,190 | 363,186 | $\begin{array}{r} 3,127 \\ 342,013 \\ \hline \end{array}$ | $\begin{array}{r} 7,270 \\ -17,996 \\ \hline \end{array}$ | $\begin{array}{r} 362.59 .9 \\ -4.96 \end{array}$ | $\begin{aligned} & 6,148 \\ & 3,117 \end{aligned}$ | $196.61$ |
| Total liabilities excluding capital accounts............... CAPITAL ACCOUNTS | $38,892,785$ | 37, 716,494 | 36,197,564 | 1,176,291 | 3.12 | 2,695,221 | 7.45 |
| Capital stock: |  |  |  |  |  |  |  |
| Preferred stock.................. | 172,625 | 184,441 | 195,657 | -11,816 | -5.41 |  |  |
| Common stock. . . . . . . . . . . . . . . . | 1,342,081 | 1,338,942 | 1,331,580 | - 3,139 | . 23 | $-23,032$ 10,501 | $\begin{aligned} & 1.77 \\ & .79 \end{aligned}$ |
| Total........................ | 1,514,706 | 1,523,383 | 1,527,237 | -8,677 | -. .57 | -12,531 |  |
| Surplus........................... | 1,350,710 | 1,336,090 | 1, 309,533 | 14,620 | 1.09 | -12,177 | 3.14 |
| Undivided profits \& reserves..... Total capital accounts.... | -762,905 | 138,668 | 699,628 | 24,237 | 3.28 | $\begin{aligned} & 63,277 \\ & \hline \end{aligned}$ | 9.04 |
|  |  |  |  |  |  |  |  |
| accounts................. | 42,521,106 | $41,37.4,635$ | 32,733,962 | 1,206,471 | 2.92 | 2,787,144 | 7.01 |
| Ratio of loans to total deposits. | 29.76\% | $29.24 \%$ | 27.97\% |  |  |  |  |

Statement showing comparison of principal items of assets and liabilities of active national banks as of September 24, 1941, June 30, 1941 and December 31, 1940.
(In thousands of dollars)


## ASSETS

Loans and discounts, including
rediscounts and overdrafts...
U. S. Government securities:

Direct obligations.............
Obligations fully guaranteed.
Obligations of States and political subdivisions........

| $. \$ 11,470,256$ | $\$ 10,922,483$ | $\$ 10,027,773$ | $\$ 547,773$ | 5.02 | $\$ 1,442,483$ | 14.38 |
| ---: | ---: | ---: | ---: | ---: | ---: | ---: |
| $8,593,247$ | $8,856,499$ | $7,658,549$ | $-263,252$ | -2.97 | 934,698 | 12.20 |
| $2,534,541$ | $2,279,453$ | $2,094,056$ | 255,088 | 11.19 | 440,485 | 21.04 |
| $2,068,091$ | $2,020,242$ | $2,008,472$ | 47,849 | 2.37 | 59,619 | 2.97 |
| $1,606,133$ | $1,590,191$ | $1,694,058$ | 15,942 | 1.00 | $-87,925$ | -5.19 |
| 203,946 | $2,208,409$ | 212,905 | $-4,463$ | -2.14 | $-8,959$ | -4.21 |
| $15,005,958$ | $14,954,794$ | $13,668,040$ | 51,164 | .34 | $1,337,918$ | 9.79 |
| $26,476,214$ | $25,877,277$ | $23,695,813$ | 598,937 | 2.31 | $2,780,401$ | 11.73 |
| 768,350 | 709,458 | 718,799 | 58,892 | 8.30 | 49,551 | 6.89 |
| $7,931,842$ | $7,451,783$ | $7,986,914$ | 480,059 | 6.44 | $-55,072$ | -.69 |
| $6,441,946$ | $6,360,417$ | $6,414,354$ | 81,529 | 1.28 | 27.592 | .43 | $6,441,946$

$6,360,417$
Reserve beserve banks alances with other banks.....

Total cash, balances with
other banks, including re-
serve balances, and cash
items in process of
collection.....................
Other assets.........................
Total assets.

| $15,142,138$ | $14,521,658$ | $15,120,067$ | 620,480 | 4.27 | 22,071 | .15 |
| ---: | ---: | ---: | ---: | ---: | ---: | ---: |
| 902,754 | 915,700 | 918,082 | $-12,946$ | -1.41 | $-15,328$ | -1.67 |
| $42,521,106$ | $41,314,635$ | $39,733,962$ | $1,206,471$ | 2.92 | $2,787,144$ | 7.01 |

The capital accounts of national banks in September totaled \$3,629,000,000. This figure included unimpaired common capital of $\$ 1,342,000,000$, preferred stock of $\$ 173,000,000$, surplus of $\$ 1,351,000,000$, undivided profits of $\$ 521,000,000$ and reserve accounts of $\$ 242,000,000$. Total capital funds in September were $\$ 30,000,000$ higher than in June and $\$ 92,000,000$ higher than at the end of 1940.

The percentage of loans and discounts to total deposits on September 24 , 1941, was 29.76 , in comparison with 29.24 on June 30 , 1941, and 27.97 on December 31, 1940.

TREASURY DEPARTMENTI Washington

FOR RBLEASE, MORNING NEWSPAPERS, Fridny, Novenher 7,1941

Loans of national banks outstanding in September of this year amounted to nearly $\$ 11,500,000,000$, it was announced today by Comptroller of the Currency Preston Delano. Returns from the call for September 24, 1941, covered the 5.131 active national banks in the United States and possessions. Loans and discounts reported were greater by $\$ 548,000,000$, or 5 percent, than those reported by national banks on June 30,1941 , the date of the previous call, and showed an in crease of $\$ 1,442,000,000$, or 14 percent, over the amount reported on December 31, 1940.

Investments by the banks in United States Government obligations, direct and fully guaranteed, as of September 24, 1941, aggregated $\$ 11,128,000,000$. Other bonds, stocks and securities held totaling $\$ 3,878,000,000$, including obligations of States and political subdivisions of $\$ 2,068,000,000$, showed an increase of $\$ 59,000,000$ since the previous call.

The total assets on September 24 were $\$ 42,521,000,000$, in comparison with $\$ 41,315,000,000$ on June 30, 1941, and $\$ 39,734,000,000$ on December 31, 1940.

Deposits totaling $\$ 38,538,000,000$, again higher than on any previous call date, showed an increase of $\$ 1,187,000,000$ over June, and an increase of $\$ 2,686$,000,000 over December. The deposits on the recent call date included deposits of individuals, partnerships and corporations of nearly $\$ 28,000,000,000$, of which $\$ 19,944,000,000$ were demand and $\$ 8,044,000,000$ were time deposits. United States Government deposits stood at $\$ 588,000,000$, while deposits of States and political subdivisions totaled $\$ 2,578,000,000$. Deposits of domestic and foreign banks aggregated nearly $\$ 7,000,000,000$.

Bills payable, rediscounts and other liabilities for borrowed money of $\$ 9,000,000$ showed increases of $\$ 7,000,000$ and $\$ 6,000,000$ over three months ago and nine months ago, respectively.

FOR RELEASE, MORNING NEWSPAPERS, Friday, November 7, 1941

Press Service
No. 28-34

Loans of national banks outstanding in September of this year amounted to nearly $\$ 11,500,000,000$, it was announced today by Comptroller of the Currency Preston Delano. Returns from the call for September 24, 1941, covered the 5,131 active national banks in the United States and possessions. Loans and discounts reported were greater by $\$ 548,000,000$, or 5 percent, than those reported by national banks on June 30, 1941, the date of the previous call, and showed an increase of $\$ 1,442,000,000$, or 14 percent, over the amount reported on December 31, 1940.

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Bills payable, rediscounts and other liabilities for borrowed money of $\$ 9,000,000$ showed increases of $\$ 7,000,000$ and $\$ 6,000,000$ over three months ago and nine months ago, respectively.

The capital accounts of national banks in September totaled $\$ 3,623,000,000$. This figure included unimpaired common capital of $\$ 1,342,000,000$, preferred stock of $\$ 173,000,000$, surplus of $\$ 1,351$, 000,000 , undivided profits of $\$ 521,000,000$ and reserve accounts of $\$ 242,000,000$. Total capital funds in September were $\$ 30,000,000$ higher than in June and $\$ 92,000,000$ higher than at the end of 1940 .

The percentage of loans and aiscounts to total deposits on September 24, 1341, was 29.76, in comparison with 29.24 on June 30, 1341, and 27.97 on December 31, 1940.

Statement showing comparison of principal items of assets and liabilities of active national banks as of September 24, 1941, June 30, 1941 and December 31, 1940.
(In thousands of dollars)


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


## LIABILITIES

Deposits of individuals, partner-
ships, and corporations:
$\qquad$

| $\$ 19,944,103$ | $\$ 19,194,051$ | $\$ 17,939,331$ | $\$ 7,954,096$ |
| ---: | ---: | ---: | ---: |
| $8,044,337$ | $8,042,313$ | $7,918,981$ |  |
| 15,556 | 16,352 | 18,728 |  |
| 588,025 | 524,585 | 487,728 |  |

750,052
2,024
-796
63,440

Postal Savings deposits.................
Deposits of U. S. Government.......
Deposits of States \& pclitical

Deposits of banks.........................
2,578,267

Other deposits (certified and

Total deposits........................
liabilities for borrowed money...
Other liabilities........................
Total liabilities excluding
capital accounts....................
$\cdot 6.957,718$
2,529,179 2,358,230 49,088
49,088
366,073
6,575,298
410,314
$38,538,320$
6,591,645
$38,538,320 \quad 37,351,303 \quad 35,852,4241,187$

| 9,275 | 2,005 | 3,127 | 7,270 | 362.59 | 6,148 | 196.61 |
| ---: | ---: | ---: | ---: | ---: | ---: | ---: |
| 345,190 | 363.186 | 342,013 | -17.996 | -4.96 | 3,177 | .93 |

CAPITAL ACCOUNTS
Capital stock:
Preferred stock.................................

| $38,892,785$ | $37,716,494$ | $36,197,564$ | $1,176,291$ | 3.12 | $2,695,221$ | 7.45 |
| :--- | :--- | :--- | :--- | :--- | :--- | :--- |


| 172,625 | 184,441 | 195,657 | $-11,816$ | -6.41 | $-23,032$ | -11.77 |
| ---: | ---: | ---: | ---: | ---: | ---: | ---: |
| $1,342,081$ | $1,338,942$ | $1,331,580$ | 3,139 | .23 | 10,501 | .79 |
| $1,514,706$ | $1,523,383$ | $1,527,237$ | $-8,677$ | -.57 | $-12,531$ | -.82 |
| $1,350,710$ | $1,336,090$ | $1,309,533$ | 14,620 | 1.09 | 41,177 | 3.14 |
| 762,905 | 738,668 | 699,628 | 24,237 | 3.28 | 63,277 | 9.04 |
| $3,628,321$ | $3,598,141$ | $3,536,398$ | 30,180 | .84 | 91,923 | 2.60 |

Surplus................................................
Undivided profits \& reserves........
Total capital accounts..........
Total liabilities \& capital
accounts.......................
Ratio of loans to total deposits.
NOTE: Minus sign denotes decrease.

## Measeury Pepeertmier <br>  <br> 2r28-31



The Bureau of Customs announced today the following figures showing the quantities of coffee entered for consumption during the quota year ended September 30, 1941, under the quotas provided for in the Inter-American Coffee Agreement, proclaimed by the President on April 15, 1941.


1/ Quotas increased by Inter-American Coffee Board, effective August 11, 1941.
2/ Quota not filled.
3/ Quantity entered for consumption during the period October 1, 1940, to April 15, 1941, inclusive.
4/ The quota quantity was authorized for entry on the basis of the quantities shown on entries as filed by importers. The quantity actually imported was later determined by customs officers.
(Prepared - Appeals and Protests (Quota Unit),

## TREASURY DEPARTMENT Washington

FOR IMMEDIATE RELEASE, Friday, November 7, 1941.

Press Service
No. 28-35

The Bureau of Customs announced today the following figures showing the quantities of coffee entered for consumption during the quota year ended September 30, 1941, under the quotas provided for in the Inter-American Coffee Agreement, proclaimed by the President on April 15, 1941.

| Country of Production | Revised Quota 1/ (Pounds) | Entered for Consumption (Pounds) |
| :---: | :---: | :---: |
| Brazil | 1,285,106,049 | 1,285,060,961 4/ |
| Colombia | - $435,277,855$ | '434, 852,877 4/ |
| Costa Rica | 27,636,689 | 27,629,250 4/ |
| Cuba | 11,054,702 | 10,999,975 4/ |
| Dominican Republic | 16,581,987 | 16,565,652 [/4/4 |
| Ecuador | 20,727,517 | 20,695,991 4/ |
| El Salvador | 82,910,068 | 76,663,845 2/ |
| Guatemala | 73,928,131 | 73,829,717 4/ |
| Haiti | 38,000,514 | 38,002,521 4/ |
| Honduras | 2,763,642 | 2,489,888 2/ |
| Mexico | 65,637,203 | 62,246,981 $2 /$ |
| Nicaragua | 26,945,812 | 23,973,412 2 |
| Peru | 3,454,520 | 3,454,700 4/ |
| Venezuela | 58,037,021 | 83,230,862 3/ |
| Non-signatory countries | 49,055,084 | 49,031,609 4/ |

1/ Quotas increased by Inter-American Coffee Board, effective August 11, 1941.
2) Quota not filled.

3/ Quantity entered for consumption during the period October 1, 1940, to April 15, 1941, inclusive.
4) The quota quantity was authorized for entry on the basis of the quantities shown on entries as filed by importers. The quantity actually imported was later determined by customs officers.

## TREASURY DEPARTMENT

## Washington

FOR RELEASE, MORNING NETISPAPERS, Saturday, November 8, 1941. 11/7/41

Press Service
$28-36$

The Secretary of the Treasury announced last evening that the tenders for $\$ 150,000,000$, or thereabouts, of 91 -day Treasury bills, to be dated Moverber 12, 1941, and to mature February 11, 1942, which were offered on November 5, were opened at the Federal Reserve Banks on November 7.

The details of this issue are as follows:
Total applied for - \$313,335,000
Total accepted - $150,018,000$
Range of accepted bids: (excepting two tenders totaling $\$ 110,000$ )

| High | -99.980 | Equivalent rate approximately | 0.079 | percent |  |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| Low | -99.938 | n | n | n | 0.245 | n |
| Average price | -99.950 | n | n | n | 0.200 | n |

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

## TREASURY DEPARTMENT Washington

FOR RELEASE, MORNING NEWSPAPERS,
Press Service
No. 28-36 Saturday, November 8, 1941. 11/7/41

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Average
Price - 99.950 " "
"
0.200 "
(71 percent of the amount bid for at the low price was accepted)

Control. When the tools were found in the New York warehouse of a freight forwarder, the information was brought to the attention of an ho aircraft manufacturer whieh needed the tools to eliminate a bottleneck in production line. On the request of a representative of the aircraft manufacturer, Foreign Funds Control acted to make the tools immediately available. By telephone, terms of sale were arranged with the freight forwarder and he was informed a license to sell would be issued immediately. Within the hour the license was issued and within two days the machines had been shipped to the factory, set up and placed in operation.


By withholding action upon applications to export or dispose of strategic materials, the Foreign Funds Control has prevented the materials from leaving the country or from going into non-defense industries until the defense agencies could arrange for their requisition or purchase.

In this way a large quantity of spruce wood suitable for airplane manufacture, held for French account, was directed to American manufacturers. Foreign Funds Control licensed the sale of the material to aircraft manufacturers on the basis of OPM's priority ratings.

## Foreign-owned prefabricated ateel ship building parts,

 ship building materials and copper were made available to the Navy. A load of zinc arrived in New York, destined for non-defense use. By informing OPM, Foreign Funds Control was able to insure the dew livery of the zinc to a firm needing it for defense uses.Machine tools held for a blocked account were speedily turned to American aircraft production through the efforts of the Foreign Funds

Secretary Morgenthau revealed today that the Treasury Depart-
mont, through its Division of Foreign Funds Control, has directed strap-
tegic materials valued at many millions of dollars into America's vast
defense effort.

In administering the President's Executive Order which "froze" the American assets of continental Europe, Japan, and China the Foreign

Funds Control discovered stores of copper, aluminum, ship building materials, airplane spruce, and other vital/defense materials, held for "blocked" interests.

Banks have been required to report bills of lading, warehouse receipts, and other documents of title held by them for blocked accounts. In addition, applications for licenses to dispose of the property or to pay storage fees and other charges have revealed the existence of foreignmowned defense materials in this country.

Early in the summer of 1940 a procedure was worked out for passing on this information to the appropriate defense agencies, such The of ice of Production Nawngement,

FOR RELEASE, MORNING NEWSPAPERS,
Press Service Monday, November 10, 1941. No. 28-37 11/8/41

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America's vast defense effort.
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warehouse of a freight forwarder, the information was brought to the attention of an aircraft manufacturer who needed the tools to eliminate a bottleneck in the production line. On the request of a representative of the aircraft manufacturer, Foreign Funds Control acted to make the tools immediately available. By telephone, terms of sale were arranged with the freight forwarder and he was informed a license to sell would be issued immediately. Within the hour the license was issued and within two days the machines had been shipped to the factory, set up and placed in operation.
which Uncle Sam will make upon your income by setting aside a certain amount out of your budget every payday, or every month. Wake your money earn interest for you by buying Tax Savings Notes, These notes may be purchased by applying at any bank or savings and loan association which will be glad to order them for you from the Federal Reserve bank in your district.

The thought of higher taxes is never a pleasant one, but is there another spot in the world today where the people are asked to make so few sacrifices? On three continents of the earth soldiers are constantly on the march. The world's aggressor nations are robbing their weaker neighbors of all they possess. If by saving a little money now or by paying higher taxes we can guarantee for ourselves the preservation of all thar
liberty and democracy and the other Ideals which we prize so highly, we shall indeed be paying a small price. You or ean't put a pricetag on tiberty. These freedoms we have are priceless possessions. Let's keep them, save for them -- now.

D-3
and thrift, those of us who have bought tax notes regularly in the months before March l5th, will find it easy to
twas pay our bill/. The tax collector will simply credit us with the amounts we have invested in Tax Savings Notes, the balance, if any, may be paid in cash, and we shall have the added advantage of earning interest on our money.

I hope you will not tinink II too severe if I mention one 1 ast important point. Taxes are, after all, the first charge on a person's income. We cannot say of them, as we can say of ordinary purchases, that we will use our honey first for something else. We are obliged by law to pay these taxes on the oppointed day, and there are penalties for those who do not peport their incomes, who misreport them, or who fail, wilfully to pay their taxes on the appointed day.

I mention these disagrefable facts only because the Tax Savings Notes are the best possible insurance for paying taxes propptly.

I wish to appeal particularly to the women of American therergency that foes us ail. You are the ones who do most of the worrying about family budgets. It is you who will be called upon next March to strain your family budget in order to meet the income tax bill. Fortify yourself against the call
denominations of $\$ 25, \$ 50$, and $\$ 100$ each. These notes may be purchased now, say every payday, one a month, or every quarter, and used to pay next year's taxes. They yield almost 2 percent a year; so aside from being a convenient method of saving, they are a good investment. If you expect to pay a hundred dollars a year in income taxes, you can buy a $\$ 25$ Tax Note every quarter from your $\sqrt{\text { income }}$, and apply those notes against your tax bill when it is due.

For larger taxpayers, another series, known as Series B notes, is available. These notes are issued in up to a million dollar yield about one-half
 of one percent. Rew of you will have to take this lower return, mtersitel rinthe which however, as Series $A$ notes, are acceptable for tax May up to $\$ 1,200$ y yearx-- that for the full amount of the tax on incomes ranging up to from about $\$ 9,000$ to $\$ 12,000$, depenaing upon mapt tal status and number of depondents.
wrie farl nureh wove
When March l5th comes around, we kre all going to envy cambartable ifrue have man or the womon who hacis saved for, tax topen by means of the Tax Savings Notes. Those of us who heve been careless and who have failed to plan for tax collection day may have a hard time meet our obligations. We may wake up a week before March 15 th and begin to worry about how to raise the money which will become due on that day. But those of us who have had foresight

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Recently the Treasury published a small folder called "Know Your Taxes". The tables in it show at a glance the approximate amounts which various taxpayers will owe their Government next year on this year's incomes. In another column is shown how much you will need to save every month to meet those payments. Going further than that, the folder suggests an important way of saving to pay the higher income taxes, doing it regularly and systematically with the least amount of trouble and strain on your monthly budgets. This method is called the Tax Savings Plan.

The Treasury hopes that employers will distribute this folder, or its contents, to their employees in order that they may know now what monthly saving is necessary to provide for tax payments next year. Copies may be secured from the Federal Reserve Bank in your district or direct from the Treasury in Washington.

The Tax Savings Plan was instituted in August of this year as a convenience for all income tax payers. Let me explain it to you briefly. The plan is based upon a new type of security called Tax Savings Notes. These are being offered in two defferent series, The smaller, or Series A, notesss available at your neighborhood bank/and savings and loan association in


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they will be required to make during 1942. Those millions who will file tax returns for the first time and the many tales others who will find their assessilients increased several times above those of this year must be prepared to meet their quarterly instalments when they fall due. Let me give you a few examples of just what these higher levies will mean in your budget next year. If you are a married man having no dependents and earning a salary of $\$ 3, \varnothing 00$ a year, your tax bill next year will be \$\$3. Or if you y newman $\$ 4,000$ a year, your income taxes next year will amount to esth a net weome of \$249. If you are a single person meaning \$3, do a year,

These examples will serve to illustrate the sharply increased strain winch will be placed on millions of American incomes by the recently increased taxes.

The Treasury wants you now then the method by which you will be best able to pay intaper creased contribution to the support of your Government. It is extremely important for all of us to look ahead and to start saving now, every payday or every month, so that when the tax payment dates roll around, you will be well prepared to meet the bill Uncle Sam will then hand you.

Now there are many ways by which the Government can help check this rise in the cost of living. One way is to gather in this extra purchasing power that is bidding for goods which are not available. The Treasury is trying to do this in a variety of ways. The most effective, of course, is by taxation. About fifty percent of our total expenditures this year will be firm taxes metbytaxation. In this way, we are helping to check inflation, we are helping to meet the huge costs of defense, and, in addition, we are paying as we go for as much as possible of our current expenditures.

It has been a great source of encouragement to us at the Treasury to see the willingness with which the American people have accepted these new and heavy tax burdens. Almost everybody agrees that taxes are necessary to pay for our defense expenditures and that they will help to keep the cost of living down. But very few of us, I believe, have begun to consider how these taxes are to be paid when they become due on the 15 th of next March. We say that we are willing to pay higher taxes, yet so few of us know how much we shall have to pay. Many are going to be surprised unless they look into the matter before that date.

We in the Treasury want to acquaint every American taxpayer with the facts about the new income tax payments winch

The rising cost of living is, of of the evidences of inflation. is caused, in part, by the fact that we as a Government are spending billions of dollars for production of the weapons that we need for our defense. Our Government is now spending on defense at the rate of more than \$18 billions a year -- a figure so enormous that none of us can comprehend it unless we reduce it to the point where it represents spending over $\$ 570$ every second. This expenditure in turn is going into higher wages and produces greater employment, and means that we as a people whe have more to spend than we have ever had before.

At the same time, the volume of things we can buy with these increased earnings is shrinking. Our factories are producing more tanks and guns, and fewer ice-boxes and radios. Some things that we could customarily buy are fast becoming scarce on your storekeepers' shelves. The result is that all of us are trying to buy a larger volume of goods than there is avallable. Consequently, we are bidding against one another for the everyday things of life. That is the reason why the cost of living is now rising so fast that it is begning to affectitile budget of every housewife, of every consumer of goods, and of every family in this land.

Before coming to the studio tonight I took another look at the charts we keep in the Treasury to show us the cost of living. I found that they told a more serious story for all of us than at any time since the period of swiftly rising prices in the last World War. They showed that the dollar you and I spent on food in the summer of 1939 would buy only eightymour cents worth today. They showed that the dollar we spent on clothing would buy only ninety cents worth today. They showed that the cost of living generally had gone up by almost ten Dunce The outbreak of this war, of which hoo been percent in the weaves and more than seven percent the last seven months.

You who are listening tonight do not need any charts to tell you that the cost of living is going up and going up fast. This You learn every time you go to your grocery store, every time you buy clothing for yourselves or your children, every time you pay a household bill. You are finding that rising prices are taking a cut out of your income just as surely as if you were taxed bf the same amount. I think you are entitled to ask why this state of affairs exists and what the Government is doing to check it.
yourself against the call which Uncle Sam will make upon your income by setting aside a certain amount out of your budget every payday, or every month. Make your money earn interest for you by buying Tax Savings Notes. These notes may be purchased by applying at any bank or savings and loan association which Will be glad to order them for you from the Federal Reserve bank in your district.

The thought of higher taxes is never a pleasant one, but is there another spot in the world today where the people are asked to make so few sacrifices? On three continents of the earth soldiers are constantly on the march. The world's aggressor nations are robbing their weaker neighbors of all they possess. If by saving a little moncy now or by paying higher taxes we can guarantee for ourselves the preservation of liberty and democracy and all that we prize so highly, we shall indeed be paying a small price. These freedoms we have are priceless possessions. Let's keep them, let's save for them -- now.
can buy a $\$ 25$ wax Note every quarter from your current income and apply those notes against your tax bill when it is due. For larger taxpayers, another series, known as Series B notes, is available. These notes yield about one-half of one percent. However, I know that most of us will be interested In the Series A notes which are acceptable for tax payments up to $\$ 1,200$ in any one year.

When March 15 th comes around, we will feel much more comfortable if we have saved for our taxes by means of the Tax Savings Notes. Those of us who have failed to plan for tax conleotion day may have a hard time in meeting our obligations. We may wake up a week before March 25 th and begin to worry about how to raise the money which will become due on that day, But those of us who have had foresight and thrift, those of us who have bought tax notes regularly in the months before March 15 th, will find it easy to pay our tax bill. The tax collector will simply oredit us with the amounts we have invested in Tax Savings Notes, the balance, if any, may be paid in cash, and we shall have the added advantage of earning interest on our money.

I wish to appeal particularly to the women of Americe. You are the ones who do most of the worrying about family budgets. It is you who will be called upon next March to strain your family budget in order to meet the income tax bill. Fortify

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Govermment next year on this year's incomes. In another column is shown how much you will need to save every month to meet those payments. Going further than that, the folder suggests an important way of saving to pay the higher income taxes, doing it regularly and systematically. This method is called the Tax Savings Plan.

The Treasury hopes employers will distribute this folder, or its contents, to their employees in order that they may know now what monthly savings arrecessary to provide for tax payments next year. Copies may be secured from the Federal Reserve Bank in your district or direct from the Treasury in Washington.

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D-4
will be required to make during 1942. Those millions who will file tax returns for the first time and the many others who will find their taxes increased several times above those of this year must be prepared to meet their quarterly instalments when they fall due. Let me give you a few examples of just what these higher levies will mean in your budget next year. If you are a married man having no dependents with a net income of $\$ 3,500$ a year, your tax b111 next year will be \$186. Or if your net income is $\$ 4,000$ a year, your income taxes next year will amount to \$249. If you are a single person with a net income of $\$ 3,500$ a year, your next year's tax will be $\$ 284$. These examples will serve to illustrate the sharply increased strain which will be placed on miflions of American Incomes by the recently increased taxes.

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Now there are many ways by which the Government can help check this rise in the cost of living. One way is to gather in this extra purchasing power that is bidding for goods which are not available. The Treasury is trying to do this in a variety of ways. The most effective, of course, is by taxation. About fifty percent of our total expenditures this year will be met from taxes. In this way, we are helping to check inflation, we are helping to meet the huge costs of defense, and, in addition, we are paying as we go for as much as possible of our current expenditures.

It has been a great source of encouragement to us at the Treesury to see the willingness with which the American people have accepted these new and heavy tax burdens. Almost everybody agrees that taxes are necessary to pay for our defense expenditures and that they will help to keep the cost of living down. But very fow of us, I believe, have begun to consider how these taxes are to be paid when they become due on the 15th of next March. We say that wo are willing to pay higher taxes, yet so few of us know how much we shall have to pay. Many are going to be surprised unless they look into the matter before that date.

We in the Treasury want to acquaint every American taxpayer with the facts about the new income tax payments which they

The rising cost of living is caused, in part, by the fact that we as a Govermment are spending billions of dollars for production of the weapons that we need for our defense. Our Government is now spending on defense at the rate of more than \$18 billions a year -- a figure so enormous that none of us can comprehend it unless we reduce it to the point where it represents spending over $\$ 570$ every second. This expenditure in turn is going into higher wages and produces greater employment, and means that we as a people have more to spend In the aggregate than we have ever had before.

At the same time, the volume of things we can buy with these increased earnings is shrinking. Our factories are producing more tanks and guns, and fewer ice-boxes and radios. Some things that we could customarily buy are fast becoming scarce on your storekeepers' shelves. The result is that all of us are trying to buy a larger volume of goods than actually is available. Consequently, we are bidding against one another for the everyday things of iife. That is the reason why the cost of living is now rising so fast that it is affecting the budget of every housewife, of every consumer of goods, and of every family in this Iand.

Before oemsing tere she surde bentght I tooik another look at the cherts we keep in the Trossury to show us the cost of living. I found that they told a more serious story for all of us than at any time since the period of swiftly rising prices In the last World War. They showed that the dollar you and I spent on food in the surmer of 1939 would buy only eighty-four cents worth today. They showed that the dollar we spent on clothing would buy only ninety cents worth todey. They showed that the cost of living generally had gone up by almost ten percent since the outbreak of this war, of which more than seven percent has been since Last Feloruary.

You who are listening tonight do not need any charts to tell you that the cost of living is going up and going up fast. You learn this every time you go to your grocery store, every time you buy clothing for yourselves or your children, every time you pay a household bill. You are finding that rising prices are taking a cut out of your income just as surely as if you were taxed the same amount. I think you are entitled to ask why this state of affairs exists and what the Government is doing to check it.

TREASURY DEPARTMENT aud the Red Washington
unday, November 9,1941
FOR RELEASE, MORNING NEWSPAPERS, Tuestry, August 12, 1941.
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FOR RELEASE, MORNING NEWSPAPERS,

Press Service
No. 28-38 Sunday, November 9, 1941. 11/8/41
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Before leaving my office today I took another look at the charts we keep in the Treasury to show us the cost of living. I found that they told a more serious story for all of us than at any time since the period of swiftly rising prices in the last World War. They showed that the dollar you and I spent on food in the summer of 1939 would buy only eighty-four cents worth today. They showed that the dollar we spent on clothing would buy only ninety cents worth today. They showed that the cost of living generally had gone up by almost ten percent since the outbreak of this war, of which more than seven percent has been since last February.

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For larger taxpayers, another series, known as Series B notes, is available. These notes yield about one-half of one percent. However, I know that most of us will be interested in the Series A notes which are acceptable for tax payments up to $\$ 1,200$ in any one year.

When March 15 th comes around, we will feel much more comfortable if we have saved for our taxes by means of the Tax Savings Notes. Those of us who have failed to plan for tax payment day may have a hard time in meeting our obligations. We may wake up a week before March 15 th and begin to worry about how to raise the money which will become due on that day.

But those of ws who have had foresight and thrift, those of us who have bought tax notes regularly in the months before March 15th, will find it easy to pay our tax bill. The tax collector will simply credit us with the amounts we have invested in Tax Savings Notes, the balance, if any, may be paid in cash, and we shall have the added advantage of earning interest on our money.

I wish to appeal particularly to the women of America. You are the ones who do most of the worrying about family budgets. It is you who will be called upon next March to strain your family budget in order to meet the income tax bill. Fortify yourself against the call which Uncle Sam will make upon your income by setting aside a certain amount out of your budget every payday, or every month. Make your money earn interest for you by buying Tax Savings Notes. These notes may be purchased by applying at any bank or savings and loan association which will be glad to order them for you from the Federal Reserve bank in your district.

The thought of higher taxes is never a pleasant one, but is there another spot in the world today where the people are asked to make so few sacrifices? On three continents of the earth soldiers are constantly on the march. The world's aggressor nations are robbing their weaker neighbors of all they possess. If by saving a little money now or by paying higher taxes we can guarantee for ourselves the preservation of liberty and democracy and all that we prize so highly, we shall indeed be paying a smell price. These freedoms we have are priceless possessions. Let's keep them, let's save for them -now.
a reversion to tyranny, the of mankind. That is
a system that is old in the world, that goes back to the days when men were just beginning their struggle away from barbarism.

There can be no new order except in the elevation of the capacity and the dignity of man. The concept of an order that would swing the world back in full cycle beyond the dark ages is an insult to and to man.

Let us be ready to make any sacrifice that no such concept be accepted and no such evil befall us.

We are not straining our productive resources
and mortgaging our financial future for the sake of any mystic formula of a better future. We mortgage our future to save our future. We gird ourselves. We summon our men and our resources to work in unity that our future may be our own. We see work to be done to make a better order here. But we put that aside for the moment while we take up the task of making certain that we can, when the time comes, work our own changes in our own way and that we shall not accept what a world conqueror sees fit to force upon us.

On the great seal of the United States there $a$ is phrase which when translated means, "A new order of the ages." That $n \in w$ order was the order of Government of, by and for the people. Today we hear the blasphemy, the obscenity of the use of the words章 "new order" to describe
are not going to be dismayed. You are showing already by the productive achieverents of your industries that you are heart and soul behind this effort to make America secure.

We cennot hope to live securely in a world
dominated by any group or race whose basic motive
is enslavement … the enslavement of its own people and of every people that has tried to progress in freedom. Americans have never found it possible to be isolated from the world, hor have they found it consistent with their honor to be indifferent to aggression and tyranny. The world shrinks, and never more rapidly than in these recent years. The death of free governments one by one, if our inactivity should sanction it, holds for us the imminent peril of the death of freedom here.

After all, the dimensions of this world struggle are
beyond any of our previous conceptions. The dimensions
of our own part in it are only dimly realized by nine
Americans bet as ruelaetc
Americans out of ten. We have just ana
program of production designed to out-produce Hitler's

Germany and all the industrial areas which Hitler has seized.
It will do us no good in this effort to be frightened by word ${ }^{5}$ or to be dismayed by the size of the job ahead of us. Business will have to make sacrifices, farmers will have to make sacrifices, wage earners will have to make sacrifices before we have won the victory which is our announced goal. Themay come noments, in the course of tris gigantic effonswen some of will throw up our home anu say what s the usewi! I know that you
of materials that used to be free for everyone to buy and
use. The time is coming

- when we may have to carry priorities and price
control a big step further. We may come in the end to a apter fernery a Rabincimp Cnurumar cease y system of motioning of those goods which are needed most urgently for the defense effort. know that the word it doer z us deserve ito reputgain "rationing" has an evil sound to many Americans, but, ${ }^{\prime}$
unfair. After all, rationing is a much fairer system than price control. If your ix a ceiling upon prices, you enable those with money to buy what those without money cannot afford.

If you impose rationing, you divide the available goods equally without fear or for for . I do not mean that rationing is now being considfed in Washington, but I do suggest most earnestly that you begin thinking about it now.

At a time like this when purchasing power is outrunning
production, we must cut down on civilian consumption that
would compete with defense, but we might also enlarge civilian
consumption where no such competition for raw materials exists. Q(we might, and, of thin we beheld, consider seriously the imposition of selective credit controls. Our present emergency is so great that there should be no room in our national effort for speculation of any kind. In this kind of control the banks of America might well make themselves, as Secretary Morgenthau suggested last month, the sentinels of the nation in looking carefully at all applications for loans and in granting only those which would not compete in and hort cielab, in donging hons fo the sfecul tire hacker of commurditio. any way with defense production, we shall be doing many unprecedented things before this crisis is over. Already a system of priorities has been imposed over a wide range

No one of these methods -- taxation, savings, economy,
or price control -- can serve by itself to inflation.

Whatever we do must be compounded of many methods and cannot
be limited to the obvious methods alone. $4 \| f$ I may think Fur can all of us then

a. number of less obvious devices which might freminh ad dod inflation. Owe thee would be either in manpurar or materide of our production in fields that do not compete with production for defense. That means franticilan an increase in the production of food, which is needed now not only for ourselves but for millions in England who are depending upon us, and will be needed on a tremendous scale after the war when hundreds of millions on the Continent of Europe may be looking to us to keep them from starvation. Certainly we should never forget that millions of our people are still underfed and underclothed.

The last of these obvious anti-inflationary methods
is the control of prices, and I shall say only a word or two on this subject. We at the Treasury fe it that the price control bill as introduced into the House of Representatives hat the possibility tern a pownuemasom would have been $/$ in the fight against Atctuene 1
inflation. The amendments concerning farm prices have prexete, weakened
the the bill, but there is no reason to
become lace.
be discouraged before the bill has actually. It is
now before the House and it must yet pass through the Senate, and in both houses there is a
bill the most effective instrument possible. Certainly the $a$ determined
 Amin tran effort to see
that the bill as it finally reaches the President's desk shall
be a brake upon the rising cost of living and shall furnish
some reassurance to the American consuming public.
are at least two others which way Ge mentioned briefly. One is the reduction of non-defense federal, state, and local governmental expenditure. You may have read of the first meeting the other day of the new committee Wheel unchedes
the taxing and appropriating committees of the
House and Senate, which was formed specifically to study the whole problem of nonessential federal spending. has feu mable
Secretary Morgenthau is a member of this committee and
looks to its meetings to translate into action the reconmentations for economy which he has so often made in his public statements. I suggest that you keep your eyes upon the workings of this committee and that you also encourage your local community to make a start toward greater economy in local government.
payroll allotment plan is now in operation in some 6,000 companies employing about million workers, but the degree of participation is not yet what we should like it to be. If your plant happens to be organized, and if your workers express a desire through their union to join in the payroll allotment scheme, I hope very much that you as the managers will make facilities available in your cashier's office or elsewhere in your plant. If your plant is not organized, you will be doing a great service to your workers and to your country by bringing the payroll allotment plan to their attention and making it possible for them to save on a systematic and regular basis.

I have mentioned increased taxes and increased Defense Savings as two of the obvious ways to attack inflation. There

## an gad to the inflationary danger.

 every one of the 48 States. We have only begun our efforts
in this direction. I know that you in Connecticut have made
a fine record up to now in the sale of Defense Bonds, yet

I suspect that there are many communities, even in your compact State, which do not yet have an efficient local Defense Savings committee. Moreover, we shall not make a success of our

Defense Savings program, either as a check upon inflation or a contribution to American morale, unless we make a success of the payroll allotment plan whereby wage earners can set aside a portion of their pay each week to buy a bond. Our
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secoñd, and ment impntant, reguba voluntainhase of Sanings Bn̄̀ds intedians nemey from Consumption extendievis and thus selvives presoune on hrices, Thid, The saning thes created ind be a hwverpe pirtectire tooce a gain the danger of a unt-wa depresein.

Liberty Bonds, as you may remember, was unlimited as to amount;
that is, a wealthy person with large amounts of idle capital
could buy these Bonds to any extent and collect handsome
noon
interest on them. Moreover, Liberty Bonds were fuechesed with fund furrowed for bares, and then bought in huge blocks by the bonk one tridents

Dale way aremutamed by all to curators (often with conceivable devices of high-pressure
salesmanship. The result was, fright that the Liberty Loans tared to quant extent te enlist true Raring did polly pop vast numbers of Haivicuals throughout and second, that to 0 merit were the mm on the manet at a hos to the bwyou after the emery the fervent
Sans. We feel that method is sounder, in that we limit
maturity value a you
subscriptions to $\$ 5000$ in the case of the E Bonds, and that
we do not sell the bonds to banks at all. what
 may not have been realised in 1917 , that to sell government Man entire comply Ruthenmatams to banks will merely-inerease the volume of bank deposits

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Savings program was launched. We at the Treasury regard
this as a satisfactory beginning. We are especially encouraged to find that October sales were more than 16 percent ahead of those for September, that the sales of the Series E Bonds, those of the smallest denominations, accounted for almost half of the October total, and that the sales of Savings Stamps vise by 20 over there
the preceding month. These are good signs, yet I would not be frank with you if I did not say that we must do a great deal better.

The solution most often pressed upon us by friends outside of Washington is to revive the old Liberty Loan methods of selling Government bonds. I think it may interest you to know why we do not believe another Liberty Loan drive would be effective in the fight against inflation. Investment in
with a rising cost of living taking a shave of hic
meager income every day. It $^{\text {as angle }}$ Therectat
$t$ to to rede exallitions.
There is a point at which the
least fortunate among us simply cannot be asked to do more. Goth price Cnuexiceratern and govermmen Nevertheless f on you that ny new tax program put frical consienaterns make imperatir forward from the Ireasurycwill be as sweeping as possible, a new tar frorguen that
as productive of revenue as it ca
can be
made widunt creating severe hade hiss
possibly mokeit. on dangerneo diótersbancs
\& sur ce onovey.

Along with heavier taxation we shall have to widen and
deepen the sale of Defense Savings Bonds during the coming
year. I think you all know about these Bonds and about the

Savings Stamps which were issued so that those with the
smallest amounts of spare income could invest in small
installments. The sales of these Bonds are now approaching the $\$ 2$ billion mark, $\begin{aligned} & \text { one a lilteovel } \\ & \text { six months after the Defense }\end{aligned}$
and will be furnished to you gladly if you think you can use them to good effect.

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But the gap is growing so fast that even $\$ 16$ billion $s$ uneven $/ 5$ filing it Tenno offourut, $X^{\text {in }}$ revenue will not close it. We shall,
tax still more heavily in the coming year. In this effort
in which all the energies of this country are engaged, all an íncreared
the people will have to bear fair share except perhaps those at the very bottom of the ladder who are even now living on a subsistence, or nearly subsistence, level. You will remember that exemptions were lowered in the present tax bill to $\$ 750$ a year for a single man and $\$ 1500$ for a married taxpayer. Before you peach the conclusion that these exemptions should be still further lowered, I can only suggest that you put yourself in the place of the married $m^{n}$ earning $\$ 30$ a week, with no investments to fall back upon,
payers to save by installments for the tax payments that will become due on March 15. The corporations of America have been quick to see the advantages to themselves of buying large amounts of these notes and earning the interest that goes with them. But can be done to acquaint individual taxpayers with the advantages of saving systematically and regularly to meet their tax bills. In an effort to reach the individual taxpayer, the Treasury recently prepared a folder called "Know Your Taxes" which shows at a glance just how much every taxpayer will have to pay under the 1941 Revenue Act. It would be a real service if you, as the heads of corporations and the employers of thousands upon thousands of highly paid working people, could help to distribute this folder and thus popularize the notion of saving for taxes. These folders are available at the Treasury

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wy way to keep inflation in check.

To begin with, there are certain obvious courses. Toyeler with pacriverely We have already seen enacted a tax bill which should $\& 12$ provide some billions of revenue in the fiscal year
 1942 That is an amount staggering in its ire an wit
 precedent in the history of this republic. Millions who
have never before had to pay taxes will have to do so now, mesons moe vier
and feel the added impact of this tax burden in heavier excise taxes on many commodities that we use in our daily lives. use

It is not enough to impose new taxes; it is the particular job of the Treasury to collect them. In this connection I should like to stress the importance of the new tax
notes which were first issued in August to enable tax- groups in any community, happily few in number, who try to exploit an abnormal situation for their own gain.

We can all agree, therefore, that inflation is dangerous and should be avoided at all costs. But the question you may well ask, and the question you are amply entitled to ask, is what your Government proposes to do about it. I can assure you from my day-to-day work at the Treasury that no problem occupies more of the time and thought of those who direct the finance and fiscal policies of this country.

What disturbs us particularly is the swiftly growing gap between the amount of purchasing power in the hands of our public and the dwindling supply of goods that can satisfy that demand. Accordingly, we at the Treasury must think, and think hard, how to narrow that gap, for that is the

There is no need to tell a great audience of businessmen of the ruinous consequences of inflation. You manufacturers of Connecticut are only too well aware of the disorganization of business, of the dislocation in every phase of economic life, which accompany and follow an unrestrained rise in prices. Bus Businessmen may make high profits in a time of are eikerb, io pare in the oud as inflation, but those profits unreal and unsubstantial
as a dream. Farmers may earn high prices for their crops, but those high prices must always be balanced against the deflation and bankruptcy and misery that come with a price collapse. Labor may earn high wages in a time of inflation, yet the rising cost of living wipes out those gains, and in fact may act as a flat tax upon all wages irrespective of the individual's capacity to pay. There is no real profit for

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about percent in the prices of 28 basic commodities.

These increases are at a rate which suggests the pattern The earl, stages of at least of the great price upheaval of 1915 to 1921, when wholesale prices went from an index level of in September, 1915, to 166 in June, 1920, and then dropped in just one year to 93 . That was a period in which the cost of living was doubled.
terms, the sort of inflation which consists of a rapid and substantial general increase in prices caused by a great increase in money payments and therefore in purchasing power, accompanied by a lack of increase or an actual decrease in the production of consumer goods -- in short, too many buyers and too many dollars in the market and too few goods to be sold.

The beginnings of that sort of an inflation are already underway. Wholesale prices of general commodities have increased approximately 15 percent since the first of this year; that is from 80 on an index of which the average of the year 1926 is 100 , to approximately 92 in October. The fact that the commodity index is still below the average for any year from 1917 to 1929 is not nearly so significant as the rapidity of its rise in the last ten months, and even more striking and significant is the increase in the same time of

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to take effective steps to avert its evils we shall
have to have more than decisions of government fiscal policy or acts of Congress. First, we shall need counsel in working mat shall need understanding and cooperation out a wise policy, and we shall need understanding and cooperation in making it effective.

What we are facing is not the sort of inflation that arises from purely monetary causes and is the result of distrust of the national currency. It isn't necessary, therefore, to conjure up visions of a dollar dwindling toward the vanishing point in purchasing power, with the printing presses working overtime to turn out an ever-increasing supply of currency in ever-higher denominations. We are not in the slightest danger of that sort of inflation.

The kind of inflation of which we do stand in imminent danger is something quite different. It is, in briefest
heard and to whose solution their acts must give effect.

It is so with the problem of production of the materials
of defense. The fiat of Congress and the Executive, the appropriation of vast sums of money, the calculations and the requisitions of military and naval experts, the over-all planning by government agencies -- none of these will produce the tools, the guns, the ships and the airplanes we need. The great results we have gained so far and the far greater production to come have been and will be achieved through the willing devotion -- not of industry, for so impersonal a word has no meaning in this connection -- but of the men from top to bottom, management to so-called common laborer, who make industry work.

It is so with this problem of inflation, about which, principally, I planned to talk with you today. If we are
significance than a purpose merely to have a speech made
to you or even to be entertained or instructed. I see in it the characteristic impulse of men who have grown to manhood and have lived in the free air of our democracy to draw closer to their political government in a time of anxiety and stress. I think it is a sound impulse and one that shows the health and vigor of our system.

There has been demonstrated here in our land, as nowhere else at any time, the capacity for self-government. An inherent part of that demonstrated capacity is the accepted tradition and fact that there is no problem of government which is the exclusive concern of any officer of government, but that all problems, whether of routine or of emergency, whether of law, of policy or of administration, are the common problems of all citizens, on which their voices should be

I bring you the greetings of Secretary Morgenthau
and his thanks as well as my own for the opportunity to speak to you.

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## TREASURY DEPARTMENT Washington

Press Servicc
No. 28-39
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In your desire to have a representative of the secretary of the Treasury talk to you I see something of much deeper significance than a purpose merely to have a speech made to you or even to be entertained or instructed. I see in it the characteristic impulse of men who have grown to manhood and have lived in the free air of our democracy to draw closer to their political government in a time of anxiety and stress. I think it is a sound impulse and one that shows the health and vigor of our system.

There has been demonstrated here in our land, as nowhere else at any time, the crpacity for self-government. An inherent part of that demonstrated capacity is the acceptca tradition and fact that there is no problem of government which is the exclusive concern of any officer of government, but that all problems, whether of routine or of emergency, whether of law, of policy or of administration, are the common problems of all citizens, on which their voices should be heard and to whose solution their acts must give effect.

It is so with the problem of production of the materials of defense. The fiat of Congress and the Executive, the appropriation of vast sums of money, the calculations and the requisitions of military and naval experts, the over-all planning by government agencies -- none of these will produce the tools, the guns, the ships and the airplanes we need. The great results we have gained so far and the far greater production to come
have been and will be achieved through the willing devotion -not of industry, for so impersonal a word has no meaning in this connection -- but of the men from top to bottom, management to so-called common laborer, who make industry work.

It is so with this problen of inflation, about which, principally, I planned to talk with you today. If we are to take effective steps to avert its evils we shall have to have more than decisions of government fiscal policy or acts of Congress. First, we shall need counsel in working out a wise policy, and next we shall need understanding and cooperation in making it effective.

What we are facing is not the sort of inflation that arises from purely monetary causes and is the result of distrust of the national currency. It isn't necessary, therefore, to conjure up visions of a dollar dwinding toward the vanishing point in purchasing power, with the printing presses working overtime to turn out an ever-increasing supply of currency in ever-higher denominations. We are not in the slightest danger of that sort of inflation.

The kind of inflation of which we do stand in imminent danger is something quite different. It is, in briefest terms, the sort of inflation which consists of a rapid and substantial general increase in prices caused by a great increase in money payments and therefore in purchasing power, accompanied by a lack of increase or an actual decrease in the production of consumer goods -- in short, too many buyers and too many dollars in the market and too few goods to be sold.

The beginnings of that sort of an inflation are already under way. Wholesale prices of general commodities have increased approximately 15 percent since the first of this year; that is from 80 on an index of which the average of the year 1926 is 100 , to approximately 92 in October. The fact that the commodity index is still below the average for any year from 1917 to 1929 is not nearly so significant as the rapidity of its rise in the last ten months, and even more striking and significant is the increase in the same time of about 30 percent in the prices of $2 \notin$ basic commodities. These increases are at a rate which suggests the pattern at least of the early stages of the great price upheaval of 1915 to 1921, when wholesale prices went from an index level of 68 in September, 1915, to 166 in June, 1920, and then dropped in just one year to 93. That was a period in which the cost of living was doubled.

There is no need to tell a great audience of businessmen of the ruinous consequences of inflation. You manufacturers of Connecticut are only too well aware of the disorganization of business, of the dislocation in every phase of economic life, which accompany and follow an unrestrained rise in prices.

Businessmen may make high profits in a time of inflation, but those profits are likely to prove in the end as unreal and unsubstantial as a dream. Farmers may earn high prices for their crops, but those high prices must always be balanced against the deflation and bankruptcy and misery that come with a price collapse. Labor may earn high wages in a time of inflation, yet the rising cost of living wipes out those gains, and in fact may act as a flat tax upon all wages irrespective of the individual's capacity to pay. There is no real profit for anyone in the tempest of inflation except for those groups in any community, happily few in number, who try to exploit an abnormal situation for their own gain.

We can all agree, therefore, that inflation is dangerous and should be avoided at all costs. But the question you may well ask, and the question you are amply entitled to ask, is what your Government proposes to do about it. I can assure you from my day-to-day work at the Treasury that no problem occupies more of the time and thought of those who direct the finance and fiscal policies of this country.

What disturbs us particularly is the swiftly growing gap between the amount of purchasing power in the hands of our public and the dwindling supply of goods that can satisfy that demand. Accordingly, we at the Treasury must think, and think hard, how to narrow that gap, for that is one essential way to keep inflation in check.

To begin with, there are certain obvious courses. We have already seen enacted a tax bill which together with previously enacted legislation should provide some \$l2 billions of revenue in the fiscal year 1942 and a substantially greater amount in later years. This will constitute Federal taxation on a scale without preceaent in the history of this republic. Millions who have never before had to pay taxes will have to do so now, and millions more will feel the added impact of this tax burden in heavier excise taxes on many commodities in daily use.

It is not enough to impose new taxes; it is the particular job of the Treasury to collect them. In this connection I should like to stress the importance of the new Tax Savings Notes which were first issued in August to enable taxpayers to save by installments for the tax payments that will become due on March 15. The corporations of America have been quick to see the advantages to themselves of buying large amounts of these notes and earning the interest that goes with them. But more can be done to acquaint individual taxpayers with the advantages of saving systematically and regularly to meet their tax bills. In an effort to reach the individual taxpayer, the Treasury recently prepared a folder called "Know Your Taxes" which shows at a glance just how much every taxpayer will have to pay under the 1941 Revenue Act. It would be a real service
if you, as the heads of corporations and the employers of thousands upon thousends of highly paid working people, could help to distribute this folder and thus popularize the notion of saving for taxes. These folders are available at the Treasury and will be furnished to you gladly if you think you can use them to good effect.

But the gap is growing so fast that $\$ 12$ billions or even \$15 billions in revenue will not close it. We shall, it seems apparent, have to tax still more heavily in the coming year. In this effort in which all the energies of this country are engaged, all the people will have to bear an increased share except perhaps those at the very bottom of the ladder who are even now living on a subsistence, or nearly subsistence, level. You will remember that exemptions were lowered in the present tax bill to $\$ 750$ a year for a single man and $\$ 1500$ for a married taxpayer. Before you reach the conclusion that these exemptions should be still further lowered, I can only suggest that you put yourself in the place of the married man earning $\$ 30$ a week with no investments to fall back upon, with a rising cost of living taking a share of his meager income every day. There is a point at which the least fortunate among us simply cannot be asked to do more. Nevertheless both price considerations and government fiscal considerations make imperative a new tax program that will be as sweeping as possible, and as productive of revenue as it can be made without creating severe hardships or dangerous disturbances of our economy.

Along with heavier taxation we shall have to widen and deepen the sale of Defense Savings Bonds during the coming year. I think you all know about these Bonds and about the Savings Stamps which were issued so that those with the smallest amounts of spare income could invest in small installments. The sales of these Bonds are now approaching the ${ }^{2} 2$ billion mark, only a little over six months after the Defense Savings program was launched. We at the Treasury regard this as a satisfactory beginning. We are especially encouraged to find that October sales were more than 16 percent ahead of those for September, that the sales of the Series E Bonds, those of the smallest denominations, accounted for almost half of the October total, and that the sales of Savings Stamps rose by 20 percent in october over those of the preceding month. These are good signs, yet I would not be frank with you if I did not say that we must do a great deal better.

The solution most often pressed upon us by friends outside of Washington is to revive the old Liberty Loan methods of selling Government bonds. I think it may interest you to know why we do not believe another Liberty Loan drive would be effective in the fight agrinst inflation. Investment in Liberty Bonds, as you may remember, was unlimited as to amount; that is, a wealthy person with large amounts of iale capital could buy these Bonds to any extent and collect handsome interest on them. Morecver, many Liberty Bonds were purchased

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First, it has an important effect on national morale in that it offers an opportunity for all citizens to participate in the common effort.

Second, and most important, regular voluntary purchase of Savings Bonds withdraws money from consumption expenditure and thus relieves pressure on prices.

Third, the savings thus created will be a powerful protective force against the danger of a post-war depression.

The sale of these Defense Bonds can be greatly enlarged in the coming year. This can be done by spreading the sale down to the smallest community and throughout every one of the 48 States. We have only begun our efforts in this direction. I know that you in Connecticut have made a fine record up to now in the sale of Defense Bonds, yet I suspect that there are many communities, even in your compact State, which do not yet have an efficient local Defense Savings committee. Moreover, we shall not make a success of our Defense Savings program, either as a check upon inflation or a contribution to American morale, unless we make a success of the payroll allotment plan whereby wage earners can set aside a portion of their pay each week to buy a bond. Our payroll allotment plan is now in operation in some 6,000 companies employing about 4 million workers, but the degree of participation is not yet what we should like it to be. If your plant happens to be organized, and if your workers express a desire through their union to join in the payroll allotment scheme, I hope very much that you as the managers will make facilities available in your cashier's office or elsewhere in your plant. If your plant is not organized, you will be doing a great service to your workers and to your country by bringing the payroll allotment plan to their attention and making it possible for them to save on a systematic and regular basis.

I have mentioned increased taxes and increased Defense Savings as two of the obvious ways to attack inflation. There
are at least two others which may be mentioned briefly. One is the reduction of non-defense federal, state, and local governmental expenditure. You may have read of the first meeting the other day of the new committee which includes the taxing and appropriating committees of the House and Senate, which was formed specifically to study the whole problem of non-essential federal spending. Secretary Morgenthau has been made a member of this committee and looks to its meetings to translate into action the recommendations for economy which he has so often made in his public statements. I suggest that you keep your eyes upon the workings of this committee and that you also encourage your local comminity to make a start toward greater economy in local government.

The last of these obvious anti-inflationary methods is the control of prices, and I shall say only a word or two on this subject. We at the Treasury felt that the price control bill as introduced into the House of Representatives had the possibility of being a powerful weapon in the fight against inflation. The amendments concerning farm prices have greatly weakened the bill, but there is no reason to be discouraged before the bill has actually become law. It is now before the House and it must yet pass through the Senate, and in both houses there is a growing desire to make the bill the most effective instrument possible. Certainly a determined effort will be made to sce that the bill as it finally reaches the President's desk shall be a brake upon the rising cost of living and shall furnish some reassurance to the American consuming public.

No one of these methods -- taxation, savings, economy, or price control -- can serve by itself to prevent inflation. Whatever we do must be compounded of many methods and cannot be limited to the obvious methods alone.

We can all of us think of a number of less obvious devices which might furnish added checks upon inflation. One of these, for example, would be the increase of our production in fields that do not compete either in manpower or materials with production for defense. That means for one thing an increase in the production of food, which is needed now not only for ourselves but for millions in England who are depending upon us, and will be needed on a tremendous scale after the war when hundreds of millions on the Continent of Europe may be looking to us to keep them from starvation. Certainly we should never forget that millions of our own people are still underfed and underclothed. At a time like this when purchasing power is outrunning production, we must cut down on civilian consumption that would compete with defense, but we might also enlarge civilian consumption where no such competition for raw materials exists.

We might, and I think we should, consider seriously the imposition of selective credit controls. Our present emergency is so great that there should be no room in our national effort for speculation of any kind. In this kind of control the banks of America might well make themselves, as Secretary Morgenthau suggested last month, the sentinels of the nation in looking carefully at all applications for loans and in granting only those which would not compete in any way with defense production, and particularly in denying loans for the speculative holding of commodities.

We shall be doing many unprecedented things before this crisis is over. Already a system of priorities has been imposed over a wide range of materials that used to be free for everyone to buy and use. The time is coming when we may have to carry priorities and price control a big step further. We may come in the end to a system of apportioning or rationing consumer use of those goods which are needed most urgently for the defense effort.

After all, the dimensions of this world struggle are beyond any of our previous conceptions. The dimensions of our own part in it are only dimly realized by nine Americans out of ten. We have set as our task a program of production designed to out-produce Hitler's Germany and all the industrial areas which Hitler has seized.

It will do us no good in this effort to be frightened by words or to be dismayed by the size of the job ahead of us. Business will have to make sacrifices, farmers will have to make sacrifices, wage earners will have to make sacrifices before we have won the victory which is our announced goal.

I know that you are not going to be dismayed. You are showing shready by the productive achievements of your industries thet you are heart and soul behind this effort to make America secure.

We cannot hope to live securely in a world dominated by any group or race whose basic motive is enslavement --- the enslavement of its own people and of every people that has tried to progress in freedom.

Americans have never found it possible to be isolated from the world, nor have they found it consistent with their honor to be indifferent to aggression and tyranny. The world shrinks, and never more rapidly than in these recent years. The death of free governments one by one, if our inactivity should sanction it, holas for us the imminent peril of the death of freedom here.

We are not straining our productive resources and mortgaging our financial future for the sake of any mystic formula of a better future. We mortgage our future to save our future. We gird ourselves. We summon our men and our resources to work in unity that our future may be our own. We see work to be done to make a better order here. But we put that aside for the moment while we take up the task of making certain that we can, when the time comes, work our own changes in our own way and that we shall not accept what a world conqueror sees fit to force upon us.

On the great seal of the United States there is a phrase Which when translated means, "A new order of the ages." That new order was the order of Government of, by and for the people. Today we hear the blasphemy, the obscenity of the use of the words "new order" to describe a reversion to tyranny, the abasement of mankind. That is a system that is old in the world, that goes back to the days when men were just beginning their struggle away from barbarism.

There can be no new order except in the elevation of the capacity and the dignity of man. The concept of an order that would swing the world back in full cycle beyond the dark ages is an insult to God and to man.

Let us be ready to make any sacrifice thet no such concept be accepted and no such evil befall us.

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After all, the dimensions of this world struggle are beyond any of our previous conceptions. The dimensions of our own part in it are only dimly realized by nine Americans out of ten. We have set as our task a program of production designed to out-produce Hitler's Germany and all the industrial areas which Hitler has seized.

It will do us no good in this effort to be frightened by words or to be dismayed by the size of the job ahead of us. Business will have to make sacrifices, farmers will have to make sacrifices, wage earners will have to make sacrifices before we have won the victory which is our announced goal.

I know that you are not going to be dismayed. You are showing already by the productive achievements of your industries that you are heart and soul behind this effort to make America secure.

We cannot hope to live securely in a world dominated by any group or race whose basic motive is enslavement ․-. the enslavement of its own people and of every people that has tried to progress in freedom.

Americans have never found it possible to be isolated from the world, nor have they found it consistent with their honor to be indifferent to aggression and tyranny. The world shrinks, and never more rapidly than in these recent years. The death of free governments one by one, if our inactivity should sanction it, holds for us the imminent peril of the death of freedom here.

We are not straining our productive resources and mortgaging our financial future for the sake of any mystic formula of a better future. We mortgage our future to save our future. We gird ourselves. We summon our men and our resources to work in unity that our future may be our own. We see work to be done to make a better order here. But we put that aside for the moment while we take up the task of making certain that we can, when the time comes, work our own changes in our own way and that we shall not accept what a world conqueror sees fit to force upon us.

On the great seal of the United States there is a phrase Which when translated means, "A new order of the ages." That new order was the order of Government of, by and for the people. Today we hear the blasphemy, the obscenity of the use of the words "new order" to describe a reversion to tyranny, the abasement of mankind. That is a system that is old in the world, that goes back to the days when men were just beginning their struggle away from barberism,

There can be no new order except in the elevation of the capacity and the dignity of man. The concept of an order that would swing the world back in full cycle beyond the dark ages is an insult to God and to man.

Let us be ready to make any sacrifice that no such concept be accepted and no such evil befall us.
$-000-$

Nature of Name and Location of Bank Dividend

Number and Percentage Date of Dividends Authorized Authorized

The Potomac Savings Bk of Georgetown, D. C.

The Fort Fairfield NB Fort Fairfield, Maine

The Presque Isle NB Presque Isle, Maine

The Carlstadt NB Carlstadt, New Jersey

The First NB of Toledo, Ohio

The First NB of Boswell, Penna.

The First NB \& $\mathrm{Tr} . \mathrm{Co}$ of Frackville, Penna.

The Nescopeck NB Nescopeck, Penna.

The Exchange NB of Pittsburgh, Penna.

The Texas NB of Fort Worth, Texas

The First NB of Clintonville, Wisconsin

| Final | $10-16-41$ |
| :--- | :--- |
| Final | $10-8-41$ |



Total

| Final | $10-8-41$ |
| :--- | :--- |
| Final | $10-28-41$ |

5 th $6.27 \% \$ 126,400$

4 th $8.53 \%$
86,500
$64.53 \% \quad 1,845 \quad 1,013,700$
Fi

Final
10-6-41
5th 7.27\%
56,600

6th 5.25\%
161,100
Final
$10-25-41$

5 th $4.45 \% \quad 24,300$
55.117
84.37

Authorized
Amount Dividends Number of to Date Claiments Proved

TREASURY DEPARTMENT Comptroller of the Currency Washington

## FOR RELEASE, MORNING NEWSPAPERS

Aneskny, November 1,11 ti
Press Service

During the month ended October 31, 1941, authorizations were issued to receivers for payments of dividends to the creditors of eleven insolvent national banks. Dividends so authorized will effect total distributions of $\$ 1,473,600$ to 49,279 claimants who have proved claims aggregating $\$ 20,366,700$, or an average payment of 7.24 percent. The minimum and maximum percentages of dividends authorized were 4.37 percent and 22.4 percent, respectively, while the smallest and largest amounts involved in such payments were $\$ 24,300$ and $\$ 454,900$, respectively. All eleven dividends authorized represented final dividend payments. Dividend payments so authorized during the month ended October 31, 1941, were as follows:


> TREASURY DEPARTVEIT Comptroller of the Currency Washing ton

FOR REIEASE, MORNIIIG NEWSPAPERS
Press Service Tuesday, November 11, 1941. No. 28-40

| OCTOBER 31, 1941 |  |  |  |  | Total <br> Percentage suthorized <br> Dividends <br> to Date | Number of Claimants |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| Nature of Dividend | Date Authorized | Numb <br> Per <br> of <br> Auth | ber and centage Dividends horized | Distribution of Funds by Dividend <br> Authorized |  |  | mount <br> Claims <br> Proved |
| Final | 10-16-41 | 5 th | 6.27\% | ¢ 126,400 | 81. $77 \%$ | 8,314 \$ | \$ 2,015,800 |
| Final | 10-8-41 | 4th | 8.53\% | 86.500 | 64.53\% | 1,845 | $1,013.700$ |
| Final | 10-28-41 | 6 th | 7.29\% | 168,800 | 99.29\% | 4,602 | $2,314,900$ |
| Final | 10-6-41 | 5 th | 7.27\% | 56,600 | 92.27\% | 3.240 | 778,400 |
| Final | 10-25-41 | 6 th | 5.25\% | 161,100 | 94.25\% | 8.505 | 3,067,700 |
| Final | 10-31-41 | 5 th | $4.45 \%$ | 24,300 | 55.117\% | 1.342 | 547.000 |
| Final | 10-13-41 | 4 th | 4.37\% | 55,800 | 84.37\% | 4,260 | 1,277,800 |
| Final | 10-3-41 | 4 th | 22.4\% | 84,600 | 92.4\% | 1,872 | 377.700 |
| Final | 10-17-41 |  | 13.08\% | 454,900 | 98.08\% | 5,334 | 3,477,600 |
| Final | 10-10-41 | 5 th | 4.5\% | 193,100 | 53.5\% | 7.336 | 4,291,000 |
| Final | 10-4-41 | 7 th | 5.1\% | 61,500 | 88.6\% | 2.629 | 1,205,100 |

## TREASURY DEPARTMENT <br> Washington

FOR IMIMEDIATE RELEASE
November 12, 1341

Press Service
No. $28-41$

The Secretary of the Treasury today announced amendments to Gencral License No. 58 relating to trade between the United States and China under the freezing control and the issuance of a new general license covering remittances to China.

Under today's amendment to Gfneral License No. 58 trade between the United Statcs and China will be clearec through the Stabilization Board of China or 1ts authorized agents. U.S. Customs authoriti:s have been instructed before clearing shipments to require proof that this condition has been satisfied. The dollars accruing from exports from China to the United States will be made available to China, and the National Government of China will be aided in controlling imports.

The foreign exchange position of China will also be strengthened by the new General License No. 75 covering remittances to China. Pursuant to this license remittances in any amount are permitted to any part of China, except Manchuria, as long as the United States dollars arising from such remittances are made available to the Stabilization Board of China upon its demand. Dollars in Chinese blocked accounts as well as unblocked dollars may be emoloyed in making such remittances.

Under General License No. 75 any domestic bank in the Unitea States can accept orders for remittances to China. Such remittances are then effected by a domestic bank paying the dollar amount of the remittance to a designated agent of the Central Bank of China for the account of an "appointed bank." These dollars will in turn be made available to the Stabilization Board of China upon demand acainst delivery of an equivalent amount of Chinese national currency. The Chinese Government has announced that the Bank of China and the Philippine Bank of Communications have been named as designated agents of the Central Bank of China.

Both the United States and Great Britain have previously entered into stabilization agreements with China whereby dollar and sterling exchange have been made available to the Stabilization Board of China. Such Board was established recently by China and consists of three Chinese, an American appointed by China on the recommendation of the Secretary of the Treasury, and a British national appointed on the recommendation of the British Treasury.

The torm "appointed bank" is defined. in Gen ral License No. 58 as "any of those banks cooperating with the Stabilization Board of China and buying and seling foreign exchence with the permission of, and subject to tho conditions prescribed by, such Board, the names of which appear on Schedule $A$ of this general license at the time the transaction is effected." The offices within Hong Kong and any part of China except Manchuria of the following banks have been named "appointed banks":

```
(a) The Chase Bank
(b) National City Bank of New York
(c) Underwriters Bank for the Far East
(d) American Express Company
(e) Moscow Narodny Bank, Ltd.
(f) Thos. Conk \& Son (Bankers) Ltd.
(g) Hongkong \& Shanghai Banking Corparation
(h) Mercantile Bank of India, Ltd.
(i) David Sassoon \& Co., Itd.
(j) E. D. Sassoon \& Co., Ltd.
(k) E. D. Sassoon Banking Co., Ltd.
(1) Chartered Banz of India, Australia \& China, Itd.
(m) Nederlandsch Indische Handelsbank
(n) Nederlanasche Handel Maatschapij
(o) Shanghai Commercial and Savines Bank, Lta.
(p) Bank of East Asia, Itd.
(a) National Commercial Bank, Lta.
(r) Chekiang Industrial Bank, Ltd.
(s) Bank of Canton, Lta.
(t) Oversea-Chinese Banking Corporation, Ltd.
(u) Kincheng Banking Corporation
(v) China Banking Corporation
(w) Bank of China
(x) Bark of Communications
(y) Farmers Bank of China
(z) Central Bank of China
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# TREASURY DEPARTMENT <br> Office of the Secretary November 12, 1941 

PUBLIC CIRCULAR NO. 7 UNDER EXECUTIVE ORDER NO. 8389, APRIL 10, 1940, AS AMENDED, AND REGULATIONS ISSUED PURSUANT THERETO, RELATING TO TRANSACTIONS IN FOREIGN EXCHANGE, ETC.*

General Licenses Nos. 32 and 33 shall not be deemed to authorize remittances to any individual in any part of China, except Manchuria, unless such remittances arc effected in the manner prescribed in paragraph (1) (c) of General License No. 75, namely, by a domestic bank paying the dollar amount of the remittance to a designated agent of the Central Bank of China for the account of an appointed bank.

## 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, and Ex. Order 8832, July 26, 1941; Regulations, April 10, 1940, as amended June 14, 1941, and July 26, 1941.

> TREASURY DEPARTMENT
> Office of the Secretary November 12,1941

> GENETML LICENSE NO. 58 , AS AMENDED, UNDER EXECUTIVE ORDEF NO. 8389 , APRIL IO, 1940 AS AMENDED, AND REGULATIONS ISSUED PURSUANT THEPETO, RELATING TO TRANSACTIONS IN FOREIGN EXCHANGE, ETC.*

General License No. 58 is amended to read as follows:
(1) A general license is hereby granted licensing all
transactions ordinarily incident to the importing and export-
ing of goods, wares and merchandise between the United
States and any part of China other than Manchuria, provided
the following terms and conditions are complied with:
(a) Such transaction shall not involve property in which any one of the following has at any time on or since the effective date of the Order had any interest and shall not be by, or on behalf of, or pursuant to the direction of any one of the following:
(i) any blocked country other than China, or
(ii) any person within Manchuria, or
(iii) any national of any blocked country other than China unless such national is within China;
(b) Exports from the United States to China having a value in excess of $\$ 100$ shall be effected only provided both of the following conditions are satisfied:
(i) payment therefor has been or will be made through a domestic bank and such
*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, and Ex. Order 8832, July 26; 1941; Regulations, April 10, 1940, as amended June 14, 1941, and July 26, 1941.
domestic bank has been notified by an appointed bank that the importer within China has paid or has completed arran ements to pay therefor with United States dollars acquired from such appointed bank, or in lieu of the foregoing, a domestic bank has been notified by an appointed bank that the shipment has been otherwise approved. by the Stabilization Board of China; and
(ii) on each shipment the domestic bank referred to in (i) shall execute Form TFR-158 in quadruplicate. The original of such executed form shall be transmitted by the domestic bank directly to the collector of customs at the port of exportation and shall be received by such collector of customs prior to the exportation of the shipment. The duplicate of such executed form shall be delivered by the domestic bank to the exporter or his agent who shall present and, if requested, deliver such copy to the collector of customs at the port of exportation at the time the Shipper's Export Declaration is filed. The remaining two copies of such executed form shall be filed promptly by the domestic bank with the appropriate Federal Reserve Bank.
(c) Imports into the United States from China having a value in excess of $\$ 100$ shall be effected only provided both of the following conditions are satisfied:
(i) payment therefor in United States dollars has been or will be made through a domestic bank and the exporter within China has sold or has completed arrangements for selling such United States dollars to an appointed bank, or in lieu of the foregoind, the shipment has been otherwise approved by the Stabilization Board of China; and
(ii) prior to the release of any such shipment from customs eustody the collector of
customs of the port of entry through which the shipment is imported shall have received a consular invoice covering such shipment and such consular invoice shall bear the certification of a United States consul in China that an appointed bank has duly notified the consul that the exporter within China has sold or has completed arrangements for selling the United States dollar proceeds from such shipment to such appointed bank or that the shipment has been otherwise approved by the Stabilization Board of China.
(d) The conditions prescribed in (b) and (c) shall not apply with respect to any import or export:
(i) if the shipment was in transit between the United States and China on November 12, 1941; or
(ii) if the consignee or consignor of the shipment is the United States Government or the Chinese National Government or a recognized agency or political instrumentality of either government; or
(iii) If payment for the shipment was fully effected prior to November 12, 1941, and the following reporting procedure is followed: On each such shipment a domestic bank participating in financing the shipment shall execute Form TFR-158A in quadruplicate. The original of such executed form shall be transmitted by such domestic bank directly to the collector of customs at the port of importation or exportation as the case may be and shall be received by such collector of customs prior to the release of such shipment from customs custody or prior to the exportation of such shipment as the case may be. The duplicate of such executed form shall be delivered by the domestic bank to the importer or exporter or their respective agents who shall present and, if requested, deliver such copy to the collector of customs at the time the
shipment is released from customs custody or the Shipper's Export Declaration is filed, as the case may be. The remaining two copies of such executed form shall be filea promptiy by the domestic bank with the appropriate Federal Reserve Bank.
(e) Any domestic hank prior to issuing, confirming or advisins letters of credit, or accepting or paying drafts drawn, or reimbursing themselves for payments made, under letters of credit, or making any other payment or transfer of credit, in connection with any importetion or exportation pursuant to this general license, or enrauing in any other transaction herein authorized, shall satisfy itself (from the shipping aocuments or otherwise) that:
(i) any such transaction is incident to a bona fice importation or exportation and is customary in the normal course of business, and that the value of such importation or exportation reasonably corresponds with the sums of money involved in financing such transaction; and
(ii) such imortation or exportation is or will be made pursuant to all the terms and conditions of this license.

## (2) As used in this general license:

(a) The term "appointed bank" shall mean any of those banks cooperating with the Stabilization Board of China and buying and selling foreign exchange with the permission of, and subject to the conditions prescribed by, such Board, the names of which appear on Schedule A of this general license at the time the transaction is effected.
(b) A person shall not be deemed to be "within China" unless such person was situeted within and doing business within China on and since June 14, 1941.
E. H. FOLEY, JR.

Acting Secretary of the Treasury.

## SCHEDULE A OF GENERAL LICENSE NO. 58

The offices within Hong Kong and any part of China, except Manchuria, of the following are hereby licensed as "appointed banks" within the meaning of General License No. $58:$
(a) The Chase Bank
(b) National City Bank of New York
(c) Underwriters Bank for the Far East
(d) American Express Company
(e) Moscow Narodny Bank, Ltd.
(f) Thos. Cook \& Son (Bankers) Ltd.
(g) Hongkong \& Shanghai Banking Corporation
(h) Mercantile Bank of India, Ltd.
(i) David Sassoon \& Co., Lta.
(j) E. D. Sassoon \& Co., Lta.
(k) E. D. Sassoon Banking Co., Ltd.
(I) Chartered Bank of India, Australia \& China, Ltd.
(m) Nederlandsch Indische Handelsbank
(n) Nederlandsche Handel Maatschappij
(o) Shanghai Commercial and Savinas Bank, Ltd.
(p) Bank of East Asia, Ltd.
(q) National Commercial Bank, Ltd.
(r) Chekiang Industrial Bank, Ltd.
(s) Bank of Canton, Ltd.
(t) Oversea-Chinese Banking Corporation, Ltd.
(u) Kincheng Banking Corporation
(v) China Banking Corooration
(w) Bank of China
(x) Bank of Gommunications
(y) Farmers Bank of China
(z) Central Bank of China
E. H. FOLEY, JR.

Acting Secretary of the Treasury.

> GENERAL LICENSE NO. 61 , AS AMENDED, UNDER EXECUTIVE ORDER NO. 8389 , APRIL IO, 1940 , AS AMENDED, AND REGULATIONS ISSUED PURSUANT THERETO, REIATING TO THANSACTIONS IN FOREIGN EXCHANGE, ETC.*

General License No. 61 is amended to read as follows:
(1) A general license is hereby granted licensing the offices outside the United States and not within any blocked country other than China of the following Chinese banks as generally licensed nationals:
(a) the Bank of China;
(b) the Bank of Communications; and
(c) the Farmers Bank of China.

Any transaction engared in by any such office of any such bank pursuant to the order of or for the account of any person not within any blocked country is also hereby authorized to the same extent, and under the same circumstances, as though such transaction were solely for the account of such office of such bank; provided, however, that this authorization shall not be deemed to permit any payment, transfer or withdrawal from any blocked account.
(2) Any office within Hong Konr or any part of China, except Manchuria, of any such bank is also authorized to engage in all transactions ordinarily incident to the importing and exporting of goods, wares and merchandise between the United States and any part of China, except Manchuria, provided all the terms and conditions of General License No. 58 are complied with.
(3) Banking institutions within the United States making any payment, transfer or withdrawal from the accounts of any such office of the aforementioned banks shall file promptly with the appropriate Federal Resfrve Bank monthly reports setting forth the details of such transactions during such period.
E. H. FOLEY, JR.

Acting Secretary of the Treasury.

[^7]TREASURY DEPARTMENT Office of the Sccretary November 12, 1941

GENERAL LICENSE NO. 59, AS AMENDED, UNDER EXECUTIVE ORDER NO. 8389, APRIL 10, 1940, AS AMENDED, AND REGULATIONS ISSUED PURSUANT THERETO, RELMTING TO TRANSACTIONS IN FOREIGN EXCHANGE, ETC.*

General License No. 59 is amerded to read as follows:
(1) A general license is hereby granted licensing as generally licensed netionals the offices within Hong Kong and any part of China except Manchuria of the following:
(a) The Chase Bank
(b) National City Bank of New York
(c) Underwriters Benk for the Far East
(d) American Express Company
(e) Moscow Narodny Bank, Lta.
(f) Thos. Cook \& Son (Benkers) Ltd.
(g) Honckong \& Shanchai Banking Corporation
(h) Mcrantile Bank of India, Ltd.
(i) David Sessoon \& Co., Lta.
(j) E. D. Sessoon \& Co., Ltd.
(k) E. D. Sassoon Banking Co., Ita.
(1) Chartired Bank of India, Australia \& China, Ltd.
(m) Nederlandach Indische Handelsbanx
(n) Nederlanasche Handel Maatschappij
(o) Shanchai Commercisl and Savines Bank, Ltd.
(p) Bank of East Asia, Itd.
(q) National Commercial Bank, Ltd.
(r) Chekiang Industrial Bank, Lta.
(s) Bank of Canton, Itd.
(t) Oversea-Chinese Banking Corporation, Ltd.
(u) Kincheng Banking Corporation
(v) China Banking Corporation
(2) Any such office of any such bank is also authorized to encace in all transactions ordinarily incident to the importing and exportins of goods, wares, and morchandise between the United Statfs and any part of Chine, except Manchuria, provided all the terms and conditions of General License No. 58 are compliod with.

* Part 131; - Scc. 5(b), 40 Stat. 415 end 966 ; Sce. 2, 48 stat. 1; 54 Stat. 179; Ex. Order 8389, April 10, 1940, as amended by $\pm x$. Order 8785, June 14, 1941 , and Ex. Order 8832, July 26, 1941; Regulations, April 10, 1940, as amended June 14, 1941, and July 26, 1941.
(3) Banking institutions within the United States making any payment, transfer or witharawal from the accounts of any such office of the aforementioned benking institutions shall file promptly with the appropriate Federal Res rve Bank monthly reports setting forth the details of such transactions during such period.
E. H. FOLEY, JR.

Acting Secretary of the Trtasury.

TREASURY DEPARTMENT Office of the Secretary November 12, 1941.

REVOCATION OF GENERAL LICENSE NO. 64 UNDER BXECUTIVE ORDER NO. 8389, APRIL 10, 1940, AS ANENDED, AND REGULATIONS ISSUED PURSTUNT THERETO, RELATING TO TRENSACTIONS IN FOREIGN EXCHINGP, ETC.*

Genural Iiccnsc No. 64 is horeby rovoked.
E. H. FOLEY, JR.
feting Secretary of the Treasury.

* Part 131; - Soc. 5(b), 40 Stat. 415 and 966; Soc. 2, 48 Stat. 1; 54 Stot. 179; Ex. Ordor 8389, April 10, 1340, as amendod by Ex. Order 8785, June 14, 1941, and Ex. Ordor 8832, July 26, 1941; Regulations, April 10, 1040, as amended June 14, 1941, and July 26, 1941.

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TREASURY DEPARTMENT
    Office of the Secretary
        November 12, 1941
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GENERAL LICENSE NO. 75
UNDER EXECUTIVE ORDER NO. 8389, APRIL 10, 1940, AS GMENDED, AND REGULATIONS ISSUED PURSUANT THERETO, RELATING TO TPANSACTIONS IN FOREIGN EXCHANGE, ETC.*
(1) A general license is hereby granted authorizing remittances in any amount by any person through any domestic bank to any person in any part of China except Manchuria, and any domestic bank is authorized to effect such remittances, provided the following terms ana conditions are complied with:
(a) Such remittances may be made from any ssoount other than a blocked account and, subject to item (b) hereof, such remittances may be made from the blocked account of any national of China.
(b) Such remittances may not be made from any blocked account if any of the following has an interest in such account:
(i) Any national of any blocked country other than China;
(ii) Any person within Manchuria; or
(iii) Any blocked country other than China; and
(c) Such remittances shall be effected by a domestic bank paying the dollar amount of the remittance to a designated agent of the Central Benk of China for the account of an appointed bank.

* Part 131; - Sec. 5(b), 40 Stat. 415 and 966; Sec. 2, 48 Stat. 1; 54 Stat. 179; Ex. Order 8389, Apri1 10, 1940, as amended by Ex. Order 8785, June 14, 1941, and Ex. Order 8932, July 26, 1941; Regulations, April 10, 1940, as amended June 14, 1941, and July 26, 1941.
(2) All domestic banks effecting such remittances shall satisfy themselves that the foregoing terms and conditions are complied with.
(3) With respect to each remittance made pursuant to this general license reports on Form TFR-132 shall be executed and filed in the manner and form and under the conditions prescribed in General License No. 32. Domestic banks through which any such remittances originate shall note on the reverse side of such form the nature of the transaction for which the remittance is being made but need not furnish the information called for in item 6 of such form.
(4) All dollars accruing to any appointed bank pursuant to this general license shall, if so required by the Stabilization Board of China, be made available to the Board by payment to the Central Bank of China against delivery of an equivalent amount of Chinese national currency.
(5) This general license shall not be deemed to authorize any transaction incidental to imports and exports between the United States and China.
(6) As used in this general license:
(a) The term "appointed bank" shall have the same meaning as that prescribed in General License No. 58 ,
(b) The term "designated agent of the Central Bank of China" shall mean either the Bank of China or the Philippine Bank of Communications.

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

## PROPOSED GENERAL LICENSE NO. PI-1, AS AMENDED.

[To be issued by High Commissioner to the Philippine Islands]

General License No. PI-l is amended to read as follows:
(1) A general license is hereby granted authorizing remittances in any amount by any person in the Philippine Islands through any domestic benk, broker or sub-broker to any person in any part of China except Manchuria, and any domestic bank, broker or sub-broker is authorized to effect such remittances, provided the following terms and conditions are complied with:
(a) Such remittances may be made from any account other than a blocked account and, subject to item (b) hereof, such remittances may be made from the blocked account of any national of China.
(b) Such remittances may not be made from any blocked account if eny of the following hes an interest in such account:
(i) Any national of any blocked country other than China:
(ii) Any person within Manchuria; or
(iii) Any blocked country other than China; and
(c) Such remittences shall be effected by a domestic bank or broker paying the dollar or peso amount of the remittance to a. designated agent of the Central Bank of China for the account of an appointed bank.
(2) All domestic banks, brokers and sub-brokers effecting such remittances shall satisfy themselves that the foregoing terms and conditions are complied with.
(3) With respect to each remittance made pursuant to this general license reports on Form TFR-1.32 shall be executed and filed in the manner and
form and under the conditions preseribed in Gernerel Licence No. 32, eveent thet sub-brokers through which such rerittinces owifinate neec not execute Section i. of such report. If sub-brokers do not execute Section of such report, they shell furnish sufficient inforrition to rincinel brokers to enable the latter to execute Section $f$. The broker or benk hich executes Section $A$ of such report shell note on the reverse side of such forr the nature of the transaction for which the remittance is being rede but need not furnish the information called for in item 6 of such form.
(4) All dollers or nesos eccruine to any appointee hank pursuint to this general license shell, if so recuired by the Stabilization Foorc of China, be made nveileble to the Starilization Eoard of China by nayment to the Central Bank of Chine ageinst delivery of en equivalent enount of Chinese netioncl currency.
(5) This generil license she 11 not be deered to cuthorize any trensaction incidentel to imports and exports between any part of the United States (including the Philippine Islencs) enc Chint.
(6) Ls used in this genersl license:
(a) The term "anpointed benk" she 11 heve the sare eaning as that prescribed in Generel License No. 58.
(b) The term "design ted agent of the Centry Bens of Chine" shall mean either the Benk of China or the Philinnine Benk of Comrunice tions.

> United Stetes High Commissioner to the Philinnine Irlends.

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:


1) Included in total imports, column 2.


## TREASURY DEPARTMPNT Washington

FOR IMMFDIATE RPLEASE, Thursday, November 13, 1941.

## Press Service

No. 28-42

The Bureau of Customs announced today that preliminary reports from the collectors of custons 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, 1941, to November 1, 1941, inclusive:

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


Egypt and the Anglo-
Egyptian Sudan .....
Peru ..................... . .
British India ..........
China ....................
Mexico ................... .
Brazil
Union of Soviet
Socialist Republics
Argentina ..............
Haiti
Ecuador ..................
Honduras ...............
Paraguay ................
Colombia ................
Iraq . . . . . . . . . . . . . . . .
British East Africa ...
Netherlands East
Indies ................
Barbados
Other British West Indies 1/
Nigeria
Other British West Africa 2/ ............ Algeria and Tunisia ... Other French Africa 3/.

|  |  |  | $\begin{aligned} & \mathrm{B}_{8}^{ \pm}{ }^{2} \\ & \text { vin } \end{aligned}$ |
| :---: | :---: | :---: | :---: |
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Total

## FOR IMIEDIATE RELZASE

## Noveraber 12, 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, 1941, to November 1, 1941, inclusive:

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


Egypt and the Anglo-
$14,516,882 \quad 9,759,229 \quad 45,656,420$

# TREASURY DEPARTMENT Washington 

FOR IMMEDIATE RELEASE, Thursday, November 13, 1941.

Press Service
No. 28-42

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, 1941, to November 1, 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 IINTERS). Annual quotas commencing September 20, by Countries of Origin:

## (In Pounds)



Bgypt and the Anglo-

| Bgypt and the Ang10Eavtian Sudan | 783,816 | - | 43,451,566 | 4,522,891 |
| :---: | :---: | :---: | :---: | :---: |
| Peru ................... | 247,952 | 247,952 | 2,056,299 | 2,056,299 |
| British India | 2,003,483 | - | 64,942 | - |
| China | 1,370,791 | - | 2,626 |  |
| Mexico | 8,883,259 | 8,883,259 | - |  |
| Brazil | 618,723 | 618,723 | 3,808 | 2 |
| Union of Soviet Socialist Republics | 475,124 | - | - | - |
| Argentina ............. | 5,203 | 1 | 435 |  |
| Haiti . ................ | 237 | - | 506 |  |
| Ecuador | 9,333 | 9,264 | - |  |
| Honduras | 752 | - | - |  |
| Paraguay ....... | 871 | - | - |  |
| Colombia .............. | 124 | - | - |  |
| Iraq | 195 | - | - |  |
| British East Africa ... | 2,240 | - | 29,909 | 30 |
| Netherlands East Indies $\qquad$ | 71,388 | - | - |  |
| Barbedos . | - | - | 12,554 |  |
| Other British West Indies $\qquad$ | 21,321 | - | 30,139 |  |
| Nigeria .-........ | 5,377 | 30 | - |  |
| Other British West Africa $2 / . . . . . . .$. | 16,004 | - | 2,002 |  |
| Algeria and Tunisia.. | - | - | 1,634 |  |
| Jther French Africa 3/ | 689 | - | - |  |

Total $14,546,882 \quad 9,759,229 \quad 45,656,420$
6,579,222

## $\frac{1}{2}$

Dther than Barbados, Bermuda, Jamaica, Trinidad, and Tobago.
Other than Gold Coast and Nigeria.
Other than Algeria, Tunisia, and Madagascar.
(2)

COTT ON CARD STRIPS, COmBER WASTE, LAP WASTE, SLIVSR WASTE, AND RJVING WASTE, WHETHER OR INOT NANUFACTURZD JR JTHERMISE ADVANCED IN VALUS. 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, Frence, Netherlands, Switzerland, Belgium, Germany and Italy:


1/ Included in total imports, column 2.

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## TREASURY DEPARTMENT Washington

FOR RELEASE, MORNING NEWSPAPERS, Friday, November 14, 1941.

Press Service No. 28-43 11/13/41

The Treasury today began distribution of a small folder entitled "Tax Savings Plan," which contains a digest of regulations governing Tax Savings Notes. The back of the form contains an application blank for the Notes.

George Buffington, Special Assistant to the Secretary, said the new folders will be sent to banks, investment houses and corporations which employ a large number of workers. They are designed to answer questions which might arise concerning United States Treasury Tax Notes and to supplement information in the "Know Your Taxes" pamphlet that is now being distributed to millions of workers.
(A copy of the "Tax Savings Plan" folder is enclosed.)



TAX SAVINGS NOTES
PURPOSE. For the national defense, greatly increased taxes on income are necessary and have been imposed. As income is received, the taxpayer should set aside the amount necessary to pay the taxes due the following year. The United States Treasury Department, through its Tax Savings Plan, is now providing a convenient means for taxpayers to save for taxes by offering special Treasury Tax Notes which may be purchased by taxpayers from current income and later used by them in paying their Federal income taxes.
TAX NOTES. Two series are available: Series A, designed to be particularly attractive to the small or moderate taxpayers, and Series B, intended for the larger taxpayers. The notes on
sale during 1941 are dated August 1, 1941, and will mature August 1, 1943. The succeeding notes, similar except for their dates, on sale during 1942, will be dated in January 1942 and will mature in January 1944.
PRICE OF NOTES. The notes of both series are sold at par and accrued interest from their date to month of purchase. Credit for accrued interest included in the purchase price, plus further accrual of interest, is given the taxpayer when the notes are used to pay taxes.
DENOMINATIONS. Series A, $\$ 25, \$ 50, \$ 100$; Series B, $\$ 100, \$ 500, \$ 1,000, \$ 10,000, \$ 100,000$, $\$ 500,000, \$ 1,000,000$.
INTEREST. Accrues on Series A at rate of 16 cents a month per $\$ 100$, or at a rate of about 1.92 percent a year; on Series B at 4 cents a month per $\$ 100$, or at a rate of about 0.48 percent a year. Interest accrued after purchase is allowed only on notes used for tax payments and will not accrue after the maturity of the notes.
TAX PAYMENTS. The notes, inscribed in the name of the taxpayer and nonnegotiable, may be used by the owner, his agent, or his estate, during and after the third month from month of purchase, in payment of Federal income taxes (current and back personal and corporation taxes and excess-profits taxes) assessed against his income. The notes are receivable at par and accrued interest from their date to month presented to the Collector of Internal Revenue.
AMOUNTS ACCEPTABLE. Not more than $\$ 1,200$ principal amount and accrued interest thereon, of notes of Series A of any date and maturity, will be accepted on account of a taxpayer's liability for a taxable period, but this limitation applies separately (1) to husband and wife on a joint return and (2) to a decedent before death and to his estate for the balance of the same year. No limitation is placed on the amount of Series B notes acceptable, either alone, or in addition to Series A notes. Tax notes will be received in payment of taxes only in amounts of their denominations plus accrued interest.
TAXABILITY. Interest has no exemption from Federal income tax. Interest accrued after purchase should be reported as income for year in which notes were used for tax payment.
REDEMPTION. Notes not used for tax-payment purposes may be redeemed, in whole or in part
(corresponding to an authorized denomination), at purchase price only, Series A notes at any time without notice; Series B notes after 60 days from date of issue on 30 day's' notice.
PURCHASE OF NOTES. Tax notes may be purchased from any Federal Reserve bank or branch or from the Treasurer of the United States, Washington, D. C. Banks, trust companies, and savings and loan associations generally throughout the United States will secure the notes for their customers, making no charge for this service.
FURTHER INFORMATION. Consult any local bank, trust company, or savings and loan association, or write to the Federal Reserve bank of the district, or to the Secretary of the Treasury, Washington, D. C. For any special information concerning the acceptance of the tax notes in payment of Federal income taxes, consult the Collector of Internal Revenue.

Price of \$100 Treasury Tax Notes, Series A and $B$ [par and accrued interest, during successive months; other denominations in proportion]

1941
[For notes dated August 1, 1941]
Series A Series B

| August------------------------------------------------------------------- | 100.00 | 100.32 |
| :--- | ---: | ---: |
| September--- | 100.64 | 100.00 |
| October----- | 100.08 |  |
| November---- | 100.12 |  |
| December---- | 100.16 |  |

1942
[For notes dated in January 1942]

|  | Series A | Series B |
| :---: | :---: | :---: |
| Januar | \$100.00 | \$100. 00 |
| February | 100.16 | 100.04 |
| March | 100.32 | 100.08 |
| April | 100.48 | 100.12 |
| May | 100.64 | 100.16 |
| June | 100.80 | 100.20 |
| July.- | 100.96 | 100. 24 |
| August | 101.12 | 100.28 |
| September | 101.28 | 100.32 |
| October | 101.44 | 100. 36 |
| November | 101.60 | 100.40 |
| December | 101. 76 | 100.44 |

eries B

## XATPHA

issue or on subsequent purchase, and the amount actually received either upon sale or redemption at inaturity during the taxable year for which the return is made, as ordinary gain or loss.

Treasury Department Circular No. 418, as mended, 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.

## XATMEA

Reserve Banks and Branches, following which public announcenent will be made by the Secretary of the Treasury of the anount and price range of accepted bids. Those subnitting 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

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 anount of discount at which Treasury bills are originally sold by the United States shall be considered to be interest. Under Sections 42 and 117 (a) (1) of the Internal Revenue Code, as anended by Section 115 of the Revenue Act of 1941, the amount of discount at which bills issued hereunder are sold shall not be considered to accrue until such bills shall be sold, redeemed or otherwise disposed of, and such bills are excluded from consideration as capital assets. Accordingly, the owner of Treasury bills (other than life insurance companies) issued hereunder need include in his income tax return only the difference between the price paid for such bills, whether on original

Qpectid provided, however, any quali-sol depesitary will be pernitted to make payment by eredit for Treasury bills allotted to it for itself and its cuatomers up to any amount for which it shall be qualified in excess of exdating deposits when so notified by the Federal Reserve Bank of its district. Unguors, Please conifinim quoted data to 2reasury.

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TREASURY DEPARTMENT

## Washington

FOR RELEASE, MORNING NEWSPAPeRS, Friday, November 14, 1941
( X )

The Secretary of the Treasury, by this public notice, invites tenders for $\frac{200,000,000}{(x, 2)}$, or thereabouts, of $\frac{91-\text { day Treasury bills, to be issued }}{x(3)}$ on a discount basis under competitive bidding. The bills of this series will be dated $\qquad$ , and will mature $\qquad$ , 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 Resorve Banks and Branches up to the
 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 securitics. 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 $28-44$

## TREASURY DEPARTMENT Washington

FOR RELEASE, MORNING NEWSPAPERS, Friday, November 14, 1941.

The Secretary of the Treasury, by this public notice, invites tenders for $\$ 200,000,000$, 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 November 19, 1941, and will mature February 18, 1942, 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, November 17, 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 November 19, 1941, provided, however, any qualified depositary will be permitted to make payment by creait for Treasury bills allotted to it for itself and its customers up to any amount for which it shall be qualified in excess of existing deposits when so notified by the Federal Reserve Bank of its district.

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

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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. Under Sections 42 and 117 (a) (1) of the Internal Revenue Code, as amended by Section 115 of the Revenue Act of 1941 , the amount of discount at which bills issued hereunder are sold shall not be considered to accrue until such bills shall be sold, redeemed or otherwise disposed of, and such bills are excluded from consideration as capital assets. Accordingly, the owner of Treasury bills (other than life insurance companies) issued hereunder need include in his income tax return only the difference between the price paid for such bills, whether on original issue or subsequent purchase, and the amount actually received either upon sale or redemption at maturity during the taxable year for which the return is made, as ordinary gain or loss.

Treasury Department Circular No. 418, 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.
> (The following address by SECRETARY MORGENTHAU before the 75 th Annual Meeting of the National Grange in Worcester, Massachusetts, is scheduled to be delivered at 3:00 pom., Eastern Standard Time, Saturday, November 15,1941 , and is for release upon delivery at that time.)

Today, as never before, it is an honor to be an American farmer. The future health and happiness of all the world depends, as never before, upon the American farmer's work and skill and enterprise. I am very happy, therefore, to have this opportunity of speaking to a great audience of American farmers, and to accept at your hands, Mr. Taber, this pin that certifies to twenty-five years' membership in the National Grange.

To anyone who lives and works with the good earth it brings a new pride year after year to sow the new crop, to tend it carefully, and to harvest it at last. Speaking to you as a fellow farmer rather than as Secretary of the Treasury, I can assure you that one of the great satisfactions of my life is to see the trees that I planted on my own farm twenty-five years ago grow and blossom and bear
good fruit. And during these twenty-five years it has meant a great deal to Mrs. Morgenthau and to me to be members of the Wicopee Grange, near our farm in the Hudson Valley. The local Grange has given us a place to discuss common problems with our neighbors, and it always has given us the feeling that we are a part of this great national organization which for seventy-five years has been the friend of every farmer in the United States. I shall wear my membership pin as a badge of honor.

I had intended to remind you at the very start of this talk of the danger of inflation as it might affect the farmers of the United States; but your National Master has already spoken of the danger, and has done it eloquently. May I quote a few sentences of what he said?
"Next to the suffering on the battlefield and the anguish of those at home, inflation is one of the calamities of war . . . How could any farmer forget 1921 and '22, or 1932 and '33? . . . Inflation endangers all forms of wealth, every bank deposit, and, in fact, all of the established accumulations of generations."

One of the most effective ways to fight inflation is to produce more of the goods which do not compete with our defense industries for materials or for labor. That means, above all, to produce more food in the interests of the consumer and the farmer as well. I should like to pay my tribute to the work of Secretary Wickard and the Department of Agriculture in encouraging our farmers to grow more of the right kinds of food -- more dairy products, vegetables, fruits and meats, the so-called protective foods on which our national well-being depends.

The opportunity ahead of American farmers at this time is so vast that very few of us, I think, can conceive it. We have prided ourselves on being the best fed nation in the world. Europeans who have come to our shores have marvelled at the stacks of fruit and vegetables in our shops and at the abundance of the diet available to American families. Yet we are not as well nourished as outward appearances might seem to show. Only the other day the President of the United States expressed his sense of shame
at the high percentage of recruits for the army who had to be rejected. Nearly 50 percent of two million men examined for selective service were found to be unfit, and of those rejected a large number were suffering from dental defects or other ills that probably were due to faulty nutrition. The President was not overstating when he described these conditions as an indictment of America.

A few years ago $I$ took part in the conception and inception of the food stamp plan, which was an attempt to bring some of our surplus commodities into the hands of the underprivileged. The plan was conceived at a meeting between Vice President Wallace, Mr. Harry Hopkins, Doctor Thomas Parran, and myself; later it was perfected by Mr. Milo Perkins of the Department of Agriculture. In line with this effort Doctor Parran, who is now Surgeon General of the United States and was then in the Treasury, undertook an investigation into food-buying habits and nutrition in the District of Columbia. Here was a compact area where per capita wealth was higher than that of
any State, yet Doctor Parran found widespread under-nourishment, especially in milk, green vegetables and citrus fruits. I suspect that similar investigations in other parts of the country might yield a similar result even today, when our public is more vitaminconscious than when Doctor Parran's study was made.

This is a challenge that we as a government, and we as farmers, must meet together. The Government can help by encouraging and promoting the production and use of the right kinds of food, as it is beginning to do right now, under the leadership of Miss Harriet Elliott of the Consumers Division of the Office of Price Administration. But farmers can do by far the biggest part of the job by producing more -- by diverting land and effort to the production of milk, butter, eggs, pork products, fruits and vegetables. It must no longer be said of this rich country of ours that millions of our people still go without the food that is necessary to good health and good morale.

Side by side with this challenge that confronts us at home, there has come a still more urgent and insistent call from across the sea. The British people, as you know, have had their chief sources of food supply cut off either by invasion, as in the cases of Holland and Denmark, or by shipping shortages, as in the cases of Australia and New Zealand. The British today are living under conditions of siege. Their island home is one vast fortress, and every man, woman and child is in the garrison, fighting our fight as well as their own. It is our responsibility, and our high honor, to see that they are fed, not with a trickle of occasional shipments, but with enough sustaining food to enable them to carry on.

American farmers are already doing a mighty work in sending food to England in her time of greatest need. Secretary Wickard has already told you of the huge amounts that we are pledged to send during 1942. It will help us, I think, to produce those vast quantities if we always remember that our food shipments are bringing renewed strength and renewed courage to those who are in the front line of freedom.

That is an achievement which must be continued throughout 1942 and as long as the war may last. It is probably the greatest single call ever made upon American farms. If you add it to our own requirements, it is a call that will use all of our ingenuity, all our effort, and all of the experience that we have gained in recent years, if we are to meet it successfully.

In this effort the American farmer is as vitally important as the aircraft worker who builds a new bomber or the shipyard worker who helps to send a new battleship on its way. Knowing what I do of the great-heartedness of our farmers and of their capacity for hard work in a great cause, I am confident that that call will be answered and that England will be able to win the victory that is our own hearts' desire.

But after the victory -- what theni After the Allies win this war -- and they are going to win it -the opportunity for American agriculture and the need for colossal production of the right kinds of food will be much greater than it is even today. Where
tens of millions in England are depending on us now, hundreds of millions throughout the continents of Europe and Asia will be stretching out their hands to us when the war is over.

I am in favor of seeing that the credit of the United States is used to do the humanitarian thing, the economic thing, the sound thing, in putting the great food production of the United States into the hands of the hungry millions. I am one of those who believe that in the long run, as Vice President Wallace has said, service to humanity is economically sound.

I am thinking not only of the actual hunger and misery that will be sure to exist when the next Armistice comes, but also of the ruined agriculture of many countries that depended upon farming for their very existence. I am thinking of the fine herds that have been slaughtered in Denmark and Holland, which lived on their exports of dairy products. I am thinking of the scorched earth in the great farming areas of Russia, where farm houses and farm implements have been destroyed in the past five months on a
scale unparalleled in all history. There will be a lack of seed, a lack of feed for livestock, and in many countries a lack of manpower to tend the farms. Again, as in the past, American agriculture can save Europe from hunger and from the anarchy that comes with hunger on such a scale.

It is true, as the President said recently, that our first job now is to win the war rather than to concentrate on blueprints of what is to follow. I agree with him, yet I think there is one great fact about the coming democratic order in Europe which we should do well to remember now. That is that great masses of decent hardworking men and women will no longer tolerate the economic insecurity which furnished so much of the fuel for the political turmoil of the past 25 years. They are going to demand certain elementary guarantees for a decent life, and I think they will be right and amply justified in their demand.

In order to build a better world -- and that goes for our own country as well as for those abroad -- we must recognize the citizen's right to
have a minimum standard of food with which he can live the life of a free man. My own feeling is that we should guarantee to every man, woman and child the right to have enough milk and butter, enough fruit and vegetables, enough of the protective foods of all kinds, so that everyone can be fit to do his part in the world of tomorrow.

After all, we in America decided about 75 years ago, about the time the National Grange was founded, that everyone was entitled to a decent education as a. matter of right, and we established the greatest free school system in the world to provide that right. We found that it was not fair, and that it did not pay us as a nation, to permit illiteracy on a vast scale and to enable only those with wealth or other advantages to have a proper schooling. We have provided that schooling with State funds, and nobody would dream of abandoning it now.

We decided eight years ago that every citizen should have protection against unemployment or old age or disability, and we enacted a whole series of historic measures to help him obtain that protection
as a matter of right. We found that it was not fair and that it did not pay us as a nation to leave millions of our people at the mercy of economic cycles over which they had no control. These changes have been accepted, and I doubt whether any except the most uncompromising Tory among us would abandon them now.

What I am suggesting would merely carry the process a step further. I speak of it today not as a dream but as something which I am convinced must follow, not only in this country but all over the world, if we are not to revert into an endess barbarism of wars and revolutions. It is our best hope of ensuring the survival of the way of life which we treasure in common with other free peoples throughout the world.

I have suggested it to this particular audience because I want you to consider what a tremendous opportunity it brings to American farmers. If our people and other peoples are to be guaranteed a minimum standard of nutrition, which I believe is their right, then we in this country will have to produce the food that will make that standard possible.

That minimum for every adult was recently set by the National Nutrition Conference at 4-1/2 quarts of milk per week, one egg a day, one serving of meat a day, and two daily servings of vegetables and two of fruits.

If we were to attain such a minimum goal, if we were to recognize it as a right that belonged to everyone, it would mean a vast increase in our consumption and our farm production. It would mean an increase of at least forty percent in our present consumption of milk and milk products alone. It would mean a doubling of our present consumption of leafy vegetables and of the fruits that are rich in vitamins. It would mean that the farmers would have a greatly increased market here at home -- the best kind of market, for it would not be subject to foreign tariffs, and it would also increase steadily as population increased.

I have never been one of those who believe that we are heading into a period of misery and darkness. Certainly there need be no agricultural misery in
our country after this war. There need be and there must be no repetition of 1920 and 1921, which, as you know from bitter experience, were black years for American farmers.

If we could provide a minimum food standard for everyone -- and our farm lands have the capacity to provide it -- there would be less illness due to faulty nutrition, more production from our workers, a greater length of life for all our people, and an assured future for all American farmers.

INSOLVENT NATIONAL BANKS LIQUIDATED AND FINALLY CLOSED DURING THE MONTH OF OCTOBER. 1941

| Name and Location of Bank | Date of Failure | Total <br> Disbursements <br> Including <br> Offsets Allowed | Per Cent <br> Dividends <br> Declared <br> to All <br> Cleimants |  | Capital <br> Stock at <br> Date of <br> Failure | Cash, Assets, Uncollected Stock Assessments, etc, Returned to Shareholders |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| The Prudential Bank Washington, D. C. 1/ | 3-17-36 | \$ 22,169 | None | \$ | 100,000 | \$ | 000 |
| Inland-Irving Nat'l Bank Chicago, Illinois | 6-9-31 | 3,784,995 | 60.66 |  | 525,000 |  | 000 |
| First-Henry National Bank Henry, Illinois | 11-7-33 | 655,595 | 70.37 |  | 50,000 |  | 000 |
| Essex National Bank Haverhill, Massachusetts | 8-29-33 | 2,437,438 | 101.265 2/ |  | 100,000 |  | 000 |
| Reno National Bank Reno, Nevada | 12-9-32 | 6,456,178 | 57.65 |  | 700,000 |  | 000 |
| Citizens National Bank Long Branch, New Jersey | 1-20-32 | 1,401,749 | 59.32 |  | 150,000 |  | 000 |
| Commercial Nat:I Bank Raleigh, North Carolina | 12-21-31 | 4,266,260 | 70.57 |  | 600,000 |  | 000 |
| United States NB \& Tr. Co., Kenosha, Wisconsin | 11-15-32 | 1,061,838 | 75.48 |  | 200,000 |  | 000 |

1/ Receiver appointed to levy and collect stock assessment covering deficiency in value of assets sold, or to complete unfinished liquidation.
2/ 100 per cent principal and partial interest paid to creditors.

TREASURY DEPARTMENT
Comptroller of the Currency Washington

FOR RELEASE, MORNING NEWSPAPERS
Saturday, November 15, 1941

Press Service
$28-46$

During the month of October, 1941, the liquidation of eight 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 eight receiverships, amounted to $\$ 20,086,222$, while dividends paid to unsecured creditors amounted to an average of 69.07 per cent of their claims. Total costs of liquidation of these receiverships averaged 6.12 per cent of total collections from all sources including offsets allowed.

Dividend distributions to all creditors of all active receiverships during the month of October, amounted to $\$ 878,318$. Data as to results of liquidation of the receiverships finally closed during the month are as follows:


## TREASURY DEPARTMENT Comptroller of the Currency Washington

EOR RELEASE, MORNING NEWSPAPERS, Saturday, November 15, 1941.

Press Service No. 28-46 $11 / 14 / 41$

During the month of October, 1941, the liquidation of eight 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 eight receiverships, amounted to $\$ 20,086,222$, while dividends paid to unsecured creditors amounted to an average of 69.07 per cent of their claims. Total costs of liquidation of these receiverships averaged 6.12 per cent of total collections from all sources including offsets allowed.

Dividend distributions to all creditors of all active receiverships during the month of October, amounted to $\$ 878,318$. Data as to results of liquidation of the receiverships finally closed during the month are as follows:

| Name and Location of Bank | INSOLVENT NATIONAL BANKS LIQUJTDATED AND FINALLY CLOSEDDUFING THE MONTH OF OCTOBER, 1941 |  |  |  |  |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  | Date of Failure | Total <br> Disbursements <br> Including: <br> Offsets Allowed | Per Cent <br> Dividends <br> Declared <br> to All <br> Claimants | Capital <br> Stock at <br> Date of <br> Failure | Cash, Assets, <br> Uncollected Stock <br> Assessments, etc. <br> Returned to <br> Shareholders |  |
| The Prudential Bank Washington, D. C. I/ | $3-17-36$ | \$ 22,169 | None | \$ 100,000 | \$ | 000 |
| Inland-Irving Nat'l Bank Chicago, Illinois | 6-9-31 | 3,784,995 | 60.66 | 525,000 |  | 000 |
| First-Henry National Bank Henry, Illinois | 11-7-33 | 655,595 | 70.37 | 50,000 |  | 000 |
| Essex National Bank Haverhill, Massachusetts | $8-29-33$ | 2,437,438 | 101.265 2/ | 100,000 |  | 000 |
| Reno National Bank Reno, Nevada | $12-9-32$ | 6,456,178 | 57.65 | 700,000 |  | 000 |
| Citizens National Bank Long Branch, New Jersey | $1-20-32$ | 1,401,749 | 59.32 | 150,000 |  | 000 |
| Commercial Nat'l Bank Raleigh, North Carolina | 12-21-31 | 4,266,260 | 70.57 | 600,000 |  | 000 |
| United States NB \& Tr. Co., Kenosha, Wisconsin | 11-15-32 | 1,061,838 | 75.48 | 200,000 |  | 000 |
| 1/ Receiver appointed to 1 assets sold, or to co | y and col lete unfi | ct stock assessm shed liquidation | covering d | eficiency | value | Of |

## TREASURY DEPARTVENT

## Washington

FOR IMMEDIATE REIEASE,
Frodah hivinu iqoctobor.4, 1941.
Commissioner of Customs W. F. Johnson today issued the following statement showing imports of distilled liquors and wines, and duties collected thereon, covering ght, 1941, with comparative ficures for Ayum, 1940 and Gure, 1941, and the seven months ending and 1940.

Stock in Customs Bonded Warehouses at beginning Total Imports (Free and Dutiable)
Available for Consumption
Entered into Consumption (a)
Exported from Customs Custody
Stock in Customs Bonded Warehouses at end
SPARKLING WINES (Liquid Gallons):
Stock in Customs Bonded Warehouses at beginning Total Imports (Free and Dutiable)
Available for Consumption
Entered into Consumption (a)
Exported Erom Customs Gustody
Stock in Customs Bonded Warehouses at end

Press Service No. 28-47

## DUTIES COLIECTED ON: <br> Distilled Liquors <br> Still Wines <br> Sparkling Wines

Total Duties Golleeted on Liquor
Total Duties Collected on Other Commodities TOTAL DUTIES COLLECTED
 (a) Including withdrawals for ship supplies and diplomatic use.
(1) Revised (2) Not yet available.

IMPORTS OF DISTILLED LIQUORS AND WINES AND DUTIES COLIECTED THEREON - SEPTEMBER, 1941

|  | $\begin{aligned} & \text { September } \\ & 1941 \end{aligned}$ | $\begin{aligned} & \text { August } \\ & 1941 \end{aligned}$ | $\begin{gathered} \text { September } \\ 1940 \end{gathered}$ | $\frac{9 \text { months ending }}{1941}$ | $\frac{\text { eptember } 30_{2}}{1940}$ |
| :---: | :---: | :---: | :---: | :---: | :---: |
| DISTILIED LIQUORS (Proof Gallons): |  |  |  |  |  |
| Stock in Customs Bonded Warehouses at beginning | 8,300,585 | 8,007,581 | 8,4,93,854 | 8,223,455 | 4,474,317 |
| Total Imports (Free and Dutiable) | 743,992 | 1,151,860 | (1) 958,436 | 7,968,951 | 11,754,061 |
| Available for Consumption | 9,014, 577 | 9,159,441 | (1) 9,452,290 | 16,192,406 | 16,228,378 |
| Entered into Consumption (a) | 1,548,732 | 855,152 | (1) 769,783 | 8,663,983 | 7,527,577 |
| Exported from Gustoms Gustody | (2) | 3,704 | 201 | 32,578 | -18,4,95 |
| Stock in Custams Bonded Warehouses at end | 7,495,845 | 8,300,585 | 8,682,306 | 7,495,845 | 8,682,306 |
| STILL WINES (Liquid Gallons): |  |  |  |  |  |
| Stock in Customs Bonded Warehouses at beginning | 2,152,091 | 2,153,013 | 1,648,738 | 1,516,518 | 1,283,499 |
| Total Imports (Free and Dutiable) | 174,216 | 97,844 | 167,973 | 1,866,218 | 2,844,195 |
| Available for Consumption | 2,326,307 | 2,250,857 | 1,816,711 | 3,382,736 | 4,127,694 |
| Entered into Consumption (a) | 132,472 | 98,273 | 136,036 | 1,184,792 | 2,440,106 |
| Pxported from Customs Custody | (2) | 4,493 |  | $\frac{4,109}{}$ | $6,913$ |
| Stock in Customs Bonded Warehouses at end | 2,193,835 | 2,152,091 | 1,680,675 | 2,193,835 | 1,680,675 |
| SPARKLING WINES (Liquid Gallons): |  |  |  |  |  |
| Stock in Customs Bonded Warehouses at beginning | 210,887 | 214,693 | 355,339 | 221,290 | 376,746 |
| Total Imports (Free and Dutiable) | 1,469 | 322 | 1,728 | 45,988 | 273,892 |
| Available for Consumption | 212,356 | 215,015 | 357,067 | 267,278 | 650,638 |
| Entered into Consumption (a) | 11,029 | 3,629 | 31,832 | 63,811 | 324,849 |
| Exported-from-Customs Custody | (2) | 499 | - | $\underline{2,140}$ | 554 |
| Stock in Customs Bonded Warehouses at end | 201,327 | 210,887 | 325,235 | 201,327 | 325,235 |

## DUTIES COLIECTED ON:

Distilled Liquors
Still Wines
Sparkling Wines
Total Ihaties Golleeted on Iiquor
Total Duties Collected on Other Commodities TOTAL DUTIES COLLECTED

| $\$ 3,843,555$ | $\$ 2,081,048(1)$ | $\$ 1,891,456$ | $\$ 21,345,330$ | $\$ 18,570,757$ |
| ---: | :---: | ---: | ---: | ---: | ---: |
| 130,485 | 77,956 | 121,565 | $1,074,467$ | $2,035,761$ |
| 32,664 | 10,545 | 94,494 | 185,149 | 964,410 |
| $\$ 4,006,704$ | $\$ 2,169,5149(1)$ | $\$ 2,109,515$ | $\$ 22,604,946$ | $\$-27,570,928$ |
| $32,107,769$ | $32,341,686(1)$ | $20,519,647$ | $-318,074,910$ | $220,884,743$ |
| $\$ 36,114,473$ | $\$ 34,511,235$ | $\$ 22,627,156$ | $\$ 340,679,856$ | $\$ 242,455,671$ |



[^8]
## TREASURY DEPARTMENT

Washington
FOR IMMEDIATE RELEASE, Friday, November 14, 1941

Press Service
No. 28-47

Commissioner of Customs W. R. Johnson today issued the following statement showing imports of distilled liquors and wines, and duties collected thereon, covering September, 1941, with comparative figures for September, 1940 and August, 1941, and the seven months ending Sentember 30, 1941 and 1940.

September August September 9 months ending September 30, $\begin{array}{llllll}1941 & 1941 & 1940 & 1941 & 1940\end{array}$

## DISTILIED IIQUORS

(Proof Gallons):
Stock in Customs Bonded Ware-
houses at beginning $\ldots \ldots .8,300,5858,007,581 \quad 8,493,854 \quad 8,223,455 \quad 4,474,317$
Total Imports (Free and
Dutiable).................. 743,992 1,151,860* 958,436 7,968,951 11,754,061
Available for Consumption... 9,044,577 9,159,441* 9,452,290 16,192,406 16,228, 378
Entered into Consumption (a) 1,548,732 855,152* 769,783 8,663,983 7,527,577
Stock in Customs Bonded Ware-
houses at end.............. 7,495,845 8,300,585 8,682,306 7,495,845 8,682,306
STILL WINES (Liquid Gallons):
Stock in Customs Bonded Ware-
h.uses at beginning........ 2,152,091 2,153,013 1,648,738 1,516,518 1,283,499

Total Imports (Free and
Dutiable)................. 174,216 97,844 167,973 1,866,218 2,844,195
Available for Consumption... 2,326,307 2,250,857 1,816,711 3,382,736 4,127,694
Entered into Consumption(a). 132,472 98,273 136,036 1,184,792 2,440,106
Stock in Customs Bonded Ware-
houses at end.............. 2,193,835 2,152,091 1,680,675 2,193,835 1,680,675
SPARKIING WINES
(Liquid Gallons):
Stock in Customs Bonded Ware-

| houses at boginning....... | 210,887 | 214,693 | 355,339 | 221,290 | 376,746 |
| :---: | :---: | :---: | :---: | :---: | :---: |
| otal Imports (Free and |  |  |  |  |  |
| Dutiable). | 1,469 | 322 | 1,728 | 45,988 | 273,892 |
| vailable for Consumption | 212,356 | 215,015 | 357,067 | 267,278 | 650,638 |
| Intered into Consumption(a). | 11,029 | 3,529 | 31,832 | 63,811 | 324,849 |
| ock in Customs Bonded Warehouses at end.............. |  | 210.887 | 325 | 201. |  |

DUTIES COLLECTED ON:

Distilled Liquors
Still Wines
Sparkling Wines
TOTAL DUTIES COLIECTED.

$$
\begin{aligned}
& \text { \$3,843,555\$2,081,048*\$1,891,456\$21,345,330 \$18,570,757 } \\
& \text { 130,485 77,956 121,565 1,074,467 2,035,761 } \\
& \begin{array}{rrrrr}
32,664 & 10,545 & 94,494 & 185,149 & 964,410 \\
\hline 36,114,473 & 34,511,235 & 22,627,156340,679,856 & 242,455,671
\end{array}
\end{aligned}
$$

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

Press Service
No. 28-48

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 November 1, 1941, inclusive, as follows:

/ The duty-free quota on Philippine sugars applies to 850,000 long tons, of whit not more than 50,000 long tons may be refined sugars.
(Prepared - Appeals and Protests (Quota Unit) Bureau of Customs)

## PRESS RHIAASE:

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 November 1, 194l, inclusive, as follows:

| Products of Philippine Islands | Established Quota |  | Unit of :Imports as |  |
| :---: | :---: | :---: | :---: | :---: |
|  | Period | Quantity | Quantit | :of Nov. 1,122 |
| Coconut oil | Calendar year | 425,600,000 | Pound | 331,912,954 |
| Refined sugars | Calendar year | 112,000,000 | Pound <br> 1/ | 99,134,75. |
| Sugars other than refined | Calendar year | 1,792,000,000) | Pound | 1,522,517,53 |
| Cordage | $\begin{aligned} & \text { Period - May I } \\ & \text { to Dec. 31, } 1941 \end{aligned}$ | 4,000,000 | Pound | 3,115,22 |
| Buttons of pearl or shell | Calendar year | 807,500 | Gross | 609,05 |
| Cigars | Calendar year | 190,000,000 | Number | 152,651,49 |
| Scrap tobacco and stemmed and unstemmed filler tobacco | Calendar year | 4,275,000 | Pound | 3,657,70 |

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


## TREASURY DEPARTMENT

 Washington
## FOR RELEASE, AFTEBNOON NEMSPAPERS,

 Monday, November 17, 1941.Press Service No. 28-48

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 November 1, 1941, inclusive, as follows:

| Products of Philiopine Islends | Tsteblish <br> Period | : Quota Quentity : | :Unit of :Imports as of :Quantity:Nov. 1, 1941 |  |
| :---: | :---: | :---: | :---: | :---: |
| Coconut oil | Calendar year | 425,600,000 | Pound | 331,912,959 |
| Refined sugers | Calendar yeer | 112,000,000) | Pound <br> 1) | 99,134,751 |
| Sugers other then refined | Calendar year | 1,792,000,000) | Pound | 1,522,517,534 |
| Corrage | $\begin{aligned} & \text { Period - May } 1 \\ & \text { to Dec. 31, } 1941 \end{aligned}$ | 4,000,000 | Pound | 3,115,224 |
| Buttons of pearl or shell | Calendar year | 807.500 | Gross | 609,050 |
| Cigers | Calendar year | 190,000,000 | Number | 152,651,490 |
| Scrap tobacco and stemmed and unstemned filler tobacco | Celendar year | 4,275,000 | Pound | 3,657,708 |

I/ The duty-free quote on Philippine sugers epolies to 850,000 long tons, of which not more than 50,000 long tons mey be refined sugars.

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-000-
$$


-000-
(Prepared - Apperis and Protests (Quota Unit), Bureau of "Customs)

## TREASURY DEPARTMENT

 WashingtonFOR RFLFASE, MORNING NFWSPAPERS, Sunday, November 16, 1941.

Press Service
No. 28-49

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 | eat $\vdots$ Wheat fll <br> crushed <br> and simi | Wheat flour, semolina, crushed or cracked wheat, and similar wheat products |
| :---: | :---: | :---: | :---: |
|  | :Established : Quota | : Imports May: <br> :29, 1941 to :Established: :Nov. I,1941: Quota | Imports May 29, 1941 to Nov. 1, 1941 |
|  | (Bushels) | (Bushels) (Pounds) | (Pounds) |
| Canada | 795,000 | 795,000 3,815,000 | 534,362 |
| China | - | 24,000 | 6,536 |
| Hungary | - | 13,000 |  |
| Hong Kong | - | 13,000 | 7,125 |
| 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 | 97 |
| France | 1,000 | 1,000 | - |
| Greece | - | 1,000 | - |
| Mexico | 100 | 1,000 | - |
| Panama | - | 1,000 | - |
| Uruguay | - | 1,000 | - |
| Poland and Danzig | - | 1,000 | - |
| Sweden | - | 1,000 | - |
| Yugoslavia | - | 1,000 | - |
| Norway | - | 1,000 | - |
| Canary Islands | - | 1,000 | - |
| Rumania | 1,000 | - - | - |
| Guatemala | 100 | - - | - |
| Brazil | 100 | - - | - |
| Union of Soviet Socialist Republics | 100 | - - | - |
| Belgium | 100 | - - | - |
|  | 800,000 | 795,000 4,000,000 | 548,120 |

## TREASURY DEPARTMENT

Washington
FOR RELEASE, AFTERNOON NEWSPAPERS, Honday, November 17, 1941.

Press Service
No. 28-49

The Bureau of Customs announced today preliminary figures showing the quanties 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 | Wheet |  | Wheat flour, semolina, crushed or cracked wheet, and similer wheat products |  |
| :---: | :---: | :---: | :---: | :---: |
|  | : $\quad$ Imports Mey |  |  | Imports Mey 29, 1941 to Nov. I, 1941 |
|  | :Established:29, 1941 to :Established: 1941 to Nov. 1, |  |  |  |
|  | : Quota | :Nov. 1, 1941 | Quota : |  |
|  | (Bushels) | (Bushels) | (Pounds) | (Pounds) |
|  |  |  |  | 534,362 |
| Caneda | 795,000 | 795,000 | 3,815,000 | 53, 6,536 |
| Chine | - | - | 24,000 |  |
| Hungery | - |  | 13,000 | 7,125 |
| Hong Kong | - | - | 13,000 | 7,125 |
| Japan | 100 | - | 75,000 | - |
| Unitad Kingdon | 100 | - | 1,000 | - |
| Australie | $10{ }^{-}$ | - | 5,000 |  |
| Germeny |  |  |  |  |
| Syrie | 100 | $\square$ | 5,000 |  |
| New Zealend. | - | - | 1,000 |  |
| Chile | - |  | 1,000 |  |
| Netherlends | 100 | - | 14,000 |  |
| Argentine | 2,000 | - | 14,000 |  |
| Italy | 100 | - | 12,000 | 97 |
| France | 1,000 | - | 1,000 |  |
| Greece | - | - | 1,000 |  |
| Mexico | 100 | - | 1,000 |  |
| Prneme | - |  | 1,000 |  |
| Uruguay | - | - | 1,000 | - |
| Poland and Denzig | - | - | 1,000 | - |
| Sweden | - | - | 1,000 | - |
| Nogoslevie | - | - | 1,000 | - |
| Canary Islends | - | - | 1,000 |  |
| Rumenia | 1,000 |  | - | - |
| Guetemele Brezil | 100 | - | - | - |
| Union of Soviet |  |  |  |  |
| Socielist Republics | 100 | - | - |  |
| Belgium | 100 | - | - |  |
|  | 800,000 | 795,000 | 4,000,000 | 548,120 |
|  |  | -000- |  |  |



For Relead, Monday November 17,1941


Counterfeit notes in circulation during the week ended November 7. reached the lowest point for a one week period in the history of the United States Secret Service, Chief Frank J. Wilson reported today. $\square$ Minvoracyorinimb These aggregated 99 notes amounting to \$729.

Chief Wilson attributed the achievement to the "Know Your Money, That has been educational program a carried on for the past four yearspy the feed forrice,

Although $\$ 56,000,000$ was wagered during the 163 -day
horse raen-y season at the five Chicago area tracks, only ten dollars in counterfeit money was passed, Chief Frank J. Wilson of the United States Secret Service reported today. This consisted of two counterfeit notes of five dollars each, passed at the Hawthorne track on September 24.

The Bureau of Narcotics did not receive a single request from State authorities to investigate alleged "doping" of race horses.

## TREASURY DEPARTMENT Washington

FOR RELEASE, MORNING NEWSPAPERS, Monãa, November 17, 1941.

Press Service No. 28-50

Counterfeit notes in circulation during the week ended November 7 reached the lowest point for a one week period in the history of the United States Secret Service, Chief Frank J. Wilson reported today. These aggregated 99 notes amounting to \$729.

Chief Wilson attributed the achievement to the "Know Your Money" educational program that has been carried on for the past four years by the Secret Service.

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-000-
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Although $\$ 56,000,000$ was wagered during the 163-day horse racing season at the five Chicago area tracks, only ten dollars in counterfeit money was passed, Chief Frank J. Wilson of the United States Secret Service reported today. This consisted of two counterfeit notes of five dollars each, passed at the Hawthorne track on September 24.

The Bureau of Narcotics did not receive a single request from State authorities to investigate alleged "doping" of race horses.

## November 7, 1941.

## TO MR. BELL:

Daring the month of October 1941, the following market transaction took place in direct and guaranteed. securities of the Government:

Sale . . . . . . . . . . .... . $\$ 200,000$
Purchase ............... -
Tet sale . . . . . . . . . . . . $\$ 200,000$


## TRIASURY DEPARTI DTT <br> Wiashington

FOR ILI DIATE RELMGE, onday, Juy 21, 1941.
novempe 17.1941

## Press Service <br> No. $\frac{26-65}{28-51}$

larket transactions in Govemment securities for Treasury Ortatery 14414 sale 200,000
of 44, DeD, Secretary horgenthau announced today.
-000-

## TREASURY DEPARTMENT

Washington
FOR IMMEDIATE RELEASE, Monday, November 17, 1941.

Press Service No. 28-51

Market transactions in Government securities for Treasury investment accounts in October, 1941, resulted in net sales of $\$ 200,000$, Secretary Morgenthau announced today.


## TREASTRY DAPABTIGNT

Weshington
FOR RILLASE, MORNING NAMSPAPERS, Tuesday, November $18,1941$. $11 / 17 / 41$

Press Service
No. 28-52

The Bureau of Customs announced today preliminory figures for imorts of commodities within quota limitations provided for under trade egreements, from the beginning of the quota periods to November 1, 1941, inclusive, as follows:

| Comodity | Established Qunta |  | :Unit of : Imports es of Suantity: Nov. 1, 1941 |  |
| :---: | :---: | :---: | :---: | :---: |
| Cattle less than 200 pounds each | Celendar year | 100,000 | Head | 99,538 |
| Cattle, 700 pounds or more each (other than dairy cows) | Quarter year from <br> Oct. 1, 1941 <br> Canada <br> Other countries | $\begin{array}{r} 51,720 \\ 6,212 \end{array}$ | $\begin{gathered} \text { Head } \\ { }_{n} \end{gathered}$ | $\begin{array}{r} 24,135 \\ \text { (Tariff rate } \end{array}$ |
| Whole milk, fresh or sour | Calendar year | 3,000,000 | Gallon | $\begin{gathered} \text { quota filled) } \\ 5,393 \end{gathered}$ |
| Cream, fresh or sour | Calondar year | 1,500,000 | Gellon | 1,209 |
| Fish, fresh or frozen filleted, etc., cod, haddock, hake, pollock, cusk and rosefish | Calendar year | 15,000,000 | Pound | 8,235,730 |
| White or Irish potetoes Certified seed | 12 months from |  |  |  |
| Other | Sept. 15, 1941 <br> 12 months from | 90,000,000 | Pound | 272,235 |
|  | Sept. 15, 1941 | 60,000,000 | Pound | 150,627 |
| Cuban filler tobacco, unstemmed or stermed (other than cigarette leaf tobacco), and scrap tobacco | Calendar year | 22,000,000 | Pound (unstemmed equivalent) | ) $17,531,353$ |
| Red Cedar shingles | Calendar year | 2,488,359 | Square | (Duty-free quota filled) |

## mal4360

TREASURY DEPARTMENT Washington

FOR RELEASE, MORNING NeWSPAPERS, Tuesday, November 18, 1941.

Press Service No. 28-52

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 November 1, 1941, inclusive, as follows:


## PRESS RELEASE

The Bureau of Customs announced today preliminary figures for imports of comodities within quota limitations provided for under trade agreements, from the beginning of the quota periods to November 1, 1941, inclusive, as follows:

| Commodity | Established Quota |  | :Unit of :Imports as of Quantity:Nov. 1, 1941 |  |
| :---: | :---: | :---: | :---: | :---: |
| Cattle less than 200 pounds each | Calendar year | 100,000 | Head | 99,588 |
| Cattle, 700 pounds or more each (other than dairy cows) | Quarter year <br> from Oct. 1, 1941 <br> Canada <br> Other countrie | $\begin{array}{r} 51,720 \\ 6,212 \end{array}$ | Head | $24,135$ <br> (Tariff rate quota filled) |
| Whole milk, fresh or sour | Calendar year | 3,000,000 | Gailon | 5,393 |
| Cream, fresh or sour | Calendar year | 1,500,000 | Gallon | 1,209 |
| Fish, fresh or frozen filleted, etc., cod, haddock, hake, pollock, cusk and rosefish | Calendar year | 15,000,000 | Pound | 8,235,730 |
| White or Irish potatoes Certified seed | 12 months from Sept. 15, 1941 | 90,000,000 | Pound | 272,235 |
| Other | 12 months from Sept. 15, 1941 |  | Pound | 150,627 |
| Cuban filler tobacco, unstemmed or stermed (other than cigarette leaf tobacco), and scrap tobacco | Calendar year | 22,000,000 | Pound (Unsterm equival | ned <br> ent) $17,531,353$ |
| Red cedar shingles | Calendar year | 2,488,359 | Square | (Duty-free quota filled) |

MR. SCHWARZ'S OF'

Mr. Bell
Mr. Gaston
Mr. Sullivan
Mr. Graves

Mr. Barbee
Mr. Blough
Mrs. Chase
Mrs. Cordover
Mr. Delano
Mr. Heas
Mr . Irey
Mr. Lampman
Mrs. Lewton
Mrs. Luces

To suggest reply
For preparation
For your informs
Please note and

## fed ha:

The Proeurement-Division today issued-a booklet designed to supply on procedures vececray to information to manufacturers and dealers writing to have-regutar business $\frac{\text { and Maintain fries }}{\lambda^{\text {relations with }}}$

Entitled "Doing Business with the Procurement Division", the booklet
 with the Government because of lack of knowledge of procedure.

Because of its vast purchases -thousands of items ranging from rubber bands to locomotives-the Division constantly is looking for additional sources of supply, seeking new contacts with businessmen. Manufacturers, small or large, he printed out, have equal opportunity to do business with the Division,

Included in the booklet is a synopsis of laws affecting Federal
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Copies of the booklet are available without charge from the Procurement Division at Washington, D. C.

Trearmy depactinent


Wednesday, November 19,1941 $11117 / 41$

A booklet designed to supply information to manufacturers and dealers on procedures montanan necessary to establish and maintain business relations with the Procurement Division of the Treasury Department was issued by that agency today.


## TREASURY DEPARTMENT <br> Washington

FOR RELEASE, AFTERNOON NEWSPAPERS, Weanesday, November 19, 1941.

Press Service
No. 28-53 11/17/41

A booklet designed to supply information to manufacturers and dealers on procedures necessary to establish and maintain business relations with the Procurement Division of the Treasury Department was issued by that agency today.

Entitled "Doing Business with the Procurement Division," the booklet answers many inquiries which are being received in the office of Director Clifton E. Mack, He expressed the hope that the information would be particularly helpful to those firms which have hesitated in the past to deal with the Government because of lack of knowledge of procedure.

Because of its vast purchases -- thousanais of items ranging from rubber bands to locomotives are bought -- the Division, he said, constantly is looking for additional sources of supply, seeking new contacts with businessmen. Manufacturers, small or large, he pointed out, have equal opportunity to do business with the Division.

Included in the booklet is a synopsis of laws affecting Federal procurement, an explanation of the Division's functions and how to get on its bidder's list, addresses of the State Proourement Offices and descriptions of the types of purchasing in which the Division is engaged. Features of the invitation-tobid are discussed, as are types of bid and performance bonds, inspection, awards, protest and instructions for receiving prompt payment for goods sold.

Copies of the booklet are available without charge from the Procurement Division at Washington, D. C.

## Doing

## Business

 with the Procurement Division

Treasury Department, Procurement Division
Washington, D. C.
November l, 1941

## Introduction

More than $\$ 500,000,000$, is now being spent annually in purchasing materials and supplies for the civilian needs of the United States Government.

Thousands of items ranging from rubber bands to loco-motives--practically everything manufactured by man--are bought.

Because of the vast purchases which the Procurement Division makes, it constantly is looking for additional sources of supply, seeking new contacts with businessmen. The Procurement Division welcomes their competition in supplying the Government's needs under the competitive bidding system established by law.

Manufacturers and dealers--small and large alike--all have equal opportunity to do business with the Procurement Division, and this booklet is designed to show how to have regular business relations with the Division. It should be particularly helpful to those firms which, because of lack of knowledge of procedure, have hesitated in the past to deal with the Government.

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## How the Procurement Division Buys

Created as the Government's central purchasing agency, the Procurement Division formulates policies of purchasing and buys those materials and supplies which are most economically purchased in quantities and for which there are sufficiently large and recurring demands. In addition to these ordinary functions of centralized purchasing, the President and Congress assign to the Procurement Division from time to time specific programs of purchasing. Both these ordinary and extraordinary functions will be discussed in detail in this booklet.

The theory of centralized purchasing is accepted in business and in the Government as an axiom for economical and efficient administration. Replacing duplication in purchasing with centralized procurement has resulted in substantial savings to the taxpayer. The cost of paper work is minimized when hundreds of orders are consolidated into one. Grouping of orders permits large-quantity purchases at lower costs, and the value of the taxpayer's dollar is increased.

Centralized purchasing is an aid to vendors in a number of ways. It reduces the vendors' operating costs, in that negotiations can be carried on with one office, instead of a multitude. It reduces the amount of paper work involved in bookkeeping. If deliveries are to be made to the warehouse, it reduces the number of deliveries. These factors all tend to simplify the problems of the vendors.

The ordinary purchases under contracts consummated by the Procurement Division may be broadly divided into three categories. They are: purchases under the General Schedule of Supplies, purchases for warehouse stock, and specific-quantity purchases.

Contracts under the General Schedule of Supplies are those consummated by the Procurement Division under which
vendors agree to supply the needs of all agencies in the District of Columbia and of field agencies as designated by the Director of Procurement and as specified in the purchase negotiations. These termcontracts call for indefinite quanities of a commodity to be delivered as ordered during the life of the contracts, which may range anywhere from three months to a year. As a result of these contracts, a source of supply is available at all times.

Thus, for example, there are awarded contracts to supply all Government agencies, both in Washington, D. C., and in the field, with tires and tubes for automobiles and motorcycles. The prices, places of delivery, and other terms are covered by the contracts. Whenever an agency of the Government requires a tire or tube, it must be ordered from the vendor with whom the contract was made.

Sometimes the Procurement Division finds it more advantageous to have another agency consummate a term contract. For example, the Navy Department because of its wide experience in petroleum purchases, has negotiated the contracts for lubricating oil to be used by the various civilian departments and agencies.

Under the second category, the Procurement Division purchases from manufacturers or dealers definite quantities of commodities, which are placed in its warehouse at 7 th and $D$ Streets, S. W., in Washington, D. C. From this warehouse are met the needs of the Government in the District of Columbia, and, when purchases from warehouse stock are more economical than direct purchases, the Government agencies in the field avail themselves of warehouse stock. Materials purchased in this way are those which lend themselves to warehousing and distribution by a centralized agency.

Articles purchased under these two categories are listed in pamphlets known as the General Schedule of Supplies. These pamphlets are distributed to purchasing officers throughout the Government, who use them as a guide in ordering materials from either the Procurement Division Warehouse or from contractors.

Under the third category come specific articles for specific agencies of the Government. These commodities do not lend themselves to consolidated purchasing or warehousing. Nor is the demand for them sufficient to warrant inclusion in the term contracts under the General Schedule of Supplies. Glassine bags are an example. These bags are used exclusively by the Department of Agriculture in experimental work. As corn ripens, the bags are slipped over the tassels to prevent the disbursing of pollen. To stock these bags in the Procurement Division Warehouse or to make term contracts for them, when only the Department of Agriculture uses them, would not be beneficial to the Government.

In addition to the foregoing, the Procurement Division has been charged from time to time with making certain special types of purchases, or has been required to handle certain purchasing programs of wide scope. For example, the purchasing of supplies and materials for the Emergency Relief Program has been and is now being performed by the Procurement Division and its forty-three State or Regional Procurement Offices, established primarily for this purpose. With few exceptions, contracts for the purchase of materials and supplies needed for this Program are made directly by each State or Regional Procurement Office.

Another purchasing program which has been delegated to the Procurement Division is that of buying materials and supplies for distribution by the American Red Cross to refugees of war-torn nations. And today, a very important activity of the Procurement Division is purchasing commercial items under the Lend-Lease Act and certain equipment for the Defense Housing Program.

Although these purchasing programs are referred to as "special," it has been the experience of the Procurement Division that there have, always been several such programs in progress-almost continuously. And as one special program has been completed, a new one usually has been begun.

## Laws Affecting Federal Procurement

The fundamental law of Government purchasing is contained in Section 3709 of the Revised Statutes (USC, Title 41, Sec. 5). This statute, as interpreted by the law officers of the Government and the Courts, requires that, except in a public exigency, all purchases for materials, supplies, and equipment, must be made after public advertisement from the lowest bidder who has of fered a product in accord with specifications.

In normal times, practically all Government purchases are subject to this general rule. In times of emergency, however, Congress in many cases waives this rule and permits the award of contracts without advertising or without competition. It can readily be seen that the situation caused by such extraordinary measures as priorities, price ceilings, and allocations, require temporary modifications in the coinpetitive system. The formal, competitive system contemplates a normal market; when prevailing conditions are abnormal, mechanics must be revised to meet the problems.

The Government's policy on labor related to Federal purchases is expressed in the law commonly known as the WalshHealey Act (USC, Title 41, Secs. 35-45). This Act, in general, requires that every contract in excess of $\$ 10,000$ must contain a provision that the contractor is a regular dealer or manufacturer of the articles or materials; that he will not employ child or prison labor; and that he will not pay less than the prevailing rates of wages fixed by the Secretary of Labor for the locality in which the goods are manufactured. The Act is administered by the Secretary of Labor and provides for penalties for violations of these stipulations, as well as other terms of the Act.

The third general policy is that contained in the BuyAmerican Act (USC, Title 41, Sec. 10A). This law requires
that goods purchased by the Government must be mined, produced, or manufactured in the United States. It does not apply:

1. When articles, materials, or supplies are for use outside the United States;
2. When there is not sufficient and reasonable available commercial quantities of satisfactory qualities;
3. When it is believed to be inconsistent with the public interest; or
4. When the cost of the articles, materials, or supplies is unreasonably high.

## How to Get on the

## Procurement Division Mailing List

The first step in doing business with the Procurement Division is having one's name placed on the mailing list. This enables the manufacturer or dealer to receive invitations to bid or informal notices of quotations desired for such commodities as he may have to sell. Any firm desiring to have its name placed on the mailing list for such invitations or informal notices from the Procurement Division in Washington, D. C., should address a request to the Director of Procurement, Procurement Division, 7th \& D Streets, S. W., Washington, D. C. Any firm desiring to have its name placed on a mailing list maintained by the State Procurement Offices should address a request to the Procurement Officer for the state in which the firm desires to do business. The addresses of the State and Regional Procurement Offices are given on the following pages.

Alabama - U. S. Treasury Dept., Old Post Office Bldg., Montgomery, Ala.
Arizona - U. S. Treasury Dept., 1206 S. Santee St., Los Angeles, Calif, Arkansas - U. S. Treasury Dept., Old Post Office Bldg., Little Rock, Ark. California, San Francisco - U. S. Treasury Department, 49-4th St. California, Los Angeles - U. S. Treasury Dept., 1206 S. Santee St.
Colorado - U. S. Treasury Dept., 810 - 14 th St., Denver, Colo.
Connecticut - U. S. Treasury Dept., 341 State St., New Haven, Conn.
Delaware - U. S. Treasury Dept., 100 W. Saratoga St., Baltimore, Md.
Florida - U. S. Treasury Dept., 49 W. Duval St., Jacksonville, Fla.
Georgia - U. S. Treasury Dept., 10 Forsyth St. Bldg., Atlanta, Ga.
Idaho - U. S. Treasury Dept., 433 Federal B1dg., Boise, Idaho.
I11inois - U. S. Treasury Dept., 222 W. North Bank Drive, Chicago, I11.
Indiana - U. S. Treasury Dept., Century Bldg., Indianapolis, Ind..
Iowa - U. S. Treasury Dept., 300 Royal Union Life Bldg., 7th \& Grand Ave., Des Moines, Iowa.
Kansas - U. S. Treasury Dept., 300 W. 8th St., Topeka, Kansas.
Kentucky - U. S. Treasury Dept., Speed Bldg., 333 Guthrie St. Louisville, Ky. Louisiana - U. S. Treasury Dept., 707 Canal Bldg., New Orleans, La. Maine - U. S. Treasury Dept., Park Square Bldg., Boston, Mass. Maryland - U. S. Treasury Dept., 100 W. Saratoga St., Baltimore, Md. Massachusetts - U. S. Treasury Dept., Park Square Bldg., Boston, Mass. Michigan - U. S. Treasury Dept., Old Post Office Bldg., Lansing, Mich. Minnesota - U. S. Treasury Dept., 1881 University Ave., St. Paul, Minn. Miss issippi - U. S. Treasury Dept., 5th Floor - Tower Bldg., Jackson, Miss. Missour i - U. S. Treasury Dept., 6th Floor - Porter Bldg., Kansas City, Mo. Montana - U. S. Treasury Dept., Silver Bow Co. Courthouse, Butte, Mont. Nebraska - U. S. Treasury Dept., 243 N. 13th St., Lincoln, Neb. Nevada - U. S. Treasury Dept., 303 S. Center St., Reno, Nev.
New Hampshire - U. S. Treasury Dept., Park Square Bldg., Boston, Mass.
New Jersey - U. S. Treasury Dept., Industrial Office Bldg., 1060 Broad
Street, Newark, N. J.
New Mexico, - U. S. Treasury Dept., New Mexico Public We1fare Bldg., Santa $\mathrm{Fe}, \mathrm{N}, \mathrm{M}$.
New York - U. S. Treasury Dept., 76-9th Ave., New York Çity, N. Y. North Carolina - U. S. Treasury Dept., Raleigh Bldg., 5 W. Hargett St., Raleigh, N. C.
North Dakota - U. S. Treasury Dept., 1881 University Ave., St. Paul Minn.

Ohio - U. S. Treasury Dept., 5th Floor - New Federal Bldg., Columbus, Ohio.
Oklahoma - U. S. Treasury Dept., Cotton Exchange Bldg., Oklahoma City, Okla.
Oregon - U. S. Treasury Dept., Weatherly Bldg., 516 S. E. Morrison St. Portland, Oregon.
Pennsylvania - U. S. Treasury Dept., 928 N. 3rd St., Harrisburg, Penna. Rhode Island - U. S. Treasury Dept., Park Square Bldg., Boston, Mass. South Carolina - U. S. Treasury Dept., 1429 Senate St., Columbia, S. C. South Dakota - U. S. Treasury Dept., 1881 University Ave., St. Paul, Minn. Tennessee - U. S. Treasury Dept., 433 Stahlman Bldg., Nashville, Tenn. Texas - U. S. Treasury Dept., 5th Floor - Bedell B1dg., San Antonio, Tex. Utah - U. S. Treasury Dept., 419 Boston Bldg., Salt Lake City, Utah. Vermont - U. S. Treasury Dept., Park Square Bldg., Boston, Mass. Virginia - U. S. Treasury Dept., Schmidt B1dg., 7th \& Franklin Sts., Richmond, Va.
Washington - U. S. Treasury Dept., Alaska Bldg., Seattle, Wash. West Virginia - U. S. Treasury Dept., 910 Quarrier St., Charleston, W. Va. Wisconsin - U. S. Treasury Dept., 301 E. Wilson St., Madison, Wis. Wyoming - U. S. Treasury Dept., 402 City \& County Bldg., Cheyenne, Wyo. Puerto Rico - U. S. Treasury Dept., Bldg., F. Munož Rivera Park, San Juan, Puerto Rico.

The request should show information, explaining the prospective bidder's financial status, and a list of the commodities which he sells. Upon receipt of the request, the Procurement Division will send to the prospective bidder commodity classification sheets (detailed lists of items on which the Procurement Division desires bids) and a questionnaire form, as shown by the following sample, which must be completed and returned within a reasonable time.


Form No. 705
Procurement Division
(1-9.41)

## MAILING LIST QUESTIONNAIRE

To be filled out and mailed to
TREASURY DEPARTMENT PROCUREMENT DIVISION
WASHINGTON, D. C.
$\qquad$

1. Name of Firm $\qquad$
2. Type of Business $\qquad$
3. State whether individual, partnership, company, or corporation $\qquad$
4. Give names of officers, nenbers, or owners of firm, partnershi-


$\qquad$


$\qquad$
5. Give names of officers, members, or owners of firm, partnership, of $t$
anted under the contract ar
 the specifications and tail dealers in the usual course of business.

If the dealer or manufacturer indicates that he has a bona fide intention of bidding on a particular article, his name will be placed on the mailing list to receive invitations for this item and for all other items which he specifically indicates on the classification sheets. Dealers or manufacturers who are deemed ineligible for the mailing list are informed by mail.

When a manufacturer or dealer fails to bid on a particular item after three successive invitations have been issued, the Procurement Division assumes that he no longer is interested and removes his name from the mailing list for this item. Removal from the mailing list for one commodity, however, does not affect his listing for others. Moreover, his name may be reinstated on the mailing list from which it has been "scratched," if he requests in writing that this action be taken. This policy insures an active mailing list and avoids unnecessary stationery and clerical expense.

## Invitations to Bid

A formal bid invitation used ordinarily for regular purchases contains three general features. They are:

1. General Conditions: Provisions which apply to all contracts consummated by the Procurement Division. Among such conditions are those covering labor requirements, the provisions of the Buy-American Act, recourses of the Government in case of default by the contractor, settlement of disputes, etc.
2. Special Conditions: Provisions which are applicable to the specific contract at hand. These include such things as method of delivery, basis of evaluation of bids, submission of samples, etc.
3. Specifications: Descriptions of the commodities to be purchased, setting forth in detail the quality of the product.

Because of limitations in time, or other factors resulting from the urgency of a situation, it often is necessary to dispense with formal advertising. Instead, bidders are requested by telephone, telegram, or informal letter, to offer quotations of prices for the article to be purchased. Offers received by this method are considered, and if the terms, including prices, are acceptable to the Government, an award is made, the contractor is notified, and a formal contract is executed in due course.

In the case of informal requests for quotations, the bidder should be careful to state definitely the price and explain in detail the materials offered, so that the contracting officer can determine without further communication with the bidder whether the materials offered meet the need.

For many of the articles purchased, the re has been established a Federal Specification. Whenever a Federal Specification exists for an advertised commodity, proper reference is made to the Specification in the invitation. These Federal Specifications are published in leaflet form and may be purchased from the Superintendent of Documents, Washington, D. C.

In addition to the Federal Specifications, the Procurement Division has prepared a set of its own specifications for items on which there exist no corresponding Federal Specifications. Prospective bidders may obtain the Procurement Division Specifications at no cost by writing to the Director of Procurement.

When there is no standard specification, the requirements and the description of the commodity are clearly and fully given in the bid invitation.

Included with the invitation to bid are copies of tne proposals and instructions, which should be followed closely. Generally speaking, the following rules should be observed:

1. All copies of the bids must be identical.
2. Although legibly written bids are acceptable, typewritten bids are preferable and are a safeguard to the bidder.
3. Bids must be received not later than the time indicated in the invitation. (At such time, the opening date, all bids are opened in public in the Procurement Division's bid room.)
4. Bids must be in response to invitations and should not be qualified.
5. When samples are required, they must be delivered not later than the hour designated for opening bids and must be properly marked for identification. (The Procurement Division receives hundreds of samples and if they are improperly marked, they cannot be identified with the bids to which they pertain.)
6. Formal bids, once submitted, cannot be withdrawn after the time set for opening of the bids. However, as in the case of commercial transactions, informal bids--now used ex-tensively--may be withdrawn after the opening time.

## Bid and Performance Bond

The bid bond is a guaranty by authorized sureties that the bidder will, within the time specified in his bid, enter into contract and give proper bond for its performance. Unless it be determined that such a guaranty is necessary to protect the interest of the United States, no bid bonds will be required under bids submitted in response to the invitations of the Procurement Division. When a bid bond is desired, its requirement will be made a part of the Special Conditions of the invitation.

Effective November 6, 1941, a successful bidder will not be required to furnish a performance bond except "in those cases where it is administratively determined that the circumstances in connection with the particular purchase are such that the interests of the United States require the furnishing of a performance bond." In such cases the requirement for the bond will be part of the Special Conditions of the particular invitation. Such bonds, when necessary, must be signed by the contractor and a licensed corporate surety, or two or more individual sureties. They insure
faithful performance of all the conditions and provisions of the contract.

In lieu of sureties on performance bonds, United States bonds or nates may be deposited. Certified checks drawn payable to the Treasurer of the United States are also acceptable.

## Awards

After the bids have been opened and studied and the prices tabulated, the award is made to the lowest responsible bidder whose product conforms to the advertised specifications. The successful bidder is notified and a contract is forwarded for execution.

Announcement of the award cannot always be made immediately, especially if a number of complicated factors are involved. For instance, when bids are accompanied by samples, examination and analysis are required to establish quality.

## Contracts

Two forms of contract are used by the Procurement Divi-sion--the short-form contract, usually used for individual purchases upon which delivery is to be made in a very short time after the execution of the contract, and the long-form contract, which generally is used for term contracts under the General Schedule of Supplies.

The first is merely a notice of acceptance of the bidder's offer. The latter is a more formal document, incorporating the bids and the terms of the contract.

## Protest

If any prospective bidder feels aggrieved at any action taken by the Procurement Division in connection with any of the steps involved in the purchase of any commodity, he may
protest in writing to the Director of Procurement, stating specifically his objections to such action.

If the grievance be against the specifications or the terms of the invitation, the protest should be made immediately upon receipt of the invitation and before the opening of bids.

## Inspection

Before material may be accepted and paid for by the Procurement Division, it must be inspected for quality and quantity.

Inspection tests are particularly important when purchases are made under the competitive system of bidding. Few commodities are invariably uniform in quality. It is inevitable that some vendors will deliver a better quality than others. The best specifications and procurement procedures are of little value without intelligent and thorough inspection.

If any articles are found to be defective in material or workmanship, the Government has the right to reject them or require that correction be made.

For certain specific items sold to the Government, it is necessary to present certification when these items are delivered. For instance, delivered wiping rags must be accompanied by a certificate to the effect that they have been laundered. The requirement for such a form of certification is covered in either the contract or in written instructions to the contractor.

Occasionally, it is necessary to send inspectors to examine deliveries in the field or to inspect commodities in the process of manufacture. Ordinarily, however, inspection and acceptance of materials and articles is made after delivery.

## Payments to Contractors

After the contractor has made delivery of his materials and they have been duly accepted, he should submit in duplicate to the Government agency from which he received his order a properly certified invoice. This may be submitted on either the regular Government voucher form (Form 1034), shown on page 15, or on the firm's commercial invoice form.

Unnecessary delay in payment of his invoice can be avoided if the contractor will become thoroughly familiar with the billing instructions on the purchase order and with the terms of the contract which deal with the required certified invoice. With a view to expediting payment to the contractor, the following suggestions are offered:

1. Merchandise for which the contractor is furnishing an invoice must have been delivered, inspected, and accepted;
2. Computations on the invoice must be correct;
3. The name of the firm as shown on the invoice must be identical with that shown on the original contract, and the individual signing for the firm must indicate his official title;
4. The following certification must be given on all invoices: "I certify that the above bill is correct and just; that payment therefor has not been received; that all statutory requirements as to American production and labor standards, and all conditions of purchase applicable to the transactions have been complied with; and that State or local sales taxes are not included in the amounts billed."

When the contractor's invoice has been found to be properly executed, a check drawn in his favor will be written. Accompanying the check will be a copy of the invoice to help him to identify the check with the original contract. (Payment for partial deliveries is made only when the amount and conditions warrant.)

If, in submitting his voucher, the contractor observes all pertinent requirements, he may expect prompt payment from the Procurement Division.

Standara Form No. $103 s$-Rev. PUBLIC VOUCHER FOR PURCHASES AND SERVICES OTHER THAN PERSONAL

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\begin{aligned}
& \text { Form spproved by } \\
& \text { Comptroller General, U. }
\end{aligned}
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(Gen. Reg. No. 5i, Supp. No. 7

## GENERAL ACCOUNTING OFFICE PREAUDIT

Certified for payment in the
sum of \$
Comptroller General of the United States

By

D. O. Vou. No. Bu. Vou. No.
(For use of Paying Office)
Payee's Account No.



Per
Title

## TREASURY DEPARTIENT

## Washington

POR RELEASE, MORNTNC NEWSPAPERS,

Press Service
$28-54$ Tuesday,

The Secretary of the Treasury announced last evening that the tenders for $\$ 200,000,000$, or thereabouts, of 91 -day Treasury bills, to be dated November 19, 1941, and to mare February 18, 1942, which were offered on Movember 14, were opened at the Federal Reserve Banks on November 17.

The details of this issue are as follows:
Total applied for - \$439,350,000
Total accepted - 200,167,000
Range of accepted bids: (excepting three tenders totaling $\$ 385,000$ )

| High | -99.980 | Equivalent rate approximately | 0.079 | percent |  |  |
| :--- | :--- | :--- | :--- | :--- | :--- | :--- |
| Low | -99.922 | $n$ | $n$ | $n$ | 0.309 | n |
| Average price | -99.935 | $n$ | n | $n$ | 0.258 | $n$ |

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

## TREASURY DEPARTMENT <br> Washington

FOR RELEASE, MORNING NEWSPAPERS, $\frac{\text { Tuesday, November 18, } 1941 .}{11 / 17 / 41}$

Press Service No. 28-54

The Secretary of the Treasury announced last evening that the tenders for $\$ 200,000,000$, or thereabouts, of 91 -day Treasury bills, to be datea November 19, 1941, and to mature February 18, 1942, which were offered on November 14, were opened at the Federal Reserve Banks on November 17.

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Price-99.935 " " " 0.25z "
( 70 percent of the amount bid for at the low price was accepted)

TETELEASE
Trovember 19,194,


TRES RTMHAEE
The Bureau of Customs announced today preliminary figures showing the quantities of coffee authorized for entry for consumption as of November 1, 1941, under the quotas for the twelve months commencing October 1, 1941, provided for in the Inter-American Coffee Agreement, proclaimed by the President on April 15, 1941, as follows:

| Country of Production | Revised Quota <br> (Pounds) | Authorized for Entry <br> For Consumption <br> (Pounds) |
| :---: | :---: | :---: |

Signatory Countries:
Brazil
Colombia
Costa Rica
Cuba
Dominican Republic
Ecuador
El Salvador
Guatemala
Haiti
Honduras
Mexico
Nicaragua
Peru
Venezuela

1,364,853,662 462,698,802 29,358,129 11,795,051 17,626,703 22,044,457 94,298,370 78,611,627 40,355,291 3,208,883 73,098,231 31,311,581 3, 668, 676 36,442,699

177,285,227 38,623,390 7,914,817 914,522
5,735,923 10,546,699 464,613 12,563,911 10,848,183 171,609 37,392 8,957 1,409,474 36,917

Non-signatory Countries:
British Empire, except Aden and Canada 17,213,035 8,203,746
Kingdom of the Netherlands and its possessions 19,156,274 4,045,789
Aden, Yemen, and Saudi Arabia

3,771,864
651,634
Other countries not signatories of the InterAmerican Coffee Agreement $13,470,988 \mathrm{2} /$ (Import quota filled)

1/ Quotas revised pursuant to the Inter-American Coffee Board's resolutions of July 1 and October 23, 1941.
2/ Quota revised pursuant to the Inter-American Coffee Board's resolution of August 2, 1941. This quota was filled at the opening hour of the current quota period on October 1, 1941.

$$
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$$

FOR IMMEDIATE RELEASE,
Wednesday, November 19, 1941.

Press Service
No. 28-55

The Bureau of Customs announced today preliminary figures showing the quantities of coffee authorized for entry for consumption as of November 1, 1941, under the quotas for the twelve months commencing October 1, 1941, provided for in the InterAmerican Coffee Agreement, proclaimed by the President on April 15, 1941, as follows:

| Country of Production | Revised quota <br> (Pounds) |
| :---: | :---: |

Signatóry Countries:

Brazil
Colombia
Costa Rica
Cuba
Dominican Republic
Ecuador
El Salvador
Guatemala
Haiti
Honduras
Mexico
Nicaragua
Peru
Venezuela
Non-signatory Countries:
British Empire, except Aden and Canada
Kingdom of the Netherlands and its possessions
Aden, Yemen, and Saudi Arabia
Other countries not signatories of the InterAmerican Coffee Agreement

1, $364,85 z, 662$
462,698,802
29,358,129
11,795,051
17,626,703
22,044, 457
94, 298, 370
78,611,627
40,355,291
3,208,883
73,098,231
31, 311,581
3,658,676
36,442,699

177,285,227 38,623,390 7,914,817 914,522 $5,735,923$
$10,546,699$ $5,135,923$
$10,546,699$
464,613 12,563,911 10,848,183 171,609
37,392
8, 957
$1,409,474$
36,917

17,213,035
$8,203,746$
19,156,274
3,771,864
4,045,789
651,634
$13,470,988$ 2/ (Import quota filled)

1/ Quotas revised pursuant to the Inter-American Coffee Board's resolutions of July 1 and October 23, 1941.
2/ Quota revised pursuant to the Inter-American Coffee Board's resolution of August 2, 1941. This quota was filled at the opening hour of the current quota period on October 1, 1941. -000-
provides for periodic conferences among representatives of the two Treasuries and the Bank of Mexico to discuss monetary, financial, and economic problems of mutual interest.

The silver purchase agreement is a month to month arrangement between the United State and Mexico, whereby the United States Treasury undertakes to purchase monthly up to six million ounces of newly-mined Mexican silver. The silver will be purchased directly from the Bank of Mexico on a banes similar to the arrangements which were in effect prior to 1938. The silver purchases are made pursuant to the provisions of the Silver Purchase Act of 1934.


## TRBASURY DEPARTMENT

## Washington



The following joint statement is made by the Searetary of the Treasury of the United States, Mr. Henry Morgenthau, Jr., and by the Secretary of the Ireasury of Mexieo, Wr. Eduardo Suarez:

The two Governments, as a part of the over-all arrangements between Mexico and the United States, have today entered into a stabilization agreement and a silver purchase agreement. These arrangements are practical evidenes of the Good-linighbor Polioy. These agreements are based upon the principle that the welfare of the two countries is mutual and that common monetary and economic problems can be settled in a spirit of friendly cooperation. The two Treasuries are happy to affirm by these agreements their belief in neighborly cooperation, at a time when force rules so large a part of the worla's economy.

The Stabilisation Agreement, signed today by the Secretary of the Treasury of the United States, the Seeretary of the Treasury of Mexico, and Mr. Antonio Bspinosa do los Monteros, the representative of the Bank of Mexieo, proposes to stabilize the United States dollar-liexiean peso rate of exchange. The agreement provides that up to $\$ 40$ million of the United States Stabilization Fund will be used for this purpose. The agreement also

## TREASURY DEPARTMENT

Washington
CONFIDENTIAL:
FOR RELEASE AT 7:00 p.m., E.S.T.,
Press Service Wednesday, November 19, 1941.

The following joint statement is made by the Secretary of the Treasury of the United States, Mr. Henry Morgenthau, Jr., and by the Secretary of the Treasury of Mexico, Mr. Eduardo Suarez:

The two Governments, as a part of the over-all arrangements between Mexico and the United States, have today entered into a stabilization agreement and a silver purchase agreement. These arrangements are practical evidence of the Good-Neighbor Policy. These agreements are based upon the principle that the welfarc of the two countries is mutual and that common monetary and economic problems can be settled in a spirit of friendy cooperation. The two Treasuries are happy to affirm by these agreements their belief in neighborly cooperation, at a time when force rules so large a part of the world's economy.

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issue or on subsequent purchase, and the amount actually received either upon sale of redemption at naturity during the taxable year for which the return is made, as ordinary gain or loss.

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.

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 November 26, 1941, provided, however, any qualified depositary will be permitted to make payment by credit for Treasury bills allotted to it for itself and its customers up to any amount for which it shall be qualified in excess of existing deposits when so notified by the Federal Reserve Bank of its district.

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 Pederal 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. Under Sections 42 and 117 (a) (1) of the Internal Revenue Code, as amended by Section 115 of the Revenue Act of 1941, the amount of discount at which bills issued hereunder are sold shall not be considered to accrue until such bills shall be sold, redeemed or otherwise disposed of, and such bills are excluded from consideration as capital assets. Accordingly, the owner of Treasury bills (other than life insurance companies) issued hereunder need include in his income tax return only the difference between the price paid for such bills, whether on original

## AEPRAX

## TREASURY DEPARTMENT

FOR RELEASE, MORNING NEWSPAPHRS, Friday, November 21, 1941

The Secretary of the Treasury, by this public notice, invites tenders for $\frac{200,000,000}{(\text { (g) }}$ , or thereabouts, of $\frac{91}{2(3)}$ -day Treasury bills, to be issued on a discount basis under competitive bidding. The bills of this series will be dated $\qquad$ , and will mature $\qquad$ $\frac{\text { February } \frac{25,1942}{(-5) x}}{\text { 2 }}$ , 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 ${ }^{\prime}$ clock p. m., Eastern Standard time, $\frac{\text { Monday, November 24, 1947. }}{\text { ( } 6 \text {. }}$ 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 att the Federal


TREASURY DEPARTMENT
Washington

FOR RELEASE, MORNING NEWSPAPERS, Friday, November 21, 1941.

The Secretary of the Treasury, by this public notice, invites tenders for $\$ 200,000,000$, 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 November 26, 1941, and will mature February 25, 1942, 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, November 24, 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.

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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 November 26, 2941, provided, however, any qualified depositary will be permitted to make payment by credit for Treasury bills allotted to it for itself and its customers up to any amount for which it shall be qualified in excess of existing deposits when so notified by the Federal Reserve Bank of its district.

The income derived from Treasury bills, whether interest or gain from the sale or other disposition of the bills, shall not have any excmption, 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. Under Sections 42 and 117 ( a ) (I) of the Internal Revenue Code, as amenafd by Section 115 of the Revenue Act of 1941, the amount of discount at which bills issued hereunder are sold shall not be considered to accrue until such bills shall be sold, redeemed or otherwise disposed of, and such bills are excluded from consideration as capital assets. Accordingly, the owner of Treasury bills (other than life insurance companies) issued hereunder need include in his income tax return only the difference between the price paid for such bills, whether on original issue or on subsequent purchrse, and the amount actually received either upon sale or redemotion at maturity during the taxabae year for which the return is made, as ordinary gain or loss.

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.

A sheet of instructions is attached to the Form and contains the information necessary for the proper preparation of the return.

The new Form 1040A, provided for in the Revenue Act of 1941 for incomes of $\$ 3,000$ or less from salary, wages, compensation for personal service, dividends, interest, rent, annuities and royalties, is even more simple than the new Form 1040. A table on the reverse side of this Form shows the amount of tax on increasing amounts of gross income after the proper allowance of $\$ 400$ for each dependent, if any.

In the case of this simplified Form 1040A, the status of a person on the last day of the taxable year is the governing factor in determining the exemption level as well as the credit for dependents. On Form 1040 the personal exemption and credit for dependents are prorated according to the portion of the year during which the taxpayer was married or head of a family or had dependents.

In the case of the new Form 1040A the tax is the same for each $\$ 25$ block of gross inc ome and the taxpayer need only ascertain in which block his gross income (less the allowance for dependents) falls to determine his tax. A flat reduction of 10 percent has been made in arriving at the amount of tax shown in the table for deductions such as charitable contributions and taxes paid, so that the taxpayer who uses this Form does not list these but gets an automatic deduction of 10 percent.

Use of this simplified Form l040A is optional for taxpayers whose incone is wholly from the specified sources and does not exceed $\$ 3,000$. Those who prefer may use Form 1040 though their income is less than \$3,000.

## TREASURY DEPARTMIENT <br> Washington

Press Service
No.

FOR RELEASE, MORNING NEWSPAPERS, Sunday, November 23, 1941

Revised Form 1040 for 1941 income $t_{a} x$ returns was made public today by the Treasury Department.

All individuals filing returns who do not elect to use simplified Form 1040A provided for-in, the Revenue Act of 1941 for $\uparrow$ n 1 ncomes of $\$ 3,000$ or less will make their reports on the new Form 1040 regardless of the size or $\oint_{s}$ ource of their incomes.

Form 1040 also has been simplified this year so that persons whose income is entirely from salaries and other compensation for personal service, dividends, interest, rents, royalties and annuities may fill in pages one and two of the new Form and disregard the remaining two pages. The Form is so printed that in such cases the taxpayer may tear off the second sheet of the Form on which pages three and four are printed and file only the first sheet which contains pages one and two.

Taxpayers who have income or losses from other sources, such as from business or sale or exchange of capital assets, will fill out the entire four pages of the Form.

Printing of $65,000,000$ copies of the Form is being rushed so they will be in the hands of Collectors of Internal Revenue by January 1, 1942. The Bureau of Internal Revenue estimates that $10,000,000$ or more taxpayers will use Form 1040 this year and some $12,000,000$ taxpayers the simplified Form 1040A.

The old Form 1040 was used by all persons whose gross income was more than $\$ 5,000$, but under the present system all taxpayers who are not eligible or do not elect to use Form 1040A will use Form 1040, i. gross income is equal to or exceeds the exemption of $\$ 750$ for a single person and $\$ 1,500$ for a married person.

A large majority of the taxpayers who formerly used Form 1040 will find the revised Form much more simple, Bureau of Internal Revenue officials pointed out. If their income is wholly from compensation for personal services and from investments, they will be able to skip items $7,8,9$ and 10 on page one and disregard pages three and four of the Form.

# (References are to the Internal Revenue Code, unless otherwise noted) 

A. WHO MUST MAKE A RETURN.-Every citizen and resident of the United States having during the taxable year gross income (income derived from any source whatever, unless exempt from tax by law) in an amount specified below, regardless of the amount of net income, shall make a return if:
(1) Single for entire year, or married and not living with husband or wife for any part of the taxable year. If having a gross income of $\$ 750$ or over.
(2) Married and living with husband or wife for the entire taxable year. If each has income and their combined gross income is $\$ 1,500$ or over, they must each make a return or file a joint return. If only one has income and his gross income is $\$ 1,500$ or over, only that one is required to make a return.
(3) Married and living with husband or wife for only part of the taxable year. If each has income and their combined gross income is $\$ 1,500$ or over, or equal to, or in excess of, their total personal exemption (not including credit as head of a family or for dependents), they must each make a return or file a joint return. If only one has income and his gross income is $\$ 1,500$ or over, or equal to, or in excess of, his personal exemption (not including credit as head of a family or for dependents), only that one is required to make a return. (See Specific Instruction 20 as to personal exemption.)

Joint return. - May be filed by husband and wife only if they are (1) both citizens or residents of the United States and (2) living together at the end of the taxable year. A joint return is permissible even though one has no gross income. In a joint return the aggregate income, deductions, and credits are computed as though husband and wife were one person.

Deceased individuals. - Return required on Form 1040 or 1040A if gross income to date of death is $\$ 750$ or over, if single, or married and not living with spouse for any part of the taxable year, or equal to, or in excess of, credit for personal exemption (not including credit as head of a family or for dependents), if married and living with spouse for all or any part of the taxable year. The return for a decedent shall include all items of income and deductions accrued up to the date of death, regardless of the fact that the decedent may have kept his books on a cash basis or kept no books.
B. FORM OF RETURN. - Citizens and resident alien individuals use Form 1040, except that those whose gross income is not more than $\$ 3,000$ and consists wholly of salaries, wages, other compensation for personal services, dividends, interest, rent, annuities, or royalties may use optional Form 1040A. Nonresident aliens use Form 1040B or 1040 NB . Fiduciaries for estates and trusts use Form 1041.
C. FILING OF RETURNS AND PAYMENT OF TAX. - File on or before. 15th day of 3 d month following close of taxable year with collector for the district in which the taxpayer has his legal residence or principal place of business. If the taxpayer has no legal residence or place of business in United States, file with collector at Baltimore, or place of business in United States, file with collector a
$\mathbf{M d}$. The taxpayer's home address must be given and a permanent business address may be added. Pay in cash at collector's office or by check or money order payable to "Collector of Internal Revenue." Pay in full with return or in four equal installments, on or before the 15 th day of the $3 \mathrm{~d}, 6 \mathrm{th}, 9 \mathrm{th}$, and 12 th month from close of taxable year.
D. PENALTIES.-Severe penalties are imposed for failing to file a required return, for late filing, and for filing a false or fraudulent return.
E. AFFIDAVITS. - Return must be sworn to by taxpayer or his agent. Return may be made by agent if taxpayer (1) is too ill to make it or (2) is absent from United States for 60 days before due date. Power of attorney on Form 935 or 936 (husband and wife) must accompany return made by agent. Person (other than taxpayer) preparing return must execute affidavit on page 4. Return may be sworn to before any collector, deputy collector, or internal revenue agent (without charge), or other person authorized by law to administer oaths for general purposes, except taxpayer's agent.
F. RECEIVED OR ACCRUED INCOME.-If books are kept on accrual basis, report all income accrued, even though not received, and expenses incurred even though not paid. If books are not kept on accrual basis, or if no books are kept, report all income actually or constructively received, and all expenses paid.
G. ITEMS EXEMPT FROM TAX.-As to items of income exempt from tax other than those listed below, see sections 22 (b) and 116.

1. Interest on governmental obligations is exempt to the extent indicated in Schedule A.
2. Proceeds of insurance policies. - The proceeds of life insurance policies, paid by reason of the death of the insured, are exempt. If any part of the proceeds is held by the insurer under an agreement to pay interest, the interest is taxable. Amounts received under a life insurance or endowment policy, not payable by reason of the death of the insured, are not taxable until the aggregate of the amounts received exceeds the premiums or consideration paid for the policy. See Specific Instruction 6 as to taxation of annuities.
3. Miscellaneous items wholly exempt from tax:
(a) Gifts (not received as a consideration for service rendered) and money and property acquired by bequest, devise, or inheritance (but income therefrom is taxable);
(b) Amounts received through accident or health insurance or under workmen's compensation acts, as compensation for personal injuries or sickness, plus the amount of any damages received, whether by suit or agreement, on account of such injuries or sickness;
(c) The rental value of a dwelling house and appurtenances thereof furnished to a minister of the gospel as part of his compensation;
(d) Pensions and compensation received by veterans from the United States and pensions received from the United States by the family of a veteran, for services rendered by the veteran in time of war; and
(e) Interest on adjusted service bonds and interest credited to postal savings accounts deposited prior to March 1, 1941.
H. DEPRECIATION AND DEPLETION. - A reasonable allowance for exhaustion, wear and tear, including obsolescence, of property used in trade or business may be deducted,
based on cost if acquired by purchase after February 28, 1913. If acquired before March 1 , based on cost if acquired by purchase after Februar
1913, or otherwise than by purchase, see section 114 .
1913, or otherwise than by purchase, see section 114.
For depletion deduction, see sections $23(\mathrm{~m})$ and
114 and Regulations 103.
I. INFORMATION AT SOURCE.-Every person making payments of (1) interest, rents, commissions, or other fixed or determinable income of $\$ 750$ or more during the calendar year 1941 to an individuual, a partnership, or a fiduciary, or (2) salary or wages of $\$ 750$ or more to8
J. STOCK OWNED IN FOREIGN CORPORATIONS AND PERSONAL HOLDING COMPANIES.-If at any time during the year you owned directly or indirectly stock of a foreign corporation, or a personal holding company (section 501), attach a statement showing ing stock owned. If at any time during the year you owned stock in a foreign persona holding company (section 331), include in income as a dividend the amount required by section 337, and if you owned 5 percent or more in value of the outstanding stock of such comi
pany, attach a statement giving in detail the information required by section 337 (d).

## SPECIFIC INSTRUCTIONS

## (Numbered to correspond with item numbers on page 1 of return)

1. SALARIES, ETC. - Include compensation received as an officer or employee of a State or political subdivision or any agency or instrumentality thereof.
2. DIVIDENDS. - Enter total of all taxable dividends. Enter in Schedule A dividends on share accounts in Federal savings and loan associations.
3. RENTS AND ROYALTIES. -Include rent received in property or crops. Report crops received on crop-share basis in year in which disposed of (unless return is made on accrual basis).
4. ANNUITIES.-Amounts received as an annuity under an annuity or endowment contract shall be included in gross income to the extent of 3 percent of the aggregate premiums or consideration paid for such annuity. If the aggregate of the amounts received and excluded from gross income equals the aggregate premiums or consideration paid for such annuity, the entire amount thereafter received must be included in gross income.
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FOR INSTRUCTIONS 7, 8, AND 9,
SEE PAGE 2, SECOND COLUMN.
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11. CONTRIBUTIONS PAID. - Enter (not to exceed 15 percent of your net income computed without the benefit of this deduction) contributions or gifts, payment of which was made within the year to or for the use of -
(a) A corporation, trust, or community chest, fund, or foundation, created or organized in any State or Territory or of any possession of the United States, organized and operated exclusively for religious, charitable, scientific, literary, or educational purposes, or for the prevention of cruelty to children or animals, no part of the net earnings of which inures to
he benefit of any private shareholder or individual, and no substantial part of the activities which is carrying on propaganda, or otherwise attempting, to influence legislation; (b) The United States, any State, Territory, or any political subdivision thereof, or the
District of Columbia, or any possession of the United States, for exclusively public purposes, (c) The special fund for vocational rehabilitation authorized by section 12 of the World War Veterans' Act, 1924;
(d) Posts or organizations of war veterans, or auxiliary units or societies of any such posts or organizations, if such posts, organizations, units, or societies are organized in the United
States or any of its possessions, States or any of its possessions, and if no part of their net earnings inures to the benefit o any private shareholder or individual; or
(e) A domestic fraternal society, order, or association, operating under the lodge system, but only if such contributions or girts are to be used exclusively for religious, charitable, scien tific, literary, or educational purposes, or for the prevention of cruelty to children or animas
12. INTEREST. - Enter interest on personal indebtedness as dis tinguished from business indebtedness (which should be entered in Schedules B and H). For limitations on deductions for unpaid expenses and interest, see section 24 (c).
13. TAXES. - Enter taxes imposed on you and paid or accrued during the taxable year, except taxes entered in Schedules B and $H$. Do not include taxes assessed against local benefits, Federal income taxes or estate, inheritance, legacy, succession, gift taxes, taxes imposed on your interest as shareholder of a corporation which are paid by the corporation without reimbursement from you, nor income taxes claimed as a credit in item 31. Federal social security and emb ployment taxes paid by or for an employee are not deductible by the employee.
14. LOSSES. - Enter property losses (not claimed in Schedule H) from fire, storm, shipwreck, or other casualty, or from theft, not conl. pensated for by insurance or otherwise. Explain in Schedule C, givim description of property, date acquired, cost, subsequent improvements, depreciation allowable, insurance. salvage value, and deductible loss
15. BAD DEBTS. - Enter bad debts other than those claimed in Schedule H. Show in Schedule C: (a) of what the debts consisted; (b) name and family relationship, if any, of debtor; (c) when created; (d) when due; (e) efforts made to collect; and ( $f$ ) how determined to be worthless. Enter in Schedule F losses from corporate securities with interest coupons or in registered form ascertained to be worthless and charged off within the year, and which are capital assets.
16. OTHER DEDUCTIONS. - Enter other authorized deductions, including net operating loss deduction allowed by section 23 (s). Every taxpayer claiming a deduction due to a net operating loss for the preceding taxable year or years shall file with his return the statement required by section 19.122-1, Regulations 103.
Do not deduct losses in transactions not connected with your trade or business or not entered into for profit. Losses from wagering transactions are allowable to the extent of gains therefrom.

## 20,21. CREDIT FOR PERSONAL EXEMPTION AND DEPEND-

ENTS.-A single person, or a married person not living with spouse, is allowed a personal exemption of $\$ 750$. A person who, during the entire taxable year, was the head of a family or was married and living with spouse, is allowed an exemption of $\$ 1,500$. On separate returns, the personal exemption may be taken by either husband or wife or divided between them in any proportion.
A "head of a family" is one who supports in one household one or more dependent individuals closely connected with him by blood relationship, relationship by marriage, or by adoption, and whose right to exercise family control is based upon some moral or legal obligation.
A credit of $\$ 400$ is allowed for each person (other than husband or wife) under 18 years of age, or incapable of self-support because mentally or physically defective, whose chief support was received from the taxpayer. If taxpayer is head of a family only because of dependents for whom he would be entitled to credit under preceding sentence, $\$ 400$ credit is allowed for each of such dependents except one.
If taxpayer's status, with respect to personal exemption and credit for dependents, changed during the taxable year, such exemption and credit shall be apportioned according to the number of months before and after such change. A fractional part of a month is disregarded unless it exceeds half a month, when it shall be considered a month.
24. EARNED INCOME CREDIT. - "Earned income" means wages, salaries, professional fees, and other amounts received as compensation for personal services actually rendered. Where a taxpayer is engaged in a trade or business in which both personal services and capital are material income-producing factors, a reasonable allowance as compensation for the personal services actually rendered by the taxpayer, not in excess of 20 percent of his share of the net profits of such trade or business, shall be considered as earned income. "Earned net income" means the excess of the amount of the earned income over the sum of the "earned income deductions," which are the ordinary and necessary expenses properly chargeable against earned income.
27. SURTAX.-The following table shows the surtax due for the taxable year upon certain specified amounts of surtax net income.

## SURTAX TABLE

If the surtax net income is: Not over $\$ 2,000$ Over $\$ 2,000$ but not over $\$ 4,000$ 0 ver $\$ 4,000$ but not over $\$ 6,000$ 0 ver $\$ 6,000$ but not over $\$ 8,000$ 0 ver $\$ 8,000$ but not over $\$ 10,000$. 0 ver $\$ 10,000$ but not over $\$ 12,000$ 0 ver $\$ 12,000$ but not over $\$ 14,000$ Over $\$ 14,000$ but not over $\$ 16,000$ 0ver $\$ 16,000$ but not over $\$ 18,000$ Over $\$ 18,000$ but not over $\$ 20,000$ Over $\$ 20,000$ but not over $\$ 22,000$ Over $\$ 22,000$ but not over $\$ 26,000$ Over $\$ 26,000$ but not over $\$ 32,000$. 0 ver $\$ 32,000$ but not over $\$ 38,000$. 0 ver $\$ 88,000$ but not over $\$ 44,000$ Over $\$ 44,000$ but not over $\$ 50,000$. Over $\$ 50,000$ but not over $\$ 60,000$ 0 ver $\$ 60,000$ but not over $\$ 70,000$. 0 ver $\$ 70,000$ but not over $\$ 80,000$ Over $\$ 80,000$ but not over $\$ 90,000$ 0 ver $\$ 90,000$ but not over $\$ 100,000$ 0 ver $\$ 100,000$ but not over $\$ 150,000$ 0 ver $\$ 150,000$ but not over $\$ 200,000$ 0 ver $\$ 200,000$ but not over $\$ 250,000$. 0 ver $\$ 250,000$ but not over $\$ 300,000$. 0ver $\$ 300,000$ but not over $\$ 400,000$ Over $\$ 400,000$ but not over $\$ 500,000$. 0 ver $\$ 500,000$ but not over $\$ 750,000$ Over $\$ 750,000$ but not over $\$ 1,000,000$ 0 ver $\$ 1,000,000$ but not over $\$ 2,000,000$ 0 ver $\$ 2,000,000$ but not over $\$ 5,000,000$ Over $\$ 5,000,000$

The surtax shall be:
$6 \%$ of the surtax net income. $\$ 120$, plus $9 \%$ of excess over $\$ 2,000$. $\$ 300$, plus $13 \%$ of excess over $\$ 4,000$. $\$ 560$, plus $17 \%$ of excess over $\$ 6,000$. $\$ 900$, plus $21 \%$ of excess over $\$ 8,000$. $\$ 1,320$, plus $25 \%$ of excess over $\$ 10,000$. $\$ 1,820$, plus $29 \%$ of excess over $\$ 12,000$. $\$ 2,400$, plus $32 \%$ of excess over $\$ 14,000$. $\$ 3,040$, plus $35 \%$ of excess over $\$ 16,000$. $\$ 3,740$, plus $38 \%$ of excess over $\$ 18,000$. $\$ 4,500$, plus $41 \%$ of excess over $\$ 20,000$. $\$ 5,320$, plus $44 \%$ of excess over $\$ 22,000$. $\$ 7,080$, plus $47 \%$ of excess over $\$ 26,000$. $\$ 9,900$, plus $50 \%$ of excess over $\$ 32,000$. $\$ 12,000$, plus $53 \%$ of excess over $\$ 38,000$. $\$ 16,080$, plus $55 \%$ of excess over $\$ 44,000$ $\$ 19,380$, plus $57 \%$ of excess over $\$ 50,000$. $\$ 25,080$, plus $59 \%$ of excess over $\$ 60,000$. $\$ 30,980$, plus $61 \%$ of excess over $\$ 70,000$. $\$ 37,080$, plus $63 \%$ of excess over $\$ 80,000$. $\$ 43,380$, plus $64 \%$ of excess over $\$ 90,000$. $\$ 49,780$, plus $65 \%$ of excess over $\$ 100,000$ $\$ 82,280$, plus $66 \%$ of excess over $\$ 150,000$. $\$ 115,280$, plus $67 \%$ of excess over $\$ 200,000$. $\$ 148,780$, plus $69 \%$ of excess over $\$ 250,000$. $\$ 183,280$, plus $71 \%$ of excess over $\$ 300,000$. $\$ 254,280$, plus $72 \%$ of excess over $\$ 400,000$. $\$ 326,280$, plus $73 \%$ of excess over $\$ 500,000$. $\$ 508,780$, plus $74 \%$ of excess over $\$ 750,000$. $\$ 693,780$, plus $75 \%$ of excess over $\$ 1,000,000$. $\$ 1,443,780$, plus $76 \%$ of excess over $\$ 2,000,000$. $\$ 3,723,780$, plus $77 \%$ of excess over $\$ 5,000,000$.

## 30. INCOME TAX PAID AT SOURCE. - Enter 2 percent of interest

 n bonds on which Federal income tax was paid by debtor corporation.
## 31. FOREIGN TAX CREDIT.-If credit is claimed for taxes paid to a

 foreign country or possession of United States, submit Form 1116 and receipts for such payments. If credit is claimed for taxes accrued, attach to Form 1116 certified copy of return on which tax was based.
## INSTRUCTIONS BELOW NEED BE CONSIDERED ONLY IF ENTRIES

 are made in items 7,8 , and 9, PaGE 1 OF RETURN.7. GAINS AND LOSSES FROM SALES OR EXCHANGES OF CAPITAL ASSETS AND OTHER PROPERTY.-Report details in Schedules F and G

Capital assets" defined. - The term "capital assets" means property held by the taxpayer (whether or not connected with his trade or business), but not stock in trade or other property of a kind which would properly be included in his inventory if on hand at the close of the taxable year, or property held by the taxpayer primarily for sale to customers in the ordinary course of his trade or business, or property used in the trade or business of a character which is subject to the allowance for depreciation provided in section 23 (1), or an obligation of the United States or any of its possessions, or of a State or Territory, or any political subdivision thereof, or of the District of Columbia, issued on or after March 1, 1941, on a discount basis and payable without interest at a fixed maturity date not exceeding one year from the date of issue.
Description of property. - State following facts: (a) For real estate, location and description of land and improvements; (b) for bonds or other evidences of indebtedness, name of issuing corporation, particular issue, denomination and amount; and (c) for stocks, name of corporation, class of stock, number of shares, and capital changes affecting basis (including nontaxable distributions).

Basis.-In determining GAIN in case of property acquired before March 1, 1913, use the cost or the fair market value as of March 1, 1913, adjusted as provided in section 113 (b), whichever is greater, but in determining LOSS use cost so adjusted. If the property was acquired after February 28, 1913, use cost, except as otherwise provided in section 113.
Losses on securities becoming worthless. -If (1) shares of stock become worthless during the year or (2) corporate securities with interest coupons or in registered form are ascertained to be worthless and charged off during the year, and are capital assets, the loss therefrom shall be considered as from the sale or exchange of capital assets as of the last day of such taxable year.
Classification of capital gains and losses. - The phrase "short-term" applies to gains and losses from the sale or exchange of capital assets held for 18 months or less; the phrase "Iong-term" to capital assets held for more than .18 months.
Limitation on short-term capital losses. - Short-term capital losses shall be allowed only to the extent of short-term capital gains. However, any net short-term capital loss (not in excess of the net income for the year involved) may be carried over in the succeeding year and applied against the short-term capital gains not already offset by shortterm capital losses in such year. The carry-over is restricted to 1 year.

Alternative tax. - In the case of a net long-term capital gain or loss, an alternative tax may be imposed in lieu of the normal tax and surtax imposed upon net income. (See Computation of Alternative Tax, Schedule F.) In calculating the alternative tax in the case of a long-term capital loss, the base (1) for computing the 15 percent limitation with respect to the deduction for charitable contributions is the "ordinary net income" as shown in line 3, Computation of Alternative Tax, Schedule F, increased by item 11, page 1, and (2) for computing the earned income credit is the "ordinary net income" as adjusted for the charitable contributions deduction.
Weducted unless susstained in connection with the taxpasayer's tradeck or securities cannot be days before or after the date of sale or other disposition, the taxpayer has acquired (by purchase or by an exchange upon which the entire amount of gain or loss was recognized by laur), or has entered into a contract or option to acquire, substantially identical stoek or securities.
Losses in transactions between certain persons. sales or exchanges of property directly or indirectly between (a) members of a family, (b) a corporation and an individual owning more than 50 percent of its stock (liquidations excetted), (c) a grantor and fiduciary of any trust, or (d) a fiduciary and a beneficiary of the
same trust.
8. BUSINESS OR PROFESSION. - Fill in Schedule H. Farmers keeping no books of account, or books on cash basis, must attach Form 1040F. A taxpayer electing to include in gross income amounts received during the year as loans from the Commodity Credit Corporation should file with his return a statement showing the details of such loans. (See section 123.)
If installment method is used, attach schedule showing separately for years 1938, 1939, 1940, and 1941: (a) Gross sales; (b) cost of goods sold; ( $c$ ) gross profits; (d) percentage of profits to gross sales; (e) amount collected; ( $f$ ) gross profit on amount collected.

Bad debts may be deducted either (1) when ascertained to be wholly or partially worthless, or (2) by a reasonable addition to a reserve. (No change of method without permission of Commissioner.)
9 (a). INCOME FROM PARTNERSHIPS, FIDUCIARIES, ETC., WHOSE TAXABLE YEAR ENDS WITHIN THE TAXABLE YEAR COVERED BY THIS RETURN. - Enter as item 9 your share of profits (whether received or not) or losses of a partnership (including a syndicate, pool, etc., not taxable as a corporation) except capital gains and losses, which enter in Schedule F. Enter as item 9 income from an estate or trust. Enter in Schedule A your share of interest on obligations of the United States and instrumentalities, issued prior to March 1, 1941, owned by partnership, estate, or trust. Include in item 11, and explain in Schedule C, your share of any contribution or gift, payment of which was made by the partnership within its taxable year. Enter in items 30 and 31, respectively, your share of credits for Federal income tax paid at source and foreign income taxes.

9 (b). OTHER INCOME.-Enter any other taxable income, 'including earnings of minor children if parent is legally entitled thereto.
(State (1) nature of business and address if different from name and address on page 1

1. Total receipts

## COST OF GOODS SOLD

(To be used where inventories are an incomedetermining factor)
2. Inventory at beginning of year
3. Merchandise bought for sale
4. Labor
5. Material and supplies
6. Other costs (itemize below)
7. Total of lines 2 to 6 8. Less inventory at end of year
9. Net costof goods sold (line7 minus line8)
10. Gross profit (line 1 minus line 9)
(2) number of places of business
; (3) business name

OTHER BUSINESS DEDUCTIONS
11. Salaries and wages not included as "Labor" (do not deduct compensation for yourself)

12. Interest on business indebtedness
13. Taxes on business and business property
14. Losses (explain below)
15. Bad debts arising from sales or services
16. Depreciation, obsolescence, and depletion (explain in Schedule J)
17. Rent, repairs, and other expenses (itemize below or on separate sheet)

Total of lines 11 to 17
Total of lines 9 and 18
20. Net profit (or loss) (line 1 minus line 19) (enter as item 8, page 1)

If the production, manufacture, purchase, or sale of merchandise is an income-producing factor, inventories are required. Enter "C," or "C or M," on lines 2 and 8 to indicate whether inventories are valued at cost, or cost or market, whichever is lower.

Explanation of deductions claimed in lines 6,14 , and 17

## Schedule I.-INCOME FROM PARTNERSHIPS, FIDUCIARIES, AND OTHER SOURCES

income (0R LOSS) From partnershirs, SYndicates, ETC. (SEE INSTRUCTION 9 (a)) (fuRNISH NAMES AND addresses)


Schedule J.-EXPLANATION OF DEDUCTION FOR DEPRECIATION CLAIMED IN SCHEDULES F, G, AND H


AFFIDAVIT. (See Instruction E)
(If this return was prepared for you by some other person, the following affidavit must be executed)
I/we swear (or affirm) that I/we prepared this return for the person or persons named herein and that the return (including any accompanying schedules and statements) is a true, correct, and complete statement of all the information respecting the tax liability of the person or persons for whom this return has been prepared of which I/we have any knowledge.

Subscribed and sworn to before me this .--------------------- day of 194
(Signature of person preparing the return)
(Signature of person preparing the return)

## DETACH PAGES 3 AND 4 IF NOT USED

Schedule F.-GAINS AND LOSSES FROM SALES OR EXCHANGES OF CAPITAL ASSETS. (See Instruction 7)

| 1. Kind of property (if necessary, attach statement of descriptive details not shown below) | 2. Date acquired <br> Mo. Day Year | 3. Date sold <br> Mo. Day Year | 4. Gross sales price (contract price) | 5. Cost or other basis | 6. Expense of sale and cost of improvements subsequent to acquisition or March 1. 1913 | 7. Depreciation allowed (or allowable) since acquisition or March 1 , 1913 (explain in Schedule J) | 8. Gain or loss (column 4 plus column 7 minus the sum of columns 5 and 6) | Gain or loss to be taken into account |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  |  |  |  |  |  |  |  | $\left\|\begin{array}{c} \text { 9. Per-- } \\ \text { cent-- } \\ \text { age } \end{array}\right\|$ | 10. Amount |

## SHORT-TERM CAPITAL GAINS AND LOSSES-ASSETS HELD NOT MORE THAN 18 MONTHS



LONG-TERM CAPITAL GAINS AND LOSSES-ASSETS HELD FOR MORE THAN 18 MONTHS BUT NOT FOR MORE THAN 24 MONTHS


SUMMARY OF NET CAPITAL GAINS OR LOSSES

| 1. Classification |
| :--- |

State the family, fiduciary, or br siness relationship to you, if any, of purchaser of any of the items on this page:
If any of such items were acquired by you other than by purchase, explain fully how acquired:

## 1. Obligations or securities

(a) Obligations of a State, Territory, or political subdivision thereof, or the District of Columbia, or United States possessions_
(b) Obligations issued prior to March 1, 1941, under Federal Farm Loan Act, or under such Act as amended
(c) Obligations of United States issued on or before September 1, 1917
(d) Treasury Notes, Treasury Bills, and Treasury Certificates of Indebtedness issued prior to March 1, 1941
(e) United States Savings Bonds and Treasury Bonds issued prior to March 1, 1941.
( $f$ ) Obligations of instrumentalities of the United States (other than obligations to be reported in (b) above) issued prior to March 1, 1941
(g) Dividends on share accounts in Federal savings and loan associations
2. Amount owned at end of year including
your proportionate share of such obliga-
tions held by estates, trusts, partner-


| 4. Amount of principal, which is exempt from taxation taxation | 5. Intercst on amount in excess of exemption, and dividends sub-ject to surtax only ject to surtax only |  |
| :---: | :---: | :---: |
| All | 8888888 |  |
| All |  |  |
|  |  |  |
| All |  | 88 |
|  | 8x8xixxx |  |
| \$5,000 |  |  |
| None |  |  |
| $\mathrm{x} \times \mathrm{x}$ |  |  |

(h) Total (enter as item 4 (a), page 1)
(i) Obligations issued on or after March 1, 1941, by the United States or any agency or instrumentality thereof (enter amount of interest as item $4(b)$, page 1)

| $\|$Amount owned at end <br> of year |
| :--- |
| $\$ \ldots$ |

[^9]Schedule B.-INCOME FROM RENTS AND ROYALTIES. (See Instruction 5)


Explanation of deductions claimed in columns 4 and 5.
Schedule C.-EXPLANATION OF DEDUCTIONS CLAIMED IN ITEMS 11, 12, 13, 14, 15, AND 16


## QUESTIONS

1. State your principal occupation or profession
2. Name and address of employer
3. Did you file a return for any prior year? $\qquad$ If so, what was the latest year? To whi Collector's office was it sent? 4. If separate return was made for the current year, state: (a) Name of husband or wife
(b) Personal exemption, if any, claimed thereon
(c) Collector's office to which it was sent
4. Check whether this return was prepared on the cash $\square$ or accrual $\square$ basis,
5. If return on cash basis, do you elect, under section 42, to include as income
received in the current year the increase for current and prior year received in the current year the increase for current and prior at
in the redemption price of noninterest-bearing obligations issued at discount? $\qquad$ If so, attach statement listing obligations owned and computation of the accrued income. Report such income as interest in item 3 or 4 , page 1 , whichever applicable.
6. Did you receive during the taxable year any nontaxable income other tha interest reported in Schedule A (see Instruction G)?
so, attach schedule showing source, nature, and amount of such income.
7. Did you at any time during your taxable year own directly or indirect any stock of a foreign corporation or a personal holding company as d fined by section 501 of the Internal Revenue Code?
attach statement required by Instruction J.

## UNITED STATES INDIVIDUAL INCOME TAX RETURN

OPTIONAL FORM 1040A MAY BE FILED INSTEAD OF THIS FORM IF GROSS INCOME IS NOT MORE THAN $\$ 3,000$ AND CONSISTS WHOLLY OF SALARIES, WAGES, OTHER COMPENSA TION FOR PERSONAL SERVICES, DIVIDENDS, INTEREST, RENT, ANNUUTIES, OR ROYALTIES.

For Calendar Year 1941
or fiscal year beginning
1941, and ending 1942
To be filed with the Collector of Internal Revenue for your district not later than the 15th day of the third month following the close of your taxable year
PRINT NAME AND ADDRESS PLAINLY. (See Instruction C)
(Name) (Use given names of both husband and wife, if this is a joint return)



(a) Net short-term gain from sale or exchange of capital assets. (From Schedule F)
(b) Net long-term gain (or loss) from sale or exchange of capital assets. (From Schedule F),
(c) Net gain (or loss) from sale or exchange of property other than capital assets. (From Schedule G)
8. Net profit (or loss) from business or profession. (From Schedule H),
(State total receipts, from line 1, Schedule H, \$--.-.-...........--)
9. Income (or loss) from partnerships; fiduciary income; and other income. (From Schedule I).
10. Total income in items 1 to $9-\quad$---.......-
DEDUCTIONS

12. Interest. (Explain in Schedule C )
13. Taxes. (Explain in Schedule C)
14. Losses from fire, storm, shipwreck, or other casualty, or theft. (Explain in Schedule C)
15. Bad debts. (Explain in Schedule C)
16. Other deductions authorized by law. (Explain in Schedule C)
17. Total deductions in items 11 to 16
18. Net income (item 10 minus item 17)

## COMPUTATION OF TAX


$\mathrm{I} /$ we swear (or affirm) that this return (including any accompanying schedules and statements) has been examined by me/us, and to the best of my/our knowledge and belief is a true, correct, and complete return, made in good faith, for the taxable year stated, pursuant to the Internal Revenue Code and the regulations issued under authority thereof.
Subscribed and sworn to by
before me this
day of
(Signature) (See Instruction E)

The new form 1040 A, provided for in the Revenue Act of 1941 for incomes of $\$ 3,000$ or less from salary, wages, compensations for personal service, dividends, interest, rent, annuities and royalties, is even more simple than revised form 1040. A table on the reverse side of this form shows the amount of tax on increasing amounts of gross income after the proper allowance of \$400 for each dependent, if any. The table automatically reflects no tax liability in cases where the gross income, less credit for dependents is not in excess of exemption levels.

In the case of this simplified form 1040A, the status of a person on the last day of the taxable year is the governing factor in determining the exemption level as well as the credit for dependents. Under form 1040 the credit for dependents or marital status is prorated according to the portion of the year during which the taxpayer was married or had the dependent.

In the case of the new form 1040A the tax is the same for each $\$ 25$ block of gross income and the taxpayer need only ascertain in which block his gross income (less the allowance for dependents) falls to determine his tax. A flat deduction of 10 percent has been made in the figures on the table for exemptions such as charity and taxes paid, so that the taxpayer who uses this form does not list these, but gets an automatic deduction of 10 percent.

Use of this simplified form 1040A is optional for taxpayers whose income is wholly from the specified sources and does not exceed $\$ 3,000$. Those who prefer may use form 1040 though their income is less than $\$ 3,000$.
-o00-

Press Service No.

Revised form 1040 for 1941 income tax returns wes made public today by the Treasury Department.

All individuals filing returns who do not use simplified form 1040 A provided for in the Revenue Act of 1941 for certain incomes of $\$ 3,000$ or less will make their reports on the new 1040 form regardless of the size or the source of their incomes.

Form 1040 also has been simplified this year so that persons whose incomer from salaries and other compensations for personal service, dividends, interest, rents, royolties and annuities may fill in pages one and two of the new form and disregard the remaining two pages. The form is so printed that in such cases the taxpayer may tear off the second sheet of the form on which pages three and four are printed and file only the first sheet which contains pages one and two.

Taxpayers whose income is determined by business and capital gains and losses, however, will fill out the entire four pages of the form.

Printing of $65,000,000$ copies of the form is being rushed so they will be in the hands of Collectors of Internal Revenue by January 1. The Bureau of Internal Revenue estimates that $10,000,000$ or more taxpayers will use form 1040 this year and some $12,000,000$ taxpayers the simplified form 1040 A

The old form 1040 was used by all persons whose income was $\$ 5,000$ or more but under the present system all taxpayers who are not eligible or do not elect to use form 1040 A will use form 1040 , no matter how high their income, if it is above the exemptions of $\$ 750$ for a single person and $\$ 1,500$ for a married person.

Taxpayers with incomes of more than $\$ 5,000$ who formerly used form 1040 will find the revised form much more simple, Bureau of Internal Revenue officiels pointed out. If their income is from salary, wages, etc., and not from business transactions they will be able to skip items 7,8,9 and 10 on page one in addition to disregarding pages three and four of the form.

Two affidavits which appeared on the last page of the old form have been separated in the revised version so that one appears on page one and the other on page four.

Two pages of printed instructions, on two sides of one sheet, have been attached to the form and the attachment is perforated so that the instructions may be torn off easily.

A sheet of instructions is attached to the Forai and contains the information necessary for the proper preparation of the return.

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In the case of this simplified Form 1040A, the stetus of a person on the last day of the taxable year is the governing factor in determining the exemption level as well as the credit for dependents. on Forin 1040 the personal exemption and eredit for dependents are prorated according to the portion of the year during which the taxpayer was married or head of a family or had dependents.

In the case of the new Form 1040A the tax is the same for each 325 block of gross income and the texpayer need only ascertain in which block his gross income (less the allowance for dependents) falls to determine his tax. A flat reduction of 10 percent has been made in arriving at the amount of tax shown in the table for deductions such as charitable contributions and taxes paid, so that the taxpayer who uses this Form does not list these but gets an automatic deduction of 10 percent.

Use of this simplified Form 1040A is optional for texpeyers whose ineome is wholly from the speeified sources and does not exceed $\$ 3,000$. Those who prefer may use Form 1040 though their income is lass than \$3,000.

## TREASURY DEPPARTMENT Washington

Prese Sexvice
No. $28-58$
FOR RISLEASR, MORNING NEWSPAPERS, Sunday, November 23, 1941.

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A large majority of the taxpayers who formerly used Form 1040 will find the revised Fora much more simple, Buareau of Internal Revenue officials pointed out. If their income is wholly from compensation for personal services and from investments, they will be able to skip items 7, 8,9 and 10 on page one and disregard pages three and four of the Form.

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Memorandum to Mr. Schwarz:

The proposed release for morning newspapers, Sunday, November 23, 1941 , has been considered and certain changes are suggested.

In order that you may more easily consider the changes, they have been indicated in red pencil on a copy of the original draft.

A rewrite incorporating such changes has also been prepared. The file is returned to you that you may give consideration to the changes suggested.
(Signed) Guy T. Helvarine
Commissioner.

# TREASURY DEPARTMENT WASHINGTON <br> November 19, 1941 <br> November 19, 1941 

COMMISSIONER OF INTERNAL REVENUE
ADDRESS REPLY TO
COMMISSIONER OF INTERNAL REVENUE
AND REFER TO
IT: P
CPS

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## TREASURY DEPARTMENT Washington

Press Service
No. 28-58

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Form 1040 also has been simplified this year so that persons whose income/from salaries and other compensationf for personal service, dividends, interest, rents, royalties and annuities may fill in pages one and two of the new form and disregard the remaining two pages. The form is so printed that in such cases the taxpayer may tear off the second sheet of the form on which pages three and four are printed and file only the first sheet which contains pages one and two.

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 will be in the hands of Collectors of Internal Revenue by January 1, $194 \%$. The Bureau of Internal Revenue estimates that $10,000,000$ or more taxpayers will use Form 1040 this year and some $12,000,000$ taxpayers the simplified form 1040 A.

## TREASURY DEPARTMENT Washington

FOR RELEASE, MORNING NEWSPAPERS, Sunday, November 23, 1941.

Press Service
No. 28-58

Revised Form 1040 for 1941 income tax returns was made public today by the Treasury Department.

All individuals filing returns who do not elect to use simplified Form 1040A prescribed in accordance with the Revenue Act of 1941 for certain incomes of $\$ 3,000$ or less will make their reports on the new Form 1040 regardiess of the size or source of their incomes.

Form 1040 also has been simplified this year so that persons whose income is entirely from salaries and other compensation for personal service, dividends, interest, rents, royalties and annuities may fill in pages one and two of the new Form and disregard the remaining two pages. The Form is so printed that in such cases the taxoayer may tear off the second sheet of the Form on which pages three and four are printed and file only the first sheet which contains pages one and two.

Taxpayers who have income or losses from other sources, such as from business or sale or exchange of capital assets, will fill out the entire four pages of the Form.

Printing of the forms is being rushed so they will be in the hands of Collectors of Internal Revenue by January 1, 1942. The Bureau of Internal Revenue estimates that $10,000,000$ or more taxpayers will use Form 1040 this year and some 12,000,000 taxpayers the simplified Form 1040A.

The old Form 1040 was used by all persons whose gross income was more than $\$ 5,000$, but under the present system all taxpayers who are not eligible or do not elect to use Form 1040A will use Form 1040, if gross income is equal to or exceeds the exemption of $\$ 750$ for a single person and $\$ 1,500$ for a married person.

A large majority of the taxpayers who formerly used Form 1040 Will find the revised Form much more simple, Bureau of Internal Revenue officials pointed out. If their income is wholly from compensation for personal services and from investments, they will be able to skip items $7,8,9$ and 10 on page one and disregard pages three and four of the Form.

A sheet of instructions is attached to the Form and contains the information necessary for the proper preparation of the return.

The new Form 1040A, prescribed in accordance with the Revenue Act of 1941 for incomes of $\$ 3,000$ or less from salary, wages, compensation for personal service, dividends, interest, rent, annuities and royalties, is even more simple than the new Form 1040. A table on the reverse side of this Form shows the amount of tax on increasing amounts of gross income after the proper allowance of $\$ 400$ for each dependent, if any.

In the case of this simplified Form 1040A, the status of a person on the last day of the taxable year is the governing factor in determining the exemption level as well as the credit for dependents. On Form 1040 the personal exemption and credit for dependents are prorated according to the portion of the year during which the taxpayer was married or head of a family or had dependents.

In the case of the new Form 1040A the tax is the same for each $\$ 25$ block of gross income and the taxpayer need only ascertain in which block his gross income (less the allowance for dependents) falls to determine his tax. A flat reduction of 10 percent has been made in arriving at the amount of tax shown in the table for deductions such as charitable contributions and taxes paid, so that the taxpayer who uses this Form does not list these but gets an automatic deduction of 10 percent.

Use of this simplified Form 1040A is optional for taxpayers whose income is wholly from the specified sources and does not exceed $\$ 3,000$. Those who prefer may use Form 1040 though their tncome is less than \$3,000.

OPTIONAL FORM 1040A MAY BE FILED INSTEAD OF THIS FORM IF GROSS INCOME IS NOT MORE THAN $\$ 3,000$ AND CONSISTS WHOLLY OF SALARIES, WAGES, OTHER COMPENSATION FOR PERSONAL SERVICES, DIVIDENDS, INTEREST, RENT, ANNUUTIES, OR ROYALTIES.

## For Calendar Year 1941

or fiscal year beginning
1941, and ending 1942
To be filed with the Collector of Internal Revenue for your district not later than the 15th day of the third month following the close of your taxable year
PRINT NAME AND ADDRESS PLAINLY. (See Instruction C)
(Name) (Use given names of both husband and wife, if this is a joint return)
(Street and number, or rural route)

|  |  | (Post office) |  | (County) | (State) |
| :---: | :---: | :---: | :---: | :---: | :---: |
|  |  | INCOME personal ser | Amount | Deductible Expenses (Attaoh itemized statement) \$ $\qquad$ |  |

2. Dividends
3. Interest on (a) bank deposits, notes, etc., \$----------- ; (b) corporation bonds, \$.
4. Interest on Covernment obligations, etc.:
(a) From line ( $h$ ), Schedule A, \$
(b) from line (i), Schedule A, \$
5. Rents and royalties. (From Schedule B).
6. Annuities

ITEMS 7, 8, AND 9, BELOW (AND PAGES 3 AND 4) NEED NOT BE CONSIDERED UNLESS YOU HAVE INCOME (OR LOSSES) IN ADDITION TO ITEMS ABOVE.
7. (a) Net short-term gain from sale or exchange of capital assets. (From Schedule F)
(b) Net long-term gain (or loss) from sale or exchange of capital assets. (From Schedule F) .
(c) Net gain (or loss) from sale or exchange of property other than capital assets. (From Schedule G)
8. Net profit (or loss) from business or profession. (From Schedule H)
(State total receipts, from line 1, Schedule H, \$
9. Income (or loss) from partnerships; fiduciary income; and other income. (From Schedule I)
10. Total income in items 1 to 9

## DEDUCTIONS

11. Contributions paid. (Explain in Schedule C)
12. Interest. (Explain in Schedule C),
13. Taxes. (Explain in Schedule C)
14. Losses from fire, storm, shipwreck, or other casualty, or theft. (Explain in Schedule C)
15. Bad debts. (Explain in Schedule C)
16. Other deductions authorized by law. (Explain in Schedule C).
17. Total deductions in items 11 to 16
18. Net income (item 10 minus item 17)

| (Do not use these spaces) |
| :--- |
| File <br> Code |
| Serial <br> No. <br> District <br> $\quad$ (Cashier's Stamp)$\quad$. |

(Cashier's Stamp)

Cash-Check-M. O. First Payment

## COMPUTATION OF TAX


$\mathrm{I} /$ we swear (or affirm) that this return (including any accompanying schedules and statements) has been examined by me/us, and to the best of my/our knowledge and belief is a true, correct, and complete return, made in good faith, for the taxable year stated, pursuant to the Internal Revenue Code and the regulations issued under authority thereof.
fubscribed and sworn to by
before me this
day of
(Signature) (See Instruction E)

## Obligations or securitie

(a) Obligations of a State, Territory, or political subdivision thereof, or the District of Columbia, or United States possessions
b) Obligations issued prior to March 1, 1941, under Federal Farm Loan Act, or under such Act as amended
c) Obligations of United States issued on or before September 1, 1917
(d) Treasury Notes, Treasury Bills, and Treasury Certificates of Indebtedness issued prior to March 1, 1941
(e) United States Savings Bonds and Treasury Bonds issued prior to March 1, 1941
( ) Obligations of instrumentalities of the United States (other than obligations to be reported in (b) above) issued prior to March 1, 1941
(8) Dividends on share accounts in Federal savings and loan associations_


Interest received or accrued during the year (subject to normal tax and surtax) \$

Obligations issued on or after March 1, 1941, by the United States or any agency or instrumentality thereof (enter amount of interest as item 4 (b), page 1)

Amount owned at end of year

Schedule B.-INCOME FROM RENTS AND ROYALTIES. (See Instruction 5)


Explanation of deductions claimed in columns 4 and 5

Schedule C.-EXPLANATION OF DEDUCTIONS CLAIMED IN ITEMS 11, 12, 13, 14, 15, AND 16


Schedule E.-COMPUTATION OF EARNED INCOME CREDIT. (See Instruction 24)

## (1) If your net income is $\$ 3,000$ or less, use only this part of schedule

(2) If your net income is more than $\$ 3,000$, use only this part of schedule

Net income (item 18, page 1 ).
Earned income credit ( $10 \%$ of net income above)
\$
\$

Earned net income (not more than $\$ 14,000$ )
Net income (item 18, page 1)
Earned income credit ( $10 \%$ of earned net income or $10 \%$ of net income, above, whichever amount is smaller, but do not enter less than $\$ 300$ )


## QUESTIONS

State your principal occupation or profession
Name and address of employer
Did you file a return for any prior year?
If so, what was the latest year?
To whic $\qquad$ fice was it sent?
4. If separate return was made for the current year, state:
(a) Name of husband or wife
(b) Personal exemption, if any, claimed thereon
(c) Collector's office to which it was sent

Check whether this return was prepared on the cash $\square$ or accrual $\square$ basis. Nfretarn on cash basis, do you elect, under section 42 , to include as income
received in the current year the increase for current and prior years in the redemption price of noninterest-bearing obligations issued at a discount? -...---- If so, attach statement listing obligations owned and computation of the accrued income. Report such income as interest in item 3 or 4, page 1, whichever applicable.
7. Did you receive during the taxable year any nontaxable income other than interest reported in Schedule A (see Instruction G)? so, attach schedule showing source, nature, and amount of such income.
8. Did you at any time during your taxable year own directly or indirectly any stock of a foreign corporation or a personal holding company as defined by section 501 of the Internal Revenue Code? ------------- If so, attach statement required by Instruction J.

## DETACH PAGES 3 AND 4 IF NOT USED

Schedule F.-GAINS AND LOSSES FROM SALES OR EXCHANGES OF CAPITAL ASSETS. (See Instruction 7)


LONG-TERM CAPITAL GAINS AND LOSSES-ASSETS HELD FOR MORE THAN 18 MONTHS BUT NOT FOR MORE THAN 24 MONTHS

|  |  | \$ | \$ |  | \$ |  | \$ |  | \$ |  |  | $\begin{aligned} & 662 / 3 \\ & 662 / 3 \end{aligned}$ | \$---------------- |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |  |  |  | 662/3 |  |
|  |  |  |  |  |  |  |  |  |  |  |  | 662/3 |  |
| LONG-TERM CAPITAL GAINS AND LOSSES-ASSETS HELD FOR MORE THAN 24 MONTHS |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  |  | \$-------------- | \$ |  | \$ |  | \$ |  | \$ |  |  | 50 |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  | 50 |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Total net long-term capital gain or loss (enter in line 2, column 3, of summary below) |  |  |  |  |  |  |  |  |  |  |  |  | \$--------- |
| SUMMARY OF NET CAPITAL GAINS OR LOSSES |  |  |  |  |  |  |  |  |  |  |  |  |  |
| 1. Classification | 2. Net short-term capital loss of preceding taxable year (not in excess of net income for such year) | 3. Net gain or loss to be taken into account from column 10, above |  |  |  | 4. Net gain or loss to be taken into account from partnerships and common trust funds |  |  |  |  | 5. Total net gain or loss to be taken into account in columns 2, 3, and 4 of this summary |  |  |
|  |  | Gain |  | Loss |  | Gain |  | Loss |  |  | Gain |  | Loss |
| 1. Total net short-term capital gain or loss (enter as item 7 (a), page 1, amount of gain shown in column 5) | \$..---.....--- | \$--------1- |  | \$------------ |  | \$------------ | -- |  | ------- |  | \$------------ |  | No net loss allowable (see Instruction 7) |
| 2. Total net long-term capital gain or loss (enter as item 7 (b), page 1, amount of gain or loss shown in column 5) |  | , \$------------\| |  | \$.----------- |  | \$----------- | -------\| | \$ | --------- |  | \$-.---------- | --- | \$------------- |

## COMPUTATION OF ALTERNATIVE TAX

> Use only: If you had a net long-term capital gain, and item 22 , page 1 , exceeds $\$ 12,000$, or If you had a net long-term capital loss, and such loss plus item 22 , page 1 , exceeds $\$ 12,000$


## ) shedule G.-GAINS AND LOSSES FROM SALES OR EXCHANGES OF PROPERTY OTHER THAN CAPITAL ASSETS

 (See Instruction 7)
de the family, fiduciary, or business relationship to you, if any, of purchaser of any of the items on this page:
lary of such items were acquired by you other than by purchase, explain fully how acquired:
State (1) nature of business
and address if different from name and address on page $1 \ldots \ldots$; (2) number of places of business $\ldots \ldots \ldots$;

1. Total receipts

## COST OF GOODS SOLD

(To be used where inventories are an income-
determining factor) determining factor)
 3. Merchandise bought for sale 4. Labor 5. Material and supplies 6. Other costs (itemize below)


## OTHER BUSINESS DEDUCTIONS

11. Salaries and wages not included as "Labor" (do not deduct compensation for yourself)
12. Interest on business indebtedness
13. Taxes on business and business property
14. Losses (explain below)
15. Bad debts arising from sales or services
16. Depreciation, obsolescence, and depletion (explain in Schedule J)
17. Rent, repairs, and other expenses (itemize below or on separate sheet)
18. Total of lines 11 to 17
19. Total of lines 9 and 18
20. Net profit (or loss) (line 1 minus line 19) (enter as item 8, page 1)-


If the production, manufacture, purchase, or sale of merchandise is an income-producing factor, inventories are required. Enter " C ," or " C or M ," on lines 2 and 8 to indicate whether inventories are valued at cost, or cost or market, whichever is lower.

Explanation of deductions claimed in lines 6, 14, and 17

## Schedule I.-INCOME FROM PARTNERSHIPS, FIDUCIARIES, AND OTHER SOURCES



AFFIDAVIT. (See Instruction E)
(If this return was prepared for you by some other person, the following affidavit must be executed)
$\mathrm{I} /$ we swear (or affirm) that $\mathrm{I} /$ we prepared this return for the person or persons named herein and that the return (including any accompanying schedules and statements) is a true, correct, and complete statement of all the information respecting the tax liability of the person or persons for whom this return has been prepared of which I/we have any knowledge.

Subscribed and sworn to before me this $\qquad$ day

15. BAD DEBTS. - Enter bad debts other than those claimed in Schedule H. Show in Schedule C: (a) of what the debts consisted; (b) name and family relationship, if any, of debtor; (c) when created; (d) when due; (e) efforts made to collect; and ( $f$ ) how determined to be worthless. Enter in Schedule F losses from corporate securities with interest coupons or in registered form ascertained to be worthless and charged off within the year, and which are capital assets.
16. OTHER DEDUCTIONS.-Enter other authorized deductions, including net operating loss deduction allowed by section 23 (s). Every taxpayer claiming a deduction due to a net operating loss for the preceding taxable vear or years shall file with his return the statement required by section 19.122-1, Regulations 103.

Do not deduct losses in transactions not connected with your trade or business or not entered into for profit. Losses from wagering transactions are allowable to the extent of gains therefrom.

## 20, 21. CREDIT FOR PERSONAL EXEMPTION AND DEPEND-

 ENTS.-A single person, or a married person not living with spouse, is allowed a personal exemption of $\$ 750$. A person who, during the entire taxable year, was the head of a family or was married and living with spouse, is allowed an exemption of $\$ 1,500$. On separate returns, the personal exemption may be taken by either husband or wife or divided between them in any proportion.A "head of a family" is one who supports in one household one or more dependent individuals closely connected with him by blood relationship, relationship by marriage, or by adoption, and whose right to exercise family control is based upon some moral or legal obligation.

A credit of $\$ 400$ is allowed for each person (other than husband or wife) under 18 years of age, or incapable of self-support because mentally or physically defective, whose chief support was received from the taxpayer. If taxpayer is head of a family only because of dependents for whom he would be entitled to credit under preceding sentence, $\$ 400$ credit is allowed for each of such dependents except one.

If taxpayer's status, with respect to personal exemption and credit for dependents, changed during the taxable year, such exemption and credit shall be apportioned according to the number of months before and after such change. A fractional part of a month is disregarded unless it exceeds half a month, when it shall be considered a month.
24. EARNED INCOME CREDIT. - "Earned income" means wages, salaries, professional fees, and other amounts received as compensation for personal services actually rendered. Where a taxpayer is engaged in a trade or business in which both personal services and capital are material income-producing factors, a reasonable allowance as compensation for the personal services actually rendered by the taxpayer, not in excess of 20 percent of his share of the net profits of such trade or business, shall be considered as earned income. "Earned net income" means the excess of the amount of the earned income over the sum of the "earned income deductions," which are the ordinary and necessary expenses properly chargeable against earned income.
27. SURTAX.-The following table shows the surtax due for the taxable year upon certain specified amounts of surtax net income.

## SURTAX table

If the surtax net income is:
Not over $\$ 2,000$
Over $\$ 2,000$ but not over $\$ 4,000$ O ver $\$ 4,000$ but not over $\$ 6,000$ Over $\$ 6,000$ but not over $\$ 8,000$ Over $\$ 8,000$ but not over $\$ 10,000$, Over $\$ 10,000$ but not over $\$ 12,000$ Over $\$ 12,000$ but not over $\$ 14,000$ Over $\$ 14,000$ but not over $\$ 16,000$ Over $\$ 16,000$ but not over $\$ 18,000$ Over $\$ 18,000$ but not over $\$ 20,000$ Over $\$ 20,000$ but not over $\$ 22,000$ Over $\$ 22,000$ but not over $\$ 26,000$ Over $\$ 26,000$ but not over $\$ 32,000$. Over $\$ 32,000$ but not over $\$ 38,000$ Over $\$ 38,000$ but not over $\$ 44,000$ Over $\$ 44,000$ but not over $\$ 50,000$ Over $\$ 50,000$ but not over $\$ 60,000$ Over $\$ 60,000$ but not over $\$ 70,000$ Over $\$ 70,000$ but not over $\$ 80,000$ Over $\$ 0,000$ but not over $\$ 80,000$ Over $\$ 90,000$ but not over $\$ 100,000$ Over $\$ 90,000$ but not over $\$ 100,000$
Over $\$ 100,000$ but not over $\$ 150,000$ Over $\$ 150,000$ but not over $\$ 200,000$ Over $\$ 200,000$ but not over $\$ 250,000$ Over $\$ 250,000$ but not over $\$ 300,000$ Over $\$ 300,000$ but not over $\$ 400,000$ Over $\$ 400,000$ but not over $\$ 500,000$ Over $\$ 500,000$ but not over $\$ 750,000$ Over $\$ 750,000$ but not over $\$ 1,000,000$ Over $\$ 750,000$ but not over $\$ 1,000,000$ Over $\$ 1,000,000$ but not over $\$ 2,000,000$
Over $\$ 2,000,000$ but not over $\$ 5,000,000$ Over $\$ 2,000,000 \mathrm{~b}$
Over $\$ 5,000,000$

The surtax shall be:
$6 \%$ of the surtax net income. $\$ 120$, plus $9 \%$ of excess over $\$ 2,000$. $\$ 300$, plus $13 \%$ of excess over $\$ 4,000$. $\$ 560$, plus $17 \%$ of excess over $\$ 6,000$. $\$ 900$, plus $21 \%$ of excess over $\$ 8,000$. $\$ 1,320$, plus $25 \%$ of excess over $\$ 10,000$. $\$ 1,820$, plus $29 \%$ of excess over $\$ 12,000$. $\$ 2,400$, plus $32 \%$ of excess over $\$ 14,000$. $\$ 3,040$, plus $35 \%$ of excess over $\$ 16,000$. $\$ 3,740$, plus $38 \%$ of excess over $\$ 18,000$.
 $\$ 4,500$, plus $41 \%$ of excess over $\$ 20,000$.
$\$ 5,320$, plus $44 \%$ of excess over $\$ 22,000$. $\$ 7,080$, plus $47 \%$ of excess over $\$ 26,000$. $\$ 9,900$, plus $50 \%$ of excess over $\$ 32,000$. $\$ 12,900$, plus $53 \%$ of excess over $\$ 38,000$. $\$ 16,080$, plus $55 \%$ of excess over $\$ 44,000$. $\$ 19,380$, plus $57 \%$ of excess over $\$ 50,000$. $\$ 25,080$, plus $59 \%$ of excess over $\$ 60,000$. $\$ 30,980$, plus $61 \%$ of excess over $\$ 70,000$. $\$ 37,980$, plus $63 \%$ of excess over $\$ 80,000$. $\$ 43,380$, plus $64 \%$ of excess over $\$ 90,000$. $\$ 49,780$, plus $65 \%$ of excess over $\$ 100,000$. $\$ 82,280$, plus $66 \%$ of excess over $\$ 150,000$. $\$ 115,280$, plus $67 \%$ of excess over $\$ 200,000$. $\$ 148,780$, plus $69 \%$ of excess over $\$ 250,000$. $\$ 183,280$, plus $71 \%$ of excess over $\$ 300,000$. $\$ 254,280$, plus $72 \%$ of excess over $\$ 400,000$. $\$ 326,280$, plus $73 \%$ of excess over $\$ 500,000$. $\$ 326,280$, plus
$\$ 508,780$, plus $74 \%$ of excess over $\$ 750,000$. $\$ 508,780$, plus $74 \%$ of excess over $\$ 750,000$. $\$ 1,443,780$, plus $76 \%$ of excess over $\$ 2,000,000$.
30. INCOME TAX PAID AT SOURCE. - Enter 2 percent of interest on bonds on which Federal income tax was paid by debtor corporation.
31. FOREIGN TAX CREDIT. - If credit is claimed for taxes paid to a foreign country or possession of United States, submit Form 1116 and receipts for such payments. If credit is claimed for taxes accrued, attach to Form 1116 certified copy of return on which tax was based.

INSTRUCTIONS BELOW NEED BE CONSIDERED ONLY IF ENTRIES are made in items 7,8 , and 9, page 1 of return.
7. GAINS AND LOSSES FROM SALES OR EXCHANGES O? CAPITAL ASSETS
Schedules F and G .
"Capital assets" defined. -The term "capital assets" means prop erty held by the taxpayer (whether or not connected with his trad or business), but not stock in trade or other property of a kind which would properly be included in his inventory if on hand at the closed the taxable year, or property held by the taxpayer primarily for salet customers in the ordinary course of his trade or business, or propert used in the trade or business of a character which is subject to the allon ance for depreciation provided in section 23 (1), or an obligation of the United States or any of its possessions, or of a State or Territory, o any political subdivision thereof, or of the District of Columbia, issur on or after March 1, 1941, on a discount basis and payable without interest at a fixed maturity date not exceeding one year from the datid of issue.

Description of property. - State following facts: (a) For real estate, location and description of land and improvements; (b) for bonds of other evidences of indebtedness, name of issuing corporation, partieular issue, denomination and amount; and (c) for stocks, name of corpora tion, class of stock, number of shares, and capital changes affecting basis (including nontaxable distributions).

Basis. - In determining GAIN in case of property acquired before March 1, 1913, use the cost or the fair market value as of March 1 , 1913, adjusted as provided in section 113 (b), whichever is greater, but in determining LOSS use cost so adjusted. If the property was ac quired after February 28, 1913, use cost, except as otherwise providel in section 113.

Losses on securities becoming worthless. - If (1) shares of stook become worthless during the year or (2) corporate securities with
interest coupons or in registered form are ascertained to be worthless and charged off during the year, and are capital assets, the loss therefrom shall be considered as from the sale or exchange of capital assets as of the last day of such taxable year.

Classification of capital gains and losses. - The phrase "short-term" applies to gains and losses from the sale or exchange of capital assets
held for 18 months or less; the phrase "Iong-term" to capital assets held for 18 months or less; the
held for more than 18 months.

Limitation on short-term capital losses. - Short-term capital losse shall be allowed only to the extent of short-term capital gains. However, any net short-term capital loss (not in excess of the net income for the year involved) may be carried over in the succeeding year and applied against the short-term capital gains not already offset by shortterm capital losses in such year. The carry-over is restricted to 1 year.

Alternative tax. - In the case of a net long-term capital gain or los, an alternative tax may be imposed in lieu of the normal tax and surtas imposed upon net income. (See Computation of Alternative Tax, Sched. ule F.) In calculating the alternative tax in the case of a long-term capital loss, the base (1) for computing the 15 percent limitation with respect to the deduction for charitable contributions is the "ordinary net income" as shown in line 3, Computation of Alternative Tax Schedule F, increased by item 11, page 1, and (2) for computing the earned income credit is the "ordinary net income" as adjusted for the charitable contributions deduction.
"Wash sales" losses.- Loss from sale or other disposition of stock or securities cannot be
deducted unless sustained in connection with the taxpayer's trade or business, if, within 3 i deducted unless sustained in connection with the taxpayer's trade or business, if, within 33
days before or after the date of sale or other disposition, the taxpayer has acquired (by pur chase or by an exchange upon which the entire amount of gain or lose was recognized by lam), Losses in transactions between certain persons.- No deduction is allowable for losses from sales or exchanges of property directly or indirectly between (a) members of a family, (b) s corporation and an cepted), ( $c$ )
same trust.
8. BUSINESS OR PROFESSION.-Fill in Schedule H. Farmens keeping no books of account, or books on cash basis, must attach Form 1040F. A taxpayer electing to include in gross income amounts received during the year as loans from the Commodity Credit Cor poration should file with his return a statement showing the details of such loans. (See section 123.)
If installment method is used, attach schedule showing separately for years 1938, 1939, 1940, and 1941: (a) Gross sales; (b) cost of good sold; (c) gross profits; (d) percentage of profits to gross sales; amount collected; $(f)$ gross profit on amount collected.
Bad debts may be deducted either (1) when ascertained to be wholl or partially worthless, or (2) by a reasonable addition to a
(No change of method without permission of Commissioner.)

9 (a). INCOME FROM PARTNERSHIPS, FIDUCIARIES, ETC. WHOSE TAXABLE YEAR ENDS WITHIN THE TAXABLE YEAP COVERED BY THIS RETURN. - Enter as item 9 your share 0 profits (whether received or not) or losses of a partnership (includin a syndicate, pool, etc., not taxable as a corporation) except capita gains and losses, which enter in Schedule F. Enter as item 9 income from an estate or trust. Enter in Schedule A your share of interes on obligations of the United States and instrumentalities, issued prior ter March 1, 1941, owned by partnership, estate, or trust. Include in iten 11, and explain in Schedule C, your share of any contribution or gift, payment of which was made by the partnership within its taxable Federal income tax paid at source and foreign income taxes.
9 (b). OTHER INCOME.-Enter any other taxable income, 'in cluding earnings of minor children if parent is legally entitled thereto

# INSTRUCTIONS FOR FORM 1040, UNITED STATES INDIVIDUAL INCOME TAX RETURN 

## (References are to the Internal Revenue Code, unless otherwise noted)

A. WHO MUST MAKE A RETURN.-Every citizen and resident of the United States having during the taxable year gross income (income derived from any source whatever, unless exempt from tax by law) in an amount specified below, regardless of the amount of net income, shall make a return if:
(1) Single for entire year, or married and not living with husband or wife for any part of the taxable year. If having a gross income of $\$ 750$ or over.
(2) Married and living with husband or wife for the entire taxable year. If each has income and their combined gross income is $\$ 1,500$ or over, they must each make a return or file a joint return. If only one has income and his gross income is $\$ 1,500$ or over, only that one is required to make a return.
(3) Married and living with husband or wife for only part of the taxable year. If each has income and their combined gross income is $\$ 1,500$ or over, or equal to, or in excess of, their total personal exemption (not including credit as head of a family or for dependents), they must each make a return or file a joint return. If only one has income and his gross income is $\$ 1,500$ or over, or equal to, or in excess of, his personal exemption (not including credit as head of a family or for dependents), only that one is required to make a return. (See Specific Instruction 20 as to personal exemption.)
Joint return.-May be filed by husband and wife only if they are (1) both citizens or residents of the United States and (2) living together at the end of the taxable year. A joint return is permissible even though one has no gross income. In a joint return the aggregate income, deductions, and credits are computed as though husband and wife were one person
Deceased individuals. - Return required on Form 1040 or 1040A if gross income to date of death is $\$ 750$ or over, if single, or married and not living with spouse for any part of the taxable year, or equal to, or in excess of, credit for personal exemption (not including credit as head of a family or for dependents), if married and living with spouse for all or any part of the taxable year. The return for a decedent shall include any items of income and deductions accrued up to the date of death, all items of income and deductions accrued up to the date of death,
regardless the fact that the decedent may have kept his books on a cash basis or kept no books.
B. FORM OF RETURN. - Citizens and resident alien individuals use Form 1040, except that those whose gross income is not more than $\$ 3,000$ and consists wholly of salaries, wages, other compensation for personal services, dividends, interest, rent, annuities, or royalties may use optional Form 1040A. Nonresident aliens use Form 1040B or 1040NB. Fiduciaries for estates and trusts use Form 1041.
C. FILING OF RETURNS AND PAYMENT OF TAX. - File on or before. 15th day of 3d month following close of taxable year with collector for the district in which the taxpayer has his legal residence or principal place of business. If the taxpayer has no legal residence or place of business in United States, file with collector at Baltimore, Md. The taxpayer's home address must be given and a permanent business address may be added. Pay in cash at collector's office or by check or money order payable to "Collector of Internal Revenue." Pay in full with return or in four equal installments, on or before the 15 th day of the $3 \mathrm{~d}, 6 \mathrm{th}, 9 \mathrm{th}$, and 12 th month from close of taxable year.
D. PENALTIES.-Severe penalties are imposed for failing to file a equired return. for late filing, and for filing a false or fraudulent return.
E. AFFIDAVITS. - Return must be sworn to by taxpayer or his agent. Return may be made by agent if taxpayer (1) is too ill to make it or (2) is absent from United States for 60 days before due date. Power of attorney on Form 935 or 936 (husband and wife) must accompany return made by agent. Person (other than taxpayer) preparing return must execute affidavit on page 4. Return may be sworn to before any collector, deputy collector, or internal may be sworn to before any collector, deputy collector, or internal
revenue agent (without charge), or other person authorized by law to administer oaths for general purposes, except taxpayer's agent.
F. RECEIVED OR ACCRUED INCOME.-If books are kept on accrual basis, report all income accrued, even though not received and expenses incurred even though not paid. If books are not kept on accrual basis, or if no books are kept, report all income actually or constructively received, and all expenses paid.
G. ITEMS EXEMPT FROM TAX.-As to items of income exempt from tax other than those listed below, see sections 22 (b) and 116.

1. Interest on governmental obligations is exempt to the extent indicated in Schedule A.
2. Proceeds of insurance policies. -The proceeds of life insurance policies, paid by reason of the death of the insured, are exempt. If any part of the proceeds is held by the insurer under an agreement to pay interest, the interest is taxable. Amounts received under a life insurance or endowment poliey, not payable by reason of the death of the insured, are not taxable until the aggregate of the amounts received exceeds the premiums or consideration paid for the policy. See Specific Instruction $\dot{6}$ as to taxation of annuities.
3. Miscellaneous items wholly exempt from tax:
(a) Gifts (not received as a consideration for service rendered) and money and property acquired by bequest, devise, or inheritance (but income therefrom is taxable);
(b) Amounts received through accident or health insurance or under workmen's compensation acts, as compensation for personal injuries or sickness, plus the amount of any damages received, whether by suit or agreement, on account of such injuries or sickness;
(c) The rental value of a dwelling house and appurtenances thereof furnished to a minister of the gospel as part of his compensation;
(d) Pensions and compensation received by veterans from the United States and pensions received from the United States by the family of a veteran, for services rendered by the veteran in time of war; and
(e) Interest on adjusted service bonds and interest credited to postal savings accounts deposited prior to March 1, 1941.
H. DEPRECIATION AND DEPLETION.- A reasonable allowance for exhaustion, wear and tear, including obsolescence, of property used in trade or business may be deducted based on cost if accuired by purchase after February 28, 1913. If acquired before March 1 , 1913, or otherwise than by purchase, see section 114
For depletion deduction, see sections $23(\mathrm{~m})$ and
I. INFORMATION AT SOURCE--Every person making payments of (1) interest, rents, commissions, or other fixed or determinable income of $\$ 750$ or more during the calendar year
1941 to an individual, a partnership, or a fiduciary, or (2) salary or wages of $\$ 750$ or more to a single person or $\$ 1,500$ or more to a married person shall make a return on Forms 1096 and 1099 J. STOCK OWNED IN FOREIGN CORPORATIONS AND PERSONAL HOLDING COMPANIES.-II at any time during the year you owned directly or indirectly stock of a foreign corporation, or a personal holding company (section 501), attach a statement showing name and address, of each such company and total number of shares of ach class of outstanding stock owned. If at any time during the year you owned stock in a foreign personal
holding company (section 331), inelude in income as a dividend the amount required by
section section 337, and if you owned 5 percent or more in value of the outstanding stoek of such com
pany, attach a statement giving in detail the information required by section 337 (d).

## SPECIFIC INSTRUCTIONS

(Numbered to correspond with item numbers on page 1 of return)

1. SALARIES, ETC.-Include compensation received as an officer or employee of a State or political subdivision or any agency or instrumentality thereof.
2. DIVIDENDS. - Enter total of all taxable dividends. Enter in Schedule A dividends on share accounts in Federal savings and loan ssociations.
3. RENTS AND ROYALTIES. - Include rent received in property or crops. Report crops received on crop-share basis in year in which disposed of (unless return is made on accrual basis).
4. ANNUITIES. - Amounts received as an annuity under an annuity or endowment contract shall be included in gross income to the extent of 3 percent of the aggregate premiums or consideration paid for such annuity. If the aggregate of the amounts received and excluded from gross income equals the aggregate premiums or consideration paid for such annuity, the entire amount thereafter received must be included in gross income.

> FOR INSTRUCTIONS 7, 8, AND 9, SEE PAGE 2, SECOND COLUM
11. CONTRIBUTIONS PAID.-Enter (not to exceed 15 percent of your net income computed without the benefit of this deduction) contributions or gifts, payment of which was made within the year to or for the use of 一
(b) A corporation, trust, or community chest, fund, or foundation, created or organized in any state or Tates or in any possession thereof or under the law of the United States or of of any possession of the United States, organized and operated
and exclusively for relitiory or of any possession of the United States, organized and operated
prevertion prevention of cruelty to children or animals, no part of the net earnings of which inures to
the benefft of any private shareholder or individual, and no substantial part of the activities of which is carrying on propaganda, or otherwise attempting, to influence legislation;
(b) The United States, any State, Territory, or any political subdivision thereof, or the (c) The special fund for vocational rehabilitation authorized by section 12 of the World War Veterans' Act, 1924;
(d) Posts or organizations of war veterans, or auxiliary units or societies of any such posts or organizations, if.such posts, organizations, units, or societies are organized in the United States or any of its possessions, and if no part of their net earnings inures to the benefit of
any private shareholder or individual; or private shareholder or individual; or
(e) A domestic fraternal society, order, or association, operating under the lodge system,
but only if such contributions or gifts are to be used exclusivera for but only if such contributions or gifts are to be used exclusively for religious, charitable, scien
12. INTEREST. -Enter interest on personal indebtedness as distinguished from business indebtedness (which should be entered in Schedules B and H). For limitations on deductions for unpaid expenses and interest, see section 24 (c).
13. TAXES.-Enter taxes imposed on you and paid or accrued during the taxable year, except taxes entered in Schedules B and H. Do not include taxes assessed against local benefits, Federal income taxes or estate, inheritance, legacy, succession, gift taxes, taxes imposed on your interest as shareholder of a corporation which are paid by the corporation without reimbursement from you, nor income taxes claimed as a credit in item 31. Federal social security and employment taxes paid by or for an employee are not deductible by the employee.
14. LOSSES. - Enter property losses (not claimed in Schedule H), from fire, storm, shipwreck, or other casualty, or from theft, not compensated for by insurance or otherwise. Explain in Schedule C, giving description of property, date acquired, cost, subsequent improvements, depreciation allowable, insurance. salvage value, and deductible loss.

## 29-59

The Bureau of Internal Revenue today sent notices of deficiency to three additional bondholders the Port of New

York Authority who had not included interest from their bonds in their tax returns filed on March 15,1938.

The action was taken in connection with a 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 bureau's first step was taken on March 14, 1941, when notices of deficiency were sent out seven endhendemener the Pomarnt Six of the seven bondholders paid the tat deficiency claimed by the Treasury Department. The la le mu flawererg) them
Shamberge a Commissioner of the Bor w authority, ii fld
 appeal on June 25.
 of Mr. Shamberge. Officials of the Bureau Ne ser uncertain whether executors of Mr. Shamberg's estate would continue the litigation additional notices of defletency in order to press the case to a final decision by the courts.


## TREASURY DEPARTMENT <br> Washington

FOR IMMEDIATE RELEASE, Tuesday, November 25, 1941.

Press Service No. 28-59

The Bureau of Internal Revenue today sent notices of deficiency to three additional 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.

The action was taken in connection with a 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. It was considered necessary because of the death last week of Alexander J. Shamberg, only one of seven bondholders originally sent ninety-day letters who protested the assessment.

The Bureau's first step in the Port of New York Authority case was taken on March 14, 1941, when the notices of deficiency were sent out. Six of the seven bondholders paid the tax deficiency claimed by the Treasury Department. The late Mr. Shamberg, then a Commissioner of the Authority, filed an answer with the Board of Tax Appeals on June 5, 1941. The Bureau replied to his appeal on June 25.

Today's action was taken because officials of the Bureau were uncertain whether executors of Mr. Shamberg's estate would continue the litigation.

## TREASURY DEPARTMENT

## Washington

FOR RISLEASE, MORNING NEWSPAPERS,
Press Service
Tuesday, November 25, 1941. $11 / 24 / 41$

The Secretary of the Treasury announced last evening that the tenders for $\$ 200,000,000$, or thereabouts, of 91 -day Treasury b111s, to be dated November 26 , 1941, and to mature February 25, 1942, which were offered on November 21, were opened at the Federal Reserve Banks on November 24.

The details of this issue are as follows:
Total applied for - $\$ 466,603,000$
Total accepted - 200,026,000
Range of accepted bids: (Excepting two tenders totaling $\$ 30,000$ )

| High | -99.977 | Equivalent rate approximately | 0.091 | percent |  |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| Low | -99.926 | $n$ | $n$ | $\#$ | 0.293 | $\#$ |
| Average price | -99.932 | $n$ | $n$ | $n$ | 0.267 | $\#$ |

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


FOR RELEASE, MORNING NETSDAPERS,

Press Service No. 28-60
$\qquad$ Tuescay

The Secretary of the Treasury announced last evening that the tenders for $8200,000,000$, or thereabouts, of 91 -day Treasury bills, to be aated Novenber 26, 1941, and to mature February 25 , 1942, which were offered on November 21, were opened at the Federal Reserve Banks on November 24.

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Total accepted - 200,026,000
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## TREASURY DEPARTMENT <br> Washington

FOR IMMEDIATE RELEASE, Wednesday, November 26, 1941.

Press Service No. 28-61

The Bureau of Customs announced today that equal opportunities will be afforded at all customs ports of entry for the filing of entries and withdrawals for consumption at the opening moment of the import quota periods for silver or black foxes, furs, and articles provided for in the supplementary trade agreement with Canada, signed on December 13, 1940. Provision will be made to enable importers to file entries and withdrawals for consumption therefor at 12 noon, Eastern Standard Time; 11 A.M., Central Standard Time; 10 A. M., Mountrin standard Time; and 9 A. M., Pacific Standard Time, sacernha//-1

The supplementary agreement provides for quotas limiting the quantities of silver or black foxes valued at less than $\$ 250$ each and whole silver or black fox furs and skins (with or without paws, tails, or heads), and quotas for other classes of silver or black fox articles which may be entered, or withdrawn from warehouse, for consumption during any twelve-month period commencing December 1 , and further provides that not more than 25 percent of the annual quotas for silver or black foxes, furs and skins may be entered, or witharawn from warehouse, for consumption during any month. Provision will, therefore, also be made for simultaneous openings, at the hours specified above, of these monthly quota periods on January 2, February 2, and March 2, 1942. Imports under the annual quotas for the other articles are not restricted on a monthly basis.

The customs officers in charge at ports where entries or with drawals are presented will report their presentation to the Bureau of Customs for advice as to their quota status. The acceptance of entries will be authorized within the quota limitations in the order of the time of their presentation in proper form, on or after the opening of a quota period, at the customhouse in the port where the articles have arrived. If entries and withdrawals for consumption presented at the opening moment of a quota period cover quantities in excess of the quota limitation, the quantity which may be admitted to entry under the quota will be prorated on the basis of the quantity presented for entry.

Quota priority permits will not be granted. No entry or with drawal will be regarded as filed for quota purposes unless filed in proper form. No quota status will attach in any quota period by reason of the presentation of an entry or withdrawal in any prior period.

Please substitute accompanying release, Press Service No. $28-61$, for one of same number mailed earlier, and note inclusion of date " December 1, 1941.", at end of first paragraph.

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## PRESS RELEASE



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TREASURY DEPARTMENT Washington

Please substitute accompanying release, Press Service No. 28-61, for one of same number mailed earlier, and note inclusion of date "December 1, 1941." at end of first paragraph.

# TREASURY DEPARTMENT Washington 

FOR IMMEDIATE RELEASE,
Wednesday, November 26, 1941.

Press Service
No. 28-61

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panies) issued hereunder need include in his income tax return only the difference between the price paid for such bills, whether on original issue or on subsequent purchase, and the amount actually received either upon sale or redemption at maturity during the taxable year for which the return is made, as ordinary gain or loss.

Treasury Department Circular Ho. 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.

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 December 3, 1941, provided, however, any qualified depositary will be permitted to make payment by credit for Treasury bills allotted to it for itself and its customers up to any amount for which it shall be qualified in excess of existing deposits when so notified by the Federal Reserve Bank of its district.

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 enscted. 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. Under Sections 42 and 117 (a) (1) of the Internal Revenue Code, as amended by Section 115 of the Revenue Act of 1941, the amount of discount at which bills issued hereunder are sold shall not be considered to accrue until such bills shall be sold, redeemed or otherwise disposed of, and such bills are excluded from consideration as capital assets. Accordingly, the owner of Treasury bills (other than life insurance com-

## ALP BAX

TREASURY DEPARTMENT

## Washington

FOR RELEASE, MORNING NEWSPAPERS, Friday, November 28, 1941

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The Secretary of the Treasury, by this public notice, invites tenders for $\frac{\$ 200,000,000}{(2) x}$, or thereabouts, of $\frac{91}{x(3)}$-day Treasury bills, to be issued on a discount basis under competitive bidding. The bills of this series will be dated $\frac{\text { December } 3,1941}{3(4) x}$, and will mature March $4, \frac{1942}{3(54 x}$, 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, December 1, 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, 0. 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 att the Federal

TREASURY DEPARTMENT Washington

FOR RELEASE, MORNING NEWSPAPERS, Friday, November 28, 1941.

The Secretary of the Treasury, by this public notice, invites tenders for $\$ 200,000,000$, 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 December 3, 1941, and will mature March 4, 1942, when the face amount will be payable without interest. They will be issuea in bearer form only, and in denominations of $\$ 1,000, \$ 5,000$, $\$ 10,000, \$ 100,000, \$ 500,000$, and $\$ 1,000,000$ (maturity value).

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Imnediately 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 December 3, 1941, provided, however, any qualified depositary will be permitted to make payment by credit for Treasury bills allotted to it for itself and its customers up to any amount for which it shall be qualified in excess of existing deposits when so notified by the Federal Reserve Bank of its district.

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 treat-

TREASURY DEPARTMENT Washington

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ment, 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. Under Sections 42 and 117 (a) (I) of the Internal Revenue Code, as amended by Section 115 of the Revenue Act of 1941, the amount of discount at which bills issued hereunder are sold shall not be considered to accrue until such bills shall be sold, redeemed or otherwise disposed of, and such bills are excluded from consideration as capital assets. Accordingly, the owner of Treasury bills (other than life insurance companies) issued hereunder need include in his income tax return only the difference between the price paid for such bills, whether on original issue or on subsequent purchase, and the amount actually received either upon sale or redemption at maturity during the taxable year for which the return is made, as ordinary gain or loss.

Treasury Department Circular No. 418, 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.

## PRESS RHLTASE

As part of its program to assist bankers and other interested persons in the administration of the freezing order, the Treesury Department will send representatives to certain key cities to discuss freezing problems.

The American Bankers Association is working elosely with the Treasury in its efforts to clarify the freezing control for bankers and ensure its proper administration. A.B.A. representatives will accompany the Treasury men on the trip.

In the cities which this group visits, conferences natirual bull will be held with Federal Reserve Bank officers, secretaries of state bankers' associations, and bankers designated by the A.B.A. Plans will be made for those in attendance to assist in explaining the freezing control to hundreds of bankers' meetings throughout the country.

In addition to the conferences of these groups, larger meetings are being arranged in the various cities at which bankers and representatives of other interested groups, such as brokers, importers and exporters, can hear an explanation of the freezing control by the Treasury

Meetings will be held in Cleveland, December 1; Chicago, December 2; Denver, December 4; San Francisco, December 8; Dallas, December 11; New Orleans, December 12 and 13; and Atlanta, December 15.


## TREASURY DEPARTMENT Washington

FOR RELEASE, MORNING NEWSPAPERS, Sunday, November 30, 1241.

Press Service
No. 28-63

As part of its program to assist bankers and others interested in the administration of the "freezing" order, the Treasury announced today it is sending representatives to certain key cities to discuss Foreign Funds Control problems.

Control of foreign-owned property was vested in the Treasury by an Executive Order which "froze" the assets of continental Europe, Japan and China in the United States.

The American Bankers Association is working in close cooperation with the Treasury in its efforts to clarify the freezing control for bankers and ensure its proper administration. A. B. A. representatives will accompany the Treasury men on the trip.

In the cities which this group visits, conferences will be held with Federal Reserve Bank officers, secretaries of state bankers' associations, national bank examiners and bankers designated by the A. B. A. Plans will be made for those in attendance to assist in explaining the freezing control to hundreds of bankers' meetings throughout the country.

In addition to the conferences of these groups, larger meetings are being arranged in the various cities at which bankers and representatives of other interested groups, such as brokers, importers and exporters, can hear an explanation of the freezing control by the Treasury representatives.

Meetings will be held in Cleveland, December 1; Chicago, December 2; Denver, December 4; San Francisco, December 8; Dallas, December 11; New Orleans, December 12 and 13; and Atlanta, December 15.

## TREASURY DEPARTMENT <br> Washington

FOR IMMEDIATE REIFASE
Press Service November 27, 1941

The Treasury Department today issued a general license liberalizing the freezing control restrictions with respect to certain classes of refugees who have been residing within the United States since June 17, 1940.

General License No. 42, issued on June 14, 1941 freed the accounts of bona-fide refugees who had been both domiciled and resident in the United States since specified dates in 1940. The new General License No. 42A conferred similar privileges on those refugees who could comply with the residence and other requirements of General License $\mathbb{N} 0.42$ but could not meet the domicile requirement.

The Treasury's decision to make this liberalization was prompted by a special study of the census reports which have been filed on Form TrR-300. It was explained that because of the difficulties connected with obtaining immigration visas many refugees had been barred from the privileges of General License No. 42. It was also pointed out that in many other cases there was doubt as to whether the refugee could satisfy the domicile requirements of General License No. 42. It now will be unnecessary to resolve that point because such persons may take advantage of the new General License No. 42A.

Attention was called to the fact that while the property of persons licensed under General License $\mathbb{N o}$. 42 need not have been reported on census report Form TFR-300 no such exemption was made under the new General License No. 42A. The new general license expressly states that such reports are required to have been filed.

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# TREASURY DERARTMEIT Washington 

FOR IMEDIAGE RELEASE
November 27, 1941

Press Service
No. 28-64

The Treasury Department today issued a general license liboralizing the freezing control restrictions with respect to certain classes of refugees who have been residing within the United States since June 17, 1940.

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Press Service No. 28-65
(The following address by Norman E. Towson, Assistant Director of Foreign Funds Control, United States Treasury, before the New Jersey Bankers Association at Princton, New Jersey, is scheduled for 11:00 a.m., Eastern Standard Time, Friday, November 28, 1941, and is for release upon delivery at that time.)

The Foreign Funds Control program was initiated in April, 1940, by freezing the assets in this country of Norway and Denmarik when, without previous warning, Germany invaded these two neutral countries. During the succeeding year and a half the Control has been successively extended and the Foreign Funds Control program now affects the dollar assets and other property of 32 countries and their territories and dependencies -- assets estimated to have a value of more than seven billion dollars. No person who is a national of any country of continental Europe, of China or Japan, or of any of the colonies or possessions of these countries can make use of funds or property in the Unitod States unless the relative transactions have been licensed by the Treasury Department; nor can anyone in the United States, whether citizen or alien, transact business with continental Europe, China or Japan, or any of the colonies or possessions of these countries, or with persons in Latin America listed on "The Proclaimed List of Certain Blocked Nationals" unless such transactions are authorized by Treasury license. The freezing order is thus not only an effective measure for protecting the assets within the United States of persons residing in the invaded countries, but it is also an effective measure for regulating trade and other business transactions between the United States and a substantial portion of the world. It is also a formidable weapon for protecting ourselves against the techniques of economic warfare which others may strive to use against us.

During the course of the 18 months that the Forsign Funds Control program has been in effect, the policies and direction of control heve been modified in accordance with the course of world events. When the first freezing order was issued shortly after the German occupation of Norway and Denmark, the primary objective of its administration was that of protection. The residents of these two occupied countries were not in a position to resist Nazi demands that they order their dollar and other foreign exchange assets transferred to German agents, institutions, or sympathizers. There was hence a presumption that many requests for the use of Danish and Norwegian dollar funds would be made under duress. Substantially the same situation prevailed in Holland, Belgium, France, and the other countries which were occupied by Axis forces during the summer and auturn of 1940, the funds of which were promptly frozen at the time such occupation became effective. The existence of the Foreign Funds Control administration enabled the Treasury Department to pass upon each transaction relating to the assets of persons within the occupied countries and to prevent the execution of transactions of an objectionable character.

In addition to protecting property in this country belonging to the invaded countries and their nationals, it was necessary to prevent the Axis powers from realizing upon large amounts of securities and other assets looted in the invaded countries. With this end in mind controls were established, designed to prevent the importation into the United States of securities, diamonds, paintings, and other assets which had fallen into Axis hands.

It may be well to point out that the existence of the Foreign Funds Control protected American persons and institutions as well as the property of persons resident within occupied territory. American business concorns and banks were protected to a large degree from suits and losses which might otherwise have arisen from conflicting clains to property being held for persons resident in occupied territories.

Axis agents and sympathizers within the United States were not able to use the enormous assets which might otherwise have been available to them had it not been for the freezing control. In short, while the United States could not prevent the looting of assets in the invaded countries by the Nazis, it did prevent persons in the United States from becoming unwilling or unknowing accomplices in the disposal of the loot.

I should also like to call attention to the fact that the existence of the Foreign Funds Control, in addition to preventing the Nazis from gaining control of the assets in this country through coercion or duress, served notice that the use of coercion or duress in an effort to obtain such property would be fruitless. For example, the German authorities would have little to gain by extcrting a payment order from a person in Belgium with respect to assets held in the United States knowing, as the authorities did, that the execution of such an order required a Treasury license which would not be granted. While the effectiveness of the control in this latter respect cannot easily be determined at this distance, the evidence tends to indicate that the contribution of the freezing control in this latter respect was significant.

With the extension of the Foreign Funds Control in June, 1941, to the assets of Germany, Italy, and the remaining European countries, its emphesis was substantially changed. In addition to being a defensive weapor intended to protect the property of invaded countries and their nationals, the Control progran developed into a modern weapon of great force useful both for the assistance of our friends and as an aggressive weapon against the Axis.

Were it not for the freezing order, the dollar assets of the Axis powers could be used to finance their activities. Dollars could be used in the United States and abroad to purchase goods which the Axis would try to run through the British blockade or place in storage in order to prevent such goods fron being used against them. Dollars could be used to finance fifth colurnists in all the American Republics. As the one currency which
was generally acceptable throughout the Western Hemisphere, the dollar was highly prized by the Axis. We could not tolerate the use of our monetary and banking systems by nations intent on destroying the institutions of democracy.

The Foreign Funds Control safeguards the interest of Anerican creditors of blocked countries by preventing preferential payment to some creditors which would result in loss to others. For this reason, applications to pay German funds to certain creditors selected by Germany are being denied. The Nazi Government has always discriminated among its creditors. Because this Government desires to protect the legitimate claims of all Americans, the Treasury does not allow the depletion of limited assets for the sake of a few favored claimants at the expense of all others.

Formerly it was a common German practice to force down the value of American-owned property by default and then to buy up such property at bargain prices. This was done by Germany with respect to its bond issues. Now the Nazi Government is attempting to secure a monopoly of the industries in Europe by forcing out and buying up American enterprises in the occupied countries, The freezing control will not cooperate in any such program designed to insure the Nazi economic monopoly in Europe.

The freezing order was extended to the four European neutrals, as well as to Germany and Italy and the invaded countries, because it was feared that these neutrals could be used as cloaks for transactions carried out for the benefit of the Axis. However, as the United States did not wish to prohibit bona fide transactions with these neutrals, the Treasury extended general licenses for such purposes to Spain, Sweden, Switzerland, and Portugal. That is to say, on the assurance by those countries that no other blocked countries will have an interest in transactions conducted under the general licenses, specific licenses are not required.

When Russia entered the war against the Axis, a general license was issued to the Soviet Union, which in effect lifted the Control with respect to that country.

An important extension of the freezing control was that of July 26 , 1941, affecting Japan and China. Japan's dollar assets were frozen when its nove into Indochina made it clear that it was planning further aggressive action vitally affecting the interests of the United States. An important effect of freezing was the prompt stoppage of trade between the United States and Japan.

At the sane time, the assets of China were frozen at the specific request of Generalissimo Chiang Kai-Shek, it being realized that American freezing would give the Chinese Government greater access to dollar resources needed to resist Japanese aggression, as well as assist China in controlling her own economy. Continuing this policy of cooperation with the Chinese Government, the Treasury has recently issued several new general licenses
which have the effect of further strengthening the foreign exchange position of China and of enabling that great nation to exercise a more extensive control over her imports and exports.

The fact that Foreign Funds Control can be used simultaneously as a friendly measure toward one country and as a strone and effective sanction against another evidences the extreme flexibility of this modern weapon.

There was also issued in July, 1941, by authority of Presidential Proclamation "The Proclaimed List of Certain Blocked Nationals." The implementation of the policy which was established by the issuance of this socalled "black list" has become an important function of Foreign Funds Control. The "Proclaimed List" singles out certain persons in the other Anerican Republics whose activities have been found to be inimical to the United States and hemisphere defense. Through the "Proclaimed List" progran the assets of such individuals and firms have been blocked, and they can no longer use their dollar resources or continue their business connections with United States concerns.

We have recently undertaken a comprehensive census of foreign-owned property subject to the jurisdiction of the United States. This census will contribute greatly to our knowledge of present and future problems. Furthermore, we are hopeful that a study of the census reports will make possible modifications in procedure that will simplify Foreign Funds Control. We are aware of the importance of avoiding onerous report requirements, and it is our desire to request reports from bankers and from blocked nationals only where such reports are directly essential to the effectiveness of Foreign Funds Control.

As you may know, Foreign Funds Control has been responsible for the discovery of large quantities of defense materials and equipment held by various blocked nationals. Information with respect to the location of such materials was obtained from applications to dispose of such property and from reports which banks were requested to file. Among the defense goods thus discovered have been large quantities of copper, aluninua, steel, shipbuilding materials, zinc, airplane spruce, machine tools, and other strategic materials. Detailed information with respect to these materials has been promptly reported to appropriate defense agencies in order that they might be made available for defense uses.

As can be seen, Foreign Funds Control is a flexible and dynamic instrument in our present progran of national defense. In modern economic society, the control of financial transactions gives the controller far-reaching powers. The Treasury Departizent, through the Foreign Funds Control, ensures that these powers shall be used in the national interest.

In no sinall measure has the efficacy of the Control been due to the cooperation of other Government departinents and of the Federal Reserve Banks, as well as to the wholenearted support of the banking and business community. We know that much remains to be done, and we are confident that with your aid we shall succeed in coping with the many problems of the future.


The folder, "Know Your Taxes", which is being distributed by the Treasury, shows at a glance what you will have to pay in the coming year and how much of your monthly income you should set aside regularly for tax payments.
"The purchase of Tax Savings Notes, now on sale by the Treasury, is one way to save systematically and conveniently for this purpose--but the important thing is to save.
"I suggest you consult your local bank, savings and loan association, or employer. They will, I am sure, assist you in arranging now a savings plan to provide the money for income tax payments next year.

C Financial institutions are now making, and I know will continue to make, a real contribution to the defense program by educating the public to save. By saving and thrift we can combat the threat of inflation which endangers us all. <


For Tuesday am's


Copies of a message to taxpayers from the Secretary of the Treasury, urging saving now for income tax payments next year, were sent today to 20,000 banks and savings and loan associations. It was suggested to the banking institutions that they may wish to use the message in their advertising copy.

National banks were addressed by
Comptroller of the Currency Preston Delano and other banks will.
and the safings and loan associations/receive the message as an enclosure in a communication from Chairman Leo $T$. Crowley of the Federal Deposit Insurance Corporation. The text of the message from Secretary Morgenthau is as follows:

## TREASURY DEPARTMENT <br> Washington

FOR RELEASE, MORNING NEWSFAPERS,
Press Service Tuesday, December 2, 1941.

No. 28-66

Copies of a message to taxpayers from the Secretary of the Treasury, urging saving now for income tax payments next year, were sent today to 20,000 banks and savings and loan associations. It was suggested to the banking institutions that they may wish to use the message in their advertising copy.

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The text of the message from Secretary Morgenthau is as follows:
"The folder, 'Know Your Taxes', which is being distributed by the Treasury, shows at a glance what you will have to pay in the coming year and how much of your monthly income you should set aside regularly for tax payments:
"The purchase of Tax Savings Notes, now on sale by the Treasury, is one way to save systematically and conveniently for this purpose--but the important thing is to save.
"I suggest you consult your local bank, savings and loan association, or employer. They will, I am sure, assist you in arranging now a savings plan to provide the money for income tax payments next year.
"Financial institutions are now making, and I know will continue to make, a real contribution to the defense program by educating the public to save. By saving and thrift we car combat the threat of inflation which endangers us all."

For immediate release


Secretary Morgenthau today announced the appointment of George Buffington of Chicago as an Assistant to the Secretary to aid in the Treasury's program to encourage saving for taxes. Mr. Buffington was a Chicago resident partner of the New York Stock Exchange firm of Winthrop, Mitchell and Company from 1933 to 1938. For the past three years he has maintained his own office in the Continental Illinois National Bank Building. He has tendered his resignation this week as a vice-president and director of the Campbell, Wyant and Cannon Foundry Company of Muskegon, Michigan, and as a director of the Sullivan Machinery Company of Michigan City, Indiana.

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# TREASURY DEPARTMENT Washington 

FOR IMMEDIATE RELEASE,
Press Service
Monday, December 1, 1941.

Secretary Morgenthau today announced the appointment of George Buffington of Chicago as an Assistant to the Secretary to aid in the Treasury's program to encourage saving for taxes.

Mr. Buffington was a Chicago resident partner of the New York Stock Exchange firm of Winthrop, Mitchell and Company from 1933 to 1938. For the past three years he has maintained his own office in the Continental Illinois National Bank Building. He has tendered his resignation this week as a vice-president and director of the Campbell, Want and Cannon Foundry Company of Muskegon, Michigan, and as a director of the Sullivan Machinery Company of Michigan City, Indiana.

The three cases, in each of which the decision was unanimous , were Alabama vs. King and Boozer, in which the court upheld the constitutionality of state sales taxation of contractors who purchase goods for use of the United States ; Curry vs. United States, in which the Court held that defense contractors were not immune frotilabama use tax, anne Federal Land. Bank vs. Bismark Lumber (0.) in which the Court held that Congress has the power to exempt from state taxation any government agency and that a general exemption from state, municipal and local taxation includes within its ban a state sales tax which makes the purchaser liable for the tax.
"So long as the taxation of business transactions
is nondiscriminatory, it can neither prevent nor impede
either the national or state governments in carrying on their operations nor restrict their choice of the means by which they might seek to discharge their functions $\alpha$
" On the other hand, if Congress were to exempt defense contractors, for example, from nondiscriminatory $\frac{\text { state sales }}{2}$ or use taxes, it could seriously interfere with the revenueraising ability of taxing authorities which depend for substantial revenues on this form of taxation. For, as our national economy becomes converted from a peacetime to a. war economy, an ever-increasing proportion of goods and supplies will be sold for the ultimate use of the national government, and thereby the amount of business activity intended to be tapped by state transaction taxes will be reduced."
$\mathrm{M}_{\mathrm{k}}$ Wades pointed out that any cost to the national government resulting from state taxation of defense purchases $\sum$ would be counterbalanced. by an equivalent gain to state and local governments,
"The national $\frac{\text { government }}{2}$, however , has more effective
fiscal powers than $\frac{\text { state or local governments, " he continued. }}{\frac{2}{2}}$ "And for it to pay nondiscriminatory taxes on its transactions with private business firms would help finance local public undertakings on an automatic and an impartial basis, without eslobluchig any com licated formula for federal aid." Mr . Kades address was the first
declaration By Treasury office trace
on the subject) since recent Supreme Court decisions which attorneys say will have far-reaching influence on intergovernmental


## For Release, After Ron Neuspapres,

 Tuesday, Oceanterz 1901 lA suggestion that business between individuals and the Federal ©vernment be made subject to nondiscriminatory taxation by the States and that, likewise, business between individuals and states be subjected to Federal taxation was made today by Charles L. Kades,
 General Counsel the Treasury Department .

Mr. Kades spoke this morning before the Tax Institute of the University of Pennsylvania in Philadelphia on "State Taxation of Defense Activities." He said:
" ${ }^{\text {?The }}$ question is one of great difficulty and delicacy. However, I might venture to suggest that serious consideration be given to making all business transactions between either government, national or state, and a private person, subject to nondiscriminatory taxation by the other government. If this policy is to be reciprocal, it involves not only subjecting defense activities to state taxation but also eliminating the extensive and virtually uniform exemption from $\frac{f}{2}$ federal excise taxes now granted to private persons who manufacture or sell commodities to states and municipalities. 2
"After all, federal and state tax laws aught to apply to all citizens equally. Existing exemptions give a greater advantage to those who deal with government than to those who deal with private enterprise.


FOR RELEASE, AFTERNOON NEWSPAPERS, Tuesday, December 2, 1941.

Press Service No. 28-68 12/1/41

A suggestion that business between individuals and the
Federal Government be made subject to nondiscriminatory taxation by the States and that, likewise, business between individuals and States be subjected to Federal taxation was made today by Charles L. Kades, Assistant General Counsel for the Treasury Department.

Mr. Kades spoke this morning before the Tax Institute of the University of Pennsylvania in Philadelphia on "State Taxation of Defense Activities." He said:
"The question is one of great difficulty and delicacy. However, I might venture to suggest that serious consideration be given to making all business transactions between either government, national or state, and a private person, subject to nondiscriminatory taxation by the other government. If this policy is to be reciprocal, it involves not only subjecting defens activities to state taxation but also eliminating the extensive and virtually uniform exemption from Federal excise taxes now granted to private persons who manufacture or sell commodities to States and municipalities.
"After all, Federal and State tax laws ought to apply to all citizens equally. Existing exemptions give a greater advantage to those who deal with government than to those who deal with private enterprise.
"So long as the taxation of business transactions is nondiscriminatory, it can neither prevent nor impede either the national or state governments in carrying on their operations, nor restrict their choice of the means by which they might seek to discharge their functions.
"On the other hand, if Congress were to exempt defense contractors, for example, from nondiscriminatory State sales or use taxes, it could seriously interfere with the revenueraising ability of taxing authorities which depend for substantial revenues on this form of taxation. For as our national economy becomes converted from a peace-time to a war economy,
an ever-increasing proportion of goods and supplies will be sold for the ultimate use of the national Government, and thereby the amount of business activity intended to be tapped by State transaction taxes will be reduced."

Mr. Kades pointed out that any cost to the national Government resulting from State taxation of defense purchases would be counterbalanced by an equivalent gain to State and local governments.
"The national Government, however, has more effective fiscal powers than State or local governments," he continued. "And for it to pay nondiscriminatory taxes on its transactions with private business firms would help finance local public undertakings on an automatic and an impartial basis, without establishing any complicated formula for federal aid."

Mr. Kades' address was the first declaration on the subject by a Treasury official since three recent Supreme Court decisions which attorneys say will have far-reaching influence on the principle of intergovernmental immunity.

The three cases, in each of which the decision was unanimous, were Alabama vs. King and Boozer, in which the court upheld the constitutionality of State sales taxation of contractors who purchase goods for use of the United States; Curry vs. United States, in which the Court held that defense contractors were not immune from the Alabama use tax, and Federal Land Bank vs. Bismark Lumber Company, in which the Court held that Congress has the power to exempt from State taxation any government agency and that a general exemption from State, municipal and local taxation includes within its ban a State sales tax which makes the purchaser liable for the tax.

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## TREASURY DEPARTMENT

## Whinhington

FOR RELRASE, MORNIMG NEWSPAPERS, Tuesday, December 2, 1941. 12/1/41

Press Service
28-69

The Secretary of the Treasury announced last evening that the tenders for $\$ 200,000,000$, or thereabouts, of 91 -day Ireasury bills, to be datad December 3, 1941, and to mature March 4, 1942, which were offered on November 28, were opened at the Federal Reserve Banks on December 1.

The details of this issue are as follows:
Total applied for $-3468,160,000$
Total accepted - $200,156,000$
Range of accepted bids:

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

FOR RELEASE, MORNING NEWSPAPERS, Tuesday, December 2, 1941. $\frac{\text { Tuesday }}{12 / 1 / 41}$

The Secretary of the Treasury announced last evening that the tenders for $\$ 200,000,000$, or thereabouts, of 91-day Treasury bills, to be dated December 3, 1941, and to mature Narch 4, 1942, which were offered on November 28, were opened at the Federal Reserve Banks on December 1 .

The details of this issue are as follows:
Total applied for - $\$ 458,160,000$
Total accepted - 200,156,000
Range of accepted bids:
High - 100.
Low - 99.930 Equivalent rate approximately 0.277 percent Average " " "
Price - $99.939 ~ 0.242 ~ " ~$
4 $\square$
(79 percent of the amount bid for at the low price was accepted)

DIVIDEND PAYMENTS TO CREDITORS OF INSOLVENT NATIONAL BANKS AUTHORIZED DURING THE MONTH ENDED

NOVEMBER 30,1941

| Name and Location of Bank | Nature of Dividend | Date Authorized | Number and Percentage of Dividend Authorized |  | Distribution of Funds by Dividend Authorized |  | Total <br> Percentage Authorized Dividends to Date | Number of Claimants | Amount <br> Claims Proved |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| The Broad Street Nat'l Ba Red Bank, New Jersey | Final | 11-13-41 | 3rd | 4.3\% | \$ | 67,300 | 47.3\% | 5,879 | \$ | 1,564,500 |
| The First National Bank of Secaucus, New Jersey | Final | 11-19-41 | 4th | 6.46\% |  | 59,100 | 86,46\% | 3,061 |  | 914,800 |
| The First Nat'l Bank \& Tr Bedford, Pennsylvania | - of <br> nterest(Pa | $\begin{aligned} & \text { 11-21m41 } \\ & \text { ial) } \end{aligned}$ | Int. | 2.08\% |  | 16,700 | 102.08\% | 3,197 |  | 801,200 |
| The Lehigh Valley Nat!I/Ba Bethlehem, Pennsylvania | of Regular | 11-3-41 | 2st | 20. \% |  | 208,644 | 20. \% | 1 |  | 1,043,220 |
| The Keswick National Bank Glenside, Pennsylvania | Regular | 11-22-41 |  | 65. \% |  | 724,900 | 65. \% | 5,952 |  | 1,115,300 |
| The Point Pleasant Nat'l $\mid$ B Point Pleasant, W. Va. | Final |  | 2nd | 14.1\% |  | 46,800 | 94.1\% | 1,250 |  | 332,000 |

TREASURY DEPARTMENT Comptroller of the Currency Washington

FOR RELEASE, MORNING NEWSPAPERS
gtedneoday, December 3,1941

Press Service
28-70

During the month ended November 30, 1941, authorizations were issued to receivers for payments of dividends to the creditors of six insolvent national banks. Dividends so authorized will effect total distributions of $\$ 1,123,444$ to 19,340 claimants who have proved claims aggregating $\$ 5,771,020$, or an average payment of 19.47 percent. The minimum and maximum percentages of dividends authorized were 2.08 percent and 65.0 percent, while the smallest and largest payments involved in dividend authorizations during the month were $\$ 16,700$ and $\$ 724,900$, respectively. of the six dividends authorized three were final dividend payments, two were regular dividend payments and one was a partial interest dividend payment. Dividend payments so authorized during the month ended November 30 , 1941, were as follows:


FOR RELEASE, MORNING NEVISPAPERS, Wednesday, December 3, 1941.

Preass Service
28-70

During the month ended November 30, 1941, authorizations were issued to receivers for payments of dividenos to the creditors of six insolvent national banks. Dividends so authorized will effect total distributions of $\$ 1,123,444$ to 19,340 claimants who have proved claims aggregating $\$ 5,771,020$, or an average payment of 19.47 percent. The minimum and maximum percentages of dividends authorized were 2.08 percent and 65.0 percent, while the smallest and largest payments involved in dividend authorizations during the month were $\$ 16,700$ and $\$ 724,900$, respectively. Of the six dividends authorized three were final dividend payments, two were regular dividend payments and one was a partial interest dividend payment. Dividend payments so authorized during the month ended November 30, 1941, were as follows:

DIVIDEND PAYMENTS TO CREDITORS OF INSOLVENT NATIONAL BANKS AUTHORIZED DURING THE MONIH ENDED

NOVEMBER 30, 1941

| Name and Location of Bank | Nature of Dividend | Date Authorized | Numb <br> Perc of $D$ Auth | $r$ and <br> ntage <br> vidend <br> rized | Distribution of Funds by Dividend Anthorized |  | Total <br> Percentage <br> Authorized <br> Dividends <br> to Date | Number of Claiments | Amount <br> Claims Proved |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| The Broad Street Nat'l Bank of Red Bank, New Jersey | Final | 11-13-41 | 3 rd | 4.3\% | \$ | 67,300 | 47.3\% | 5.879 | $\$ 1,564,500$ |
| The First National Bank of Secaucus, New Jersey | Final | 11-19-41 | 4 th | 6.46\% |  | 59,100 | 86.46\% | 3.061 | 914,800 |
| The First Nat'I Bank \& Trust Company of Bedford, Pennsylvania | Interest <br> (Partial) | 11-21-41 | Int. | 2.08\% |  | 16,700 | 102.08\% | 3.197 | 801,200 |
| The Lehigh Valley Nat'l Bank of Bethlehem, Pennsylvania | Regular | 11-3-41 |  | 20. \% |  | 208,644 | 20. \% | 1 | 1,043,220 |
| The Keswick Na.tional Bank of Glenside, Pennsylvania | Regular | 11-22-41 |  | 65. \% |  | 724,900 | 65. \% | 5,952 | 1,115,300 |
| The Point Pleasant Nat'l Bank, Point Pleasant, West Virginia | Final | 11-14-41 |  | 14.1 \% |  | 46,800 | 94.1\% | 1,250 | 332,000 |

The cooperation of banking institutions, and of the subscribing public generally, is earnestly solicited so that subscriptions forwarded to the Federal Reserve Banks and the Treasury will in each instance be for amounts not in excess of the limitation set forth above. Attention is again invited to the requirement that subscribers agree not to sell or otherwise dispose of their subscriptions, of of the securities which may be allotted thereon, prior to the closing of the subscription books.
requested

It is also roget that banks and others refrain from making any unsecured loans, or loans collateralized in whole or in part by the securities subscribed for, to cover the initial deposits which are required to be paid when subscription g are entered.


## TRTRASUAY DRPARTAKWNT <br> Washington

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## Press Service <br> 10. $28-71$

In advance of the cash offering of Treasury securities to be announced
 subscriptions will be entertained from the various classes of subseribers who Fill participate in that offering. The primary purpose is, so far as possible, to meet the legitimate investment requirements of the public, and to accomplish that purpose subscriptions will be grouped broadly into four classes, as follows: Banks and trust companies for their own account not to exceed fifty per cent of capital and surplus.

Mutual savings and cooperative benks, Federal Sevinge and Loan Associations, trust accounts and investment corporations, pension funds, insurance companies, and similar institutions and funds - not to exceed ten per cent of total resources.

Corporations organized for profit, and dealers and brokers not to exceed 50 per cent of net worth.

Individuals $=$ not to exceed 50 per cent of net worth or 100 per cent of cash deposited with subscription. (Note: No preferred allotment will be mate on such full-paid subscriptions.)

Notwithstanding the general limitations outlined above, the Federal Reserve Benks are authorized and instructed to continue to examine applications tof cash offerings of securities issued by the Treasury, and to report to the Secretary of the Treasury any which. in their judgment, require special treatment, or which appear to be excessive from the standpoint of the resources or investment practices of the subseribers, or for other reasons, with recommendation as to the acceptance, reduction or refection of any such applications, which recommendations will be promptly acted upon by the Secretary.

Press Service No. 28-71

In advance of the cash offering of Treasury securities to be announced tomorrow, the Treasury today announced the basis on which subscriptions will be entertained from the various classes of subscribers who will participate in that offering. The primary purpose is, so far as possible, to meet the legitimate investment requirements of the public, and to accomplish that purpose subscriptions will be grouped broadly into four classes, as follows:

Banks and trust companies for their own account-not to exceed 50 orr cont of copital and suralue.

Mutual savings and cooperative banks, Federal Savings and Loan Associations, trust accounts and investment corporations, pension funds, insurance companies, and similar institutions and funds -- not to exceed ten per cent of total resources.

Corporations organized for profit, and dealers and brokers -- not to exceed 50 per cent of net worth.

Individuals -- not to exceed 50 per cent of net worth or 100 per cent of cash aeposited with subscription. (Note: No preferred aliotment will be made on such full-paid subscriptions.)

Notwithstanding the general limitations outlined above, the Federal Reserve Banks are authorized and instructed to continue to examine applications for cash offerings of securities issued by the Treasury, and to report to the Secretary of the Treasury any which, in their judgment, require special treatment, or which appear to be excessive from the standpoint of the resources or investment practices of the subscribers, or for other reasons, with recommendation as to the acceptance, reduction or rejection of any such applications, which recommendations will be promptly acted upon by the Secretary.

The cooperation of banking institutions, and of the subscribing public generally, is earnestly solicited so that subscriptions forwarded to the Federal Reserve Banks and the Treasury will in each instance be for amounts not in excess of the limitation set forth above. Attention is again invited to the requirement that subscribers agree not to sell or othermise dispose of their
subscriptions, or of the securities which may be allotted thereon, prior to the closing of the subscription books.

It is also requested that banks and others refrain from making any unsecured loans, or loans collateralized in whole or in part by the securities subscribed for, to cover the initial deposits which are required to be paid when subscriptions are entered.
the amounts indicated by the Secretary of the Treasury to the Federal Resorve Banks of the respective districts, to lastu allotment notices, to receive payment for bonds allotted, to make delivery of bonds on full-paid subsoriptions allotted, and they may issue interim receipts pending delivery of the definitive bonds. 2. The Secretary of the Troasury may at any time, or from time to time, prescribe supplemental or asendatory rules and regulations governing the offerm Ing, which will be cownuicated promptly to the Federal Reaerve Benks.

Hemat moancurnav, JRo,
Secretary of the Treasury.
accompanied by payment of 10 percent of the amount of bonds applied for. The bases on which subscriptions will be entertainad from the various classes of subocribers are contained in Treasury press statement of December 3, 1942, a copy of which is attached.
2. The Secretary of the Troasury raserves the right to reject ary subseripm tion, in whole or in part, to allot less than the awount of bonds applied for, and to close the books as to any or all subseriptions at any time wathout notilee; and any action he may take in these raapacts shail be final. Subacriptions for amounts up to and inciuding $\$ 5,000$ where the subscribers apectify that delivery be made in registered bonds 90 days after the 1 ssue date will be given preforred allotement. In each such case a aubsoriber may not enter any other subscription, and payment sust be made as provided in Section IV of this eircular. Allotment notlees will be sent out promptiy upon allotment, and the basis of the allotment will be publicly amounced.

## IV. PAYMENT

2. Payment at par and accrued interost, if any, for bonds allotted hereunder must be made or completed on or bafore December 15, 1941, or on later allotwent. In every case where payment ia not so completed, the payment with application up to 10 percent of the amount of bonds applied for shall, upon declanation made by the Secretary of the Froasury in his discretion, be forfeited to the United Staties. Any qualiried depositary will be permitted to make payment by credit for bonds allotted to it for itself and its custoxers up to any amount for which it shall be qualified in excess of existing deposits, when so notified by the Foderal Reserve Bank of its district.

## V. OSMEXAL PROVISIONS

1. As fiscal agents of the United Statea, Federal feserve Banke are authorized and requested to receive subscriptions, to make allotments on the basis and up to
2. The income derived frow the bonds shall be subject to all Federal taxes, now or hereafter luposed. The bonds shall be subject to estete, inheritance, gift or other excise taxes, whether Federel or State, but shall be excompt from a.ll 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 authoxity.
3. The bonds will be scceptable to secure doposits of public moneys, but will not bear the eirculation privilege and will not be ontitled to any privilege of conversion.
4. Bearer bonds with interest coupons attached, and bonds regtstered as to principal and interest, wdil be issued in denopinations of $\$ 50, \$ 100, \$ 500, \$ 1,000$, $\$ 5,000, \$ 10,000$ and $\$ 100,000$. Provision will be made for the interchange of bonds of different denominations and of coupon and regiatered bonde, and for the transfor of registered bonds, under mules and regulations prescribed by the Secretary of the Treasury.
5. The bonds will be subject to the general regulations of the Treasury Depertamen, now or hereafter prescribed, governing United States bonds.

1Ix. SUBscriprion ali allotamw

1. Subscriptions will be received at the Federal Reserve Banks and Branches and at the Treasuxy Departraent, Washington. Subscribers nust agree not to seli or othervise dispose of their subscriptions, or of the securities which may be allotted thereon, prior to the closing of the subseription 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 officialagencies, Others than banking institutions will not be pernitted to enter subscriptions excopt for their own account. Subsoriptions from banks and truat companies for their om account will be recelved without deposit. Subsexiptions fron all others must be

## UNITAD STATES OF ANBRICA

2 PSACIMT TREASUKY BONDS OF 1951-55
Dated and bearing Interast from December 15, 1941
Due Decomber 15, 1955



Interest payable June 15 and Dacember 25

## 1941

Department Carcular No. 673
$\qquad$

TREASURY DEPAITMENT, orfice of the Seeretary, Washington, Deceaber 4, 2941

Fiscal Service Bureau of the Public Debt

## I. OFYRAHE OF BONDS

2. The Searotary of the Treasury, pursuant to the authority of the Second ISberty Bond Aet, as amended, invitee subseriptions, at par and acerued interest, from the people of the Inited States for 2 percent bonds of the Inited States, designated Treasury Bonds of 1951-55. The amount of the offering 1 s $8500,000,000$, or thereabouts.

## Ix. DESCRIPTION OF MONDS

1. The bonds will be dated December 15,1942 , and will bear intereat from that date at the rate of 2 percent per annum, payable semianmaily on June 25 and Deconber 15 in aach year until the principal amount becones payable. They will mature December 25, 1955, but say be redeemed at the option of the UnIted States on and after Decenber $\mathbf{2 5}, \mathbf{1 9 5 1}$, in whole or in part, at par and acerued interest, on any Interest day or days, on 4 months' notice of redemption given in such manner as the Secretary of the Treasury shall prescribe. In case of partial redamption the bond to be redeomed will be deterndined by auch method as may be prescribed by the Secrotary of the Treasury. From the date of redenption designsted In any auch notice, interest on the bonds called for redenption shall caase.
of the respective districts, to issue allotment notices, to receive payment for bonds allotted, to make delivery of bonds on full-paid subscriptions allotted, and they may issue interim receipts pending delivery of the definitive bonds.
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.
are contained in Treasury press statement of Decenber 3, 1941, a copy of which is attached.
3. The Secretary of the Treasury reserves the right to reject any subscription, in whole or in part, to allot less than the amount of bonds 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. Subscriptions for amounts up to and including $\$ 5,000$ where the subscribers specify that delivery be made in registered bonds 90 days after the issue date will be given preferred allotment. In each such case a subscriber may not enter any other subscription, and payment must be made as provided in Section IV of this circular. Allotment notices will be sent out promptly upon allotment, and the basis of the allotment will be publicly announced.

## IV. PANEMIT

1. Payment at par and acerued Interest from October 20, 1941, for bonds allotted hereunder must be made or completed on or before December 15, 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 bonds applied for shall, upon declaration made by the Secretary of the Treasury in his discretion, be forfeited to the United States. Any qualified depositary will be permitted to make payment by credit for bonds allotted to it for itself and its customers up to any amount for which it shall be qualified in excess of existing deposits, when so notified by the Federal Reserve Bank of its district. Accrued interest at 2-1/2 percent from October 20,1941 to December 15, 1941 on $\$ 1,000$ face amount is $\$ 3.8674$.

## v. GIMERAL 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 Ireasury to the Federal Reserve Banks
in whole or in part, at par and accrued interest, on any interest day or days, on 4 months' notice of redemption given in such manner as the Secretary of the Treasury shall prescribe. In case of partial redemption the bonds to be redeemed will be determined by such method as may be prescribed by the Secretary of the Treasury. From the date of redemption designated in any such notice, interest on the bonds called for redemption shall cease.
*2. The income derived from the bonds shall be subject to all Pederal taxes, now or hereafter imposed. The bonds 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.
n3. The bopis will be aeceptable to secure deposits of public moneys, but will not bear the circulation privilege and will not be entitied to any privilege of conversion.
"4. Bearer bonds with interest coupons attached, and bonds registered as to principal and interest, will be issued in denominations of $\$ 50, \$ 100$, $\$ 500, \$ 1,000, \$ 5,000, \$ 10,000$ and $\$ 100,000$. Provision will be mede for the interchange of bonds of different denominations and of coupon and registered bonds, and for the transfer of registered bonds, under rules and regulations prescribed by the Secretary of the Treasury.
"5. The bonds will be subject to the general regulations of the Treasury Department, now or hereafter prescribed, governing United States bonds."

## III. SUBSCRIFTION AMD ALLOTMENT

1. Subscriptions will be received at the Federal lleserve Banks and Branches and at the Treasury Department, Washington. Subscribers must agree not to sell or otherwise dispose of their subscriptions, or of 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 banks and trust companies for their own account will be received without deposit. Subscriptions from all others must be accompanied by payment of 10 percent of the amount of bonds applied for. The bases on which subscriptions will be entertained from the various classes of subscribers

## UNITIBD STATES OF AMBRICA

2-1/2 PRRCEMT TREASURY BOMDS OF 1967-72
Dated and bearing interest from October 20, 1941
Due September 15, 1972 REDEBMABLE AT THE OPTION OF THE UNITRD STATES AT PAR AND ACCHUED INTEREST OIN AMD AFTE SEPTEMBER 15,1967

Interest payable Varch 15 and September 15
ADDITIONAL ISSUE

1941 Department Circular No. 672

Fiscal Service Bureau of the Public Debt

TREASURY DEPAETMEMT, Office of the Secretary, Washington, December 4, 1941,

## I. OFFSRING OF BONDS

1. The Secretary of the Treasury, pursuant to the authority of the Second Liberty Bond Act, as amended, invites subscriptions, at par and accrued interest, from the people of the United States for $2-1 / 2$ percent bonds of the United States, designated Treasury Bonds of 1967-72. The amount of the public offering is $\$ 1,000,000,000$, or thereabouts. In addition to the amount offered for public subscription, $\$ 50,000,000$, or thereabouts, of these bonds may be allotted to Government investment accounts.

## II. DESCRIPTION OF BONDS

1. The bonds now offered will be an addition to and will form a part of the series of 2-1/2 percent Treasury Bonds of 1967-72 issued pursuant to Department Circular No. 670, dated October 9, 1941, will be freely interchangeable therewith, are identical in all respects therewith, and are described in the following quotation from Departiment Circular No. 670:
"1. The bonds will be dated October 20, 1941, and will bear interest from that date at the rate of $2-1 / 2$ percent per annum, payable on a semiannual basis on March 15 and September 15 in each year until the principal amount becomes payable. They will mature September 15, 1972, but may be redeemed at the option of the United States on and after September 15, 1967,

December 15, 1941, or on later allotment, and in the case of $2-1 / 2$ percent Treasury Bonds of 1967-72 must include accrued interest from October 20 to December 15, 1941 ( $\$ 3.8674$ per $\$ 1,000$ face amount). The texts of the official cireulars follow:
will mature December 15, 1955, but may be redeemed, at the option of the Tnited States, on and after Deceaber 15, 1951.

The bonds of both series will be issued in two forms: bearer bonds with interest coupons attached, end bonds registered both as to principel and interest. Both forms will be issued in the denominations of ${ }^{3} 50,0,00$, *500, 11,000 , $\$ 5,000, \$ 10,000$ and $\$ 100,000$.

Pursuant to the provisions of the Public Debt Aet of 1941, interest upon the bonds now offered shall not have any exemption, as such, under Federal Tex Acts now or heresfter enacted. Otherwise the securities will be accorded the ssme exemptions from taxation as are accorded other issues of Treasury bonds now outstanding. These provisions are specifically set forth in the official oirculars released today.

Subseriptions w111 be received at the Federal Peserve Banks and Branches, and at the Treasury Department, Fashington. Banking institutions generally may submit subseriptions for account of customers, but only the Federal Reserve Banks and the Treasury Department are authorized to act as official agencies. Subseriptions for the bonds from banks and trust companies for their own acount will be received without deposit, but subscriptions from all others must be accompenied by payment of 10 percent of the emount of bonds applied for. The beses on which subseriptions will be enterteined from the various classes of subscribers were publicly announced yesterday and the limitations then fixed will apply separately to subseriptions for eech series of bonds.

The right is reserved to close the books as to any or all subscriptions or classes of subscriptions for bonds of either series at any time without notice. The basis of allotment of subscriptions will be publicly ennounced, and psyment for any bonds allotted must be made or completed on or before

Searetary of the Treasury Morgenthau today announced the December 15 finaneing, offering, through the Federal Reaerve Banks, for oash subseription, \$1,000,000,000, or thereabouts, of $2-1 / 2$ percent Tressury Bonds of 1967-72, snd $\$ 500,000,000$, or thereabouts, of 2 pereent Treesury Bonds of 1951-55. an additional mount of $\$ 50,000,000$, or thereabouts, of $2-1 / 2$ percent Trensury Bonds of 1967-72 may be sold to Government Investment Accounts during the next month. For the benefit of small investors, preferential allotments will be given to cash subseribers up to $\$ 5,000$ of the bonds of either or both series, where delivery in registered bonds 90 days after issue date is specified; those who enter such a subseription for preferential allotment may not enter any other subseription for the same issue.

The Treasury Bonds of $1967-72$ now offered for cash subseription will be an addition to and will form a part of the series issued pursuant to Tressury Department Circular Ho. 670, deted Detober 9, 1941. They are identical in all respeets with such bonds, with which they will be freely interchangeable. The bonds are dated Ootoher 20, 1941, and bear interest from that date at the rate of $2-1 / 2$ percent per annum, payeble semiannually on March 15 and Soptember 15 , with the first coupon due liarch 15, 1942, for a fractional period. The bonds will mature September 15,1972 , but may be redeemed, at the option of the United States, on and after September 15, 1967.

The Treasury Bonds of 1951-55, elso offered for cash subseription at this time, will be dated December 15, 1941, and will bear interest at the rate of z percent per annum, peyable semiannually on June 15 and December 15 . The bonds

## TREASURY DEPARTMENT Washington

FOR RELEASE, MORNING NEWSPAPERS, Thursday, December 4, 1941.

Press Service No. $28-72$ $12 / 3 / 41$

Secretary of the Treasury Morgenthau today announced the December 15 financing, offering, through the Federal Reserve Banks, for cash subscription, $\$ 1,000,000,000$, or thereabouts, of $2-1 / 2$ percent Treasury Bonds of $1967-72$, and $\$ 500,000,000$, or thereabouts, of 2 percent Treasury Bonds of 1951-55. An additional amount of $\$ 50,000,000$, or thereabouts, of $2-1 / 2$ percent Treasury Bonds of $1967-72$ may be sold to Government Investment Accounts during the next month. For the benefit of small investors preferential allotments will be given to cash subscribers up to $\$ 5,000$ of the bonds of either or both series, where delivery in registered bonds 90 days after issue date is specified; those who enter such a subscription for preferential allotment may not enter any other subscription for the same issue.

The Treasury Bonds of 1967-72 now offered for cash subscription will be an addition to and will form a part of the series issued pursuant to Treasury Department Circular No. 670, dated October 9, 1941. They are identical in all respects with such bonds, with which they will be freely interchangeable. The bonds are dated October 20, 1941, and bear interest from that date at the rate of $2-1 / 2$ percent per annum, payable semiannually on March 15 and September 15, with the first coupon due March 15, 1942, for a fractional period. The bonds will mature september 15, 1972, but may be redeemed, at the option of the United States, on and after September 15, 1967.

The Treasury Bonds of $1951-55$, also offered for cash subscription at this time, will be dated December 15, 1941 , and will bear interest at the rate of 2 percent per annum, payable semiannually on June 15 and December 15. The bonds will mature December 15, 1955, but may be redeemed, at the option of the United States, on and after December 15, 1951.

The bonds of both series will be issued in two forms: bearer bonds with interest coupons attachea, and bonds registered both as to principal and interest. Both forms will be issued in the denominations of $\$ 50, \$ 100, \$ 500, \$ 1,000, \$ 5,000, \$ 10,000$ and $\$ 100,000$.

Pursuant to the provisions of the Public Debt Act of 1941 , interest upon the bonds now offered shall not have any exemption, as such, under Federal Tax Acts now or hereafter enacted. Otherwise the securities will be accorded the same exemptions from taxation as are accorded other issues of Treasury bonds now outstanding. These provisions are specifically set forth in the official circulars released today.

Subscriptions will be received at the Federal Reserve Banks and Branches, and at the Treasury Department, Washington. 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. Subscriptions for the bonds from banks and trust companies for their own account will be received without deposit, but subscriptions from all others must be accompanied by payment of 10 percent of the amount of bonds applied for. The bases on which subscriptions will be entertained from the various classes of subscribers were publicly announced yesterday and the limitations then fixed will apply separately to subscriptions for each series of bonds.

The right is reserved to close the books as to any or all subscriptions or classes of subscriptions for bonds of either series at any time without notice. The basis of allotment of subscriptions will be publicly announced, and payment for any bonds allotted must be made or completed on or before December 15 , 1941, or on later allotment, and in the case of $2-1 / 2$ percent Treasury Bonds of $1967-72$ must include accrued interest from October 20 to December 15, 1941 ( $\$ 3.8674$ per $\$ 1,000$ face amount).

The texts of the official circulars follow:

## UNITED STATES OF AMERICA

## 2-1/2 PERCENT TREASURY BONDS OF 1967-72

Dated and bearing interest from October 20, 1941
Due September 15, 1972
REDEENABIE AT THE OPTION OF THE UNTTED STATES AT PAR AND ACCRUED INTEREST ON AND AFTER SEPTEMBER 15, 1967

Interest payable March 15 and September 15
ADDITIONAL ISSUES

Department $\begin{aligned} & 1941 \\ & \text { Circular No. } 672\end{aligned}$
$\qquad$
Fiscal Service
Bureau of the Public Debt

## I. OFFYRING OF BONDS

1. The Secretary of the Treasury, pursuant to the authority of the Second Liberty Bond Act, as amended, invites subscriptions, at per and accrued interest, from the people of the United States for $2-1 / 2$ percent bonds of the United States, designated Treasury Bonds of 1967-72. The amount of the public offering is $\$ 1,000,000,000$, or thereabouts. In addition to the amount offered for public subscription, $\$ 50,000,000$, or thereabouts, of these bonds may be allotted to Government investment accounts.

## II. DESCRIPTION OF BONDS

1. The bonds now offered will be an addition to and will form a part of the series of $2-1 / 2$ percent Treasury Bonds of $1967-72$ issued pursuant to Department Circular No. 670, dated October 9, 1941, will be freely interchangeable therewith, are identical in all respects therewith, and are described in the following quotation from Department Circular No. 670:
"1. The bonds will be dated October 20,1941 , and will bear interest from that date at the rate of $2-1 / 2$ percent per annum, payable on a semiannual basis on March 15 and September 15 in each year until the principal anount becomes payrable. They will mature September 15, 1972, but may be redeemed at the option of the United States on and after September 15, 1967, in whole or in part, at par and accrued interest, on any interest day or days, on 4 months' notice of redemption given in such manner as the Secretary of the Treasury shall prescribe. In case of partial redemption the bonds to be redeemed will be determined by such method as may be prescribed by the Secretary of the Treasury. From the date of redemption designated in any such notice, interest on the bonds called for redemption shall cease.
"2. The income derived from the bonds shall be subject to all Federal taxes, now or hereafter imposed. The bonds shall be subject to estate, inheritance, gift or other excise taxes, whether Federal or State, but shall
be exmpt from all taxation nom 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.
"3. The bonds will be acceptable to secure deposits of prolic moneys, but will not bear the circulation privilege and will not be entitled to any privilege of conversion.
"4. Bearer bonds with interest coupons attached, and bonds registered as to principal and interest, will be issued in denominations of $\$ 50, \$ 100$, $\$ 500, \$ 1,000, \$ 5,000, \$ 10,000$ and $\$ 100,000$. Provision will be mede for the interchange of bonds of different denominations and of coupon and registered bonds, and for the transfer of registered bonds, under rules and regulations prescribed by the Secretary of the Treasury.
"5. The bonds will be subject to the general regulations of the Treasury Department, now or hereafter prescribed, governing United States bonds."

## III. SUBSCRIPTION AND ALLOTMENP

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 of 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 banks and trust companies for their own account will be received without deposit. Subscriptions from all others must be accompanied by payment of 10 percent of the amount of bonds applied for. The bases on which subscriptions will be entertained from the various classes of subscribers are contained in Treasury press statement of December 3, 1941, a copy of which is attached.
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 bonds 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. Subscriptions for amounts up to and including $\$ 5,000$ where the subscribers specify that delivery be made in registered bonds 90 days after the issue date will be given preferred allotment. In each such case a subscriber may not enter any other subscription, and payment must be made as provided in Section IV of this circular. 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 from October 20, 1941, for bonds allotted hereunder must be made or completed on or before December 15, 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 bonds applied for shall, upon declaration made by the Secretary of the Treasury in his discretion, be forfeited to the United States. Any qualified depositary will be permitted to make payment by
credit for bonds allotted to it for itself and its customers up to any amount for which it shall be qualified in excess of existing deposits, when so notified by the Federal Reserve Bank of its district. Accrued interest at $2-1 / 2$ percent from October 20, 1941 to December 15, 1941 on $\$ 1,000$ face rmount is $\$ 3.8674$.

## 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 Banizs of the respective districts, to issue allotment notices, to receive payment for bonds allotted, to make delivery of bonds on full-paid subscriptions allotted, and they may issue interim receipts pending delivery of the definitive bonds,
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.

Dated and bearing interest from December 15, 1941 Due December 1.5, 1955
REDEEMABLE AT THE OPTION OF THE UNITED STATES AT PAR AND ACCRURO INTEREST ON AND AFTER DECEMBER 15, 1951

Interest payable June 15 and December 15

## 1941

Department Circular No. 673

TREASURY DEPARTMJIT, Office of the Secretar:
Washington, December 4, 1941

Fiscal Service
Bureau of the Public Debt

## I. Oftiztivg OF BONDS

1. The Secretary of the Treasuay, pursuant to the authority of the Scond Iiberty Bond Act, as amended, invites subscriptions, at par and accmued interest, from the people of the United States for 2 percent bonds of the United States, designated Treasury Bonds of 1951-55. The amount of the offering is $\$ 500,000,000$, or thereabouts.

## II. DESCRIPTION OF BONDS

1. The bonds will be dated December 15, 1941, and will bear interest from that date at the rate of 2 percent per annum, pevable semiannalelly on June 15 and December 15 in each year until the principal amount becomes payable. They will mature December 15, 1955, but may be redeemed at the option of tho United States on and after December 15, 1951, in whole or in part, at par and accrued interest, on any interest day or days, on 4 months' notice of redomption given in such manner as the Secretary of the Treasury shall prescribe. In case of partial redemption the bonds to be redeemed will be determined by such method as mav be prescribed by the Secretary of the Treasury. From the date of redemption designated in any such notice, interest on the bonds called for redemption shall cease.
2. The income derived from the bonds shall be subject to all Federal taxes, now or heresfter imposed. The bonds 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.
3. The bonds will be acceptable to secure doposits of public moneys, but will not bear the circulation privilege end will not be entitled to any privilege of conversion.
4. Bearer bonds with intorest coupons attached, and bonds registered as to principal and interest, will be issued in denominations of $\$ 50, \$ 100, \$ 500, \$ 1,000$,
$\$ 5,000, \$ 10,000$ and $\$ 100,000$. Provision will be made for the interchange of bonds of different denominations and of coupon and registered bonas, and for the transfer of registered bonds, under rules and regulations prescribed by the Secretery of the Treasury.
5. The bonds will be subject to the generel regulations of the Troasury Department, now or hereafter prescribed, governing United States bonds.

## III. SURSCRIPTION AND ALIOTMENT

1. Subscriptions will be received at the Federal Reserve Banks and Brachos and at the Treasury Department, Washington. Subscribers must agree not to sell or othermise dispose of their subscriptions, or of the securities which may bo allotted thereon, prior to the closing of the subscription books. Bankinc institutions generally may submit subscriptions for account of customers, but only the Federal Reserve Banks and the Treasury Department are authorized to act as Afficial asencies Others than banking institutions will not be permitted to enter subscrintions except for their own account. Subscriptions from banks and trust companies for their own account will be received without deposit. Subscriptions from all others must be accompanied by payment of 10 percent of the amount of bonds apoijed for. The bases on which subscriptions will be entertained from the various classes of subscribers are contained in Treasury press statement of December 3, 1941, a copy of which is attached.
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 bonds 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. Subscriptions for amounts up to and including $\$ 5,000$ where the subscribers specify that delivery be made in registered bonds 90 days after the issue dete will be given preferred allotment. In each such case a subscriber may not enter any other subscription, and payment must be made as provided in Section IV of this circular. 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 honds allotted hereunder must be made or completed on or before December 15, 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 bonds applied for shall, upon deciaration mede hy the Secretary of the Treesury in his discretion, be forfeited to the United States. Any qualified depositary will be permitted to make payment by credit for bonds allotted to it for itself and its customers up to any amount for which it shall be qualified in excess of existing deposits, when so notified by the Federal Reserve Bank of its district.

## 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 bonds allotted, to make delivery of bonds on full-paid subscriptions allotted, and they may issue interim receipts pending delivery of the definitive bonds.
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.
$\frac{\text { STATUTORY DEBT LIMITATION }}{\text { AS OF NOVEMBER } 30,1.942}$

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 that may be outstanding at any one time

Outstanding as of November 30, 1941:
Interest-bearing:
Bonds -
Treasury $\$ 31,764,998,750$
Savings (Maturity
value)*

$$
6,915,203,300
$$

Depositary
Adjusted Service
Treasury notes
Certificates of
indebtedness
Treasury bills (maturity value)
$734,339,806$
$\$ 11,730,504,825$
$\$ 39,476,712,856$

2,724,550,000
$1,703,300,000$
Matured obligations, on
which interest has ceased
Face amount of obligations
issuable under above authority

## Reconcilement with Daily Statement of the United States Treasury November 30, 1941

Total face amount of outstanding public debt obligations issued under authority of the Second Liberty Bond Act, es amended
Deduct, unearned discount on Savings bonds (difference between current redemption value and maturity value)

Add other public debt obligations outstanding but not subject to the statutory limitation:

Interest-bearing (PreWar, etc.)
Matured obligations on which interest has ceased
Bearing no interest
Total gross debt outstanding as of November 30, 1941
*Approximate maturity value. Principal amount (current redemption value) according to preliminary public debt statement $\$ 5,619,676,406$.

$$
\text { according to preliminary public debt statement } \$ 5,619,676,406 .
$$

## STATUTORY DEBT LIMITATION AS OF NOVEMBER 30, 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 that may be outstanding at any one time
$\$ 65,000,000,000$
Outstanding as of November 30, 1941:
Interest-bearing:
Bonds -
Treasury $\$ 31,764,998,750$
Savings (Maturity
value)* 6,915,203,300
Depositary 62,171,000
Adjusted Service
Treasury notes
Certificates of indebtedness

2,724,550,000
Treasury bills
(maturity value)
$1,703,300,000$
$\$ 39,476,712,856$
$734,339,806$
$\$ 11,730,504,825$
$\frac{16,158,354,825}{\$ 55,635,067,681}$
Matured obligations, on which interest has ceased

129,376,400
$55,764,444,081$
Face amount of obligations
issuable under above authority
9,235,555,919
Reconcilement with Daily Statement of the United States Treasury

$$
\text { November } 30,1941
$$

Total face amount of outstanding public debt obligations issued under authority of the Second Liberty Bond Act, as amended
\$55,764,444,081
Deduct, unearned discount on Savings bonds (difference between current redemption value and maturity value)
$\frac{1,295,526,894}{\$ 54,468,917,187}$
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

12,103,115
Bearing no interest 362,753,025
Total gross debt outstanding as of November 30, 1941
$\begin{array}{r}570,902,740 \\ \$ 55,039,819,927 \\ \hline\end{array}$
*Approximate maturity value. Principal amount (current redemption value) according to preliminary public debt statement $\$ 5,619,676,406$.

## xatidat

issue or on subsequent purchase, and the ainount actually received either upon sale or redemption at maturity during the taxable year for which the return is made, as ordinary gain or loss.

Treasury Department Circular No. 418, 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.

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 December 10, 1941, provided, however, any qualified depositary will be permitted to make payment by credit for Treasury bills allotted to it for itself and its customers up to any amount for which it shall be qualified in excess of existing deposits when so notified by the Federal Reserve Bank of its district. The income derived from Ireasury 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 Preasury bills are originally sold by the United States shall be considered to be interest. Under Sections 42 and 117 (a) (1) of the Internal Revenue Code, as amended by Section 115 of the Revenue Act of 1941, the amount of discount at which bills issued hereunder are sold shall not be considered to accrue until such bills shall be sold, redeemed or otherwise disposed of, and such bills are excluded from consideration as capital assets. Accordingly, the owner of Treasury bills (other than life insurance companies) issued hereunder need include in his income tax return only the difference between the price paid for such bills, whether on original

TREASURY DEPARTMENT

## Washington

## FOR RELEASE, MORNING NEWSPAPERS,

 Friday, December 5, 1941 $\qquad$ . (a)The Secretary of the Treasury, by this public notice, invites tenders for $\frac{150,000,000}{\text {, }}$, or thereabouts, of $\frac{91 \text {-day Treasury bills, to be issued }}{(6)}$ on a discount basis under competitive bidding. The bills of this series will be dated $\qquad$ , and will mature $\qquad$ March 11, 1942 , 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 Resorve Banks and Branches up to the closing hour, two $0^{\prime}$ clock p. m., Eastern Standard time, Monday, December 8, 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 att the Federal

TREASURY DEPARTMENT Washington

FOR RELEASE, MORNING NEWSPAPERS, Friday, December 5, 1941.

The Secretary of the Treasury, by this public notice, invites tenders for $\$ 150,000,000$, 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 December 10, 1941, and will mature March 11, 1942, 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, December 8,1941 . 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 December 10, 1941, provided, however, any qualified depositary will be permitted to make payment by credit for Treasury bills allotted to it for itself and its customers up to any amount for which it shall be qualified in excess of existing deposits when so notified by the Federal Reserve Bank of its district.

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. Under Sections 42 and 117 (a) (1) of the Internal Revenue Code, as amended by Section 115 of the Revenue Act of 1941, the amount of discount at which bills issued hereunder are sold shall not be considered to accrue until such bills shall be sold, redeemed or otherwise disposed of, and such bills are excluded from consideration as capital assets. Accordingly, the owner of Treasury bills (other than life insurance companies) issued hereunder need include in his income tax return only the difference between the price paid for such bills, whether on original issue or on subsequent purchase, and the amount actually received either uoon sale or redemption at maturity during the taxable year for which the return is made, as ordinary gain or loss.

Treasury Department Circular No. 418, 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, Friday, December 5, 1941. $12 / 4 / 41$

Secretary of the Treasury Morgenthau announced last night that the subscription books for the current offering of $\$ 500,000,000$, or thereabouts, of 2 percent Treasury Bonds of 1951-55 and of $\$ 1,000,000,000$, or thereabouts, of 2-1/2 percent Treasury Bonds of 1967-72 closed at the close of business Thursday, December 4, except for the receipt of subscriptions for amounts up to and including $\$ 5,000$ where the subscribers specify that delivery be made in registered bonds 90 days after the issue date. The subscription books for each of these issues will be closed for the receipt of subscriptions of that class at the close of business tomorrow, December 6 .

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 Wednesday, December 10.


FOR RELEASE, MORNING NEWSPAFERS, Friday, December 5, 1941. $\frac{\text { Friday, }}{12 / 4 / 41}$

Press Service No. 28-75

Secretary of the Treasury Morgenthau announced last night that the subscription books for the current offering of $\$ 500,000,000$, or thereabouts, of 2 percent Treasury Bonds of 1951-55 and of $\$ 1,000,000,000$, or thereabouts, of $2-1 / 2$ percent Treasury Bonds of 1967-72 closed at the close of business Thursday, December 4, except for the receipt of subscriptions for amounts up to and including $\$ 5,000$ where the subscribers specify that delivery be made in registered bonds 90 days after the issue date. The subscription books for each of these issues will be closed for the receipt of subscriptions of that class at the close of business tomorrow, December 6 .

Subscriptions of either class addressed to a Federal Reserve Bank or Branch, or to the Treasury Department, and placed in the mail before $120^{\prime} c l o c k$ 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 Wednesday, December 10.

## 'unulecte Rileare

## Thumsly, lees. 4,1941

Notices of deficiency were sent to four bondholders of the Pennsylvania Turnpike Commission today as the Treasury moved to broaden its test intended to prove ultimately in the courts that the Federal Government has the right under the Constitution to tax the income from State and Municipal securities.

Notices previously had been sent to bondholders of the Triborough Bridge Authority and the Port of New York Authority . Those sent today were addressed to four trusts which also hold securities of the Triborough Bridge Authority and the Port of New York Authority but had not received notices in connection with their bonds.


Press Service No. $28-76$

Notices of deficiency were sent to four bondholders of the Pennsylvania Turnoike Commission today as the Treasury moved to broaden its test intended to prove ultimately in the courts that the Federal Government has the right under the Constitution to tax the income from State and municipal securities.

Notices previously had been sent to a few bondholders of the Triborough Bridge Authority and the Port of New York Authority. Those sent today were addressed to four trusts which also hold securities of the Triborough Bridge Authority and the Port of New York Authority but had not received notices in connection with their bonds.

##  <br> furseay, revenuer? $1941 \times$

pump
Ho 28-79
\#
United States troops on duty in Netherlands Guiana (Surinam) will have the novel experience of being paid, partially at least, in Dutch coins, manufactured in the When slates $\alpha$
\# This was disclosed today by the Bureau of the Mint 1 to Nevention mopont when when for the that 500,000 ten cent pieces had been completed at the Philadelphia minty This coin is one The guilder is tenth of a guilderp/currently worth .53 of an American dollar. Surinam

* The ten-cent/coin is composed of two thirds silver and one third copper. In size it resembles the half-dime silver piece of the nineteenth century.

It The foe of the Dutch on
Its -ace bears the likeness of Queen Wilhelmina; its reverse two oak leaves and the year 1947. Beneath one oak leaf is a palm tree, beneath the other is the letter "P" indicating its manufacture at the Philadelphia mint.

4 Domestic coinage in November, 1941 totaled $\$ 9,378,102$ as compared with $\$ 7,895,543$ in. the corresponding year in 1940 . Coins minted in November, 1941, aggregated 202,325, 119 as against $167,921,818$ in the corresponding month of 1940 .

For the same comparative periodsthe totals were:
Half dollars $\$ 1,968,953$ against $\$ 974,503 \%$


FOR RELEASE, MORNING NENSPAPERS,
Press Service Sunday, December 7, 1941. No. 28-77 12/6/41

United States troops on duty in Netherlands Guiana (Surinam) will have the novel experience of being paid, partially at least, in Dutch coins, manufactured in the United States.

This was disclosed today by the Bureau of the Mint, which said that 500,000 ten-cent pieces had been completed at the Philadelohia Rint for the Dutch possession. This coin is one-tenth of a guilder. The guilder is currently worth .53 of an American dollar.

The ten-cent Surinam coin is composed of two-thirds silver and one-third copper. In size it resembles the Unitea States half-, dime silver piece of the nineteenth century.

The face of the Dutch coin bears the likeness of queen Wilhelmina; its reverse has two oak leaves and the year 1941. Beneath one oak leaf is a palm tree, beneath the other is the letter "P", indicating its manufacture at the Philadelphia Mint.

Domestic coinage in November, 1941 , totaled $\$ 9,378,102$ as compared with $\$ 7,895,543$ in the corresponding year in 1940. Coins minted in November, 1941, aggregated 202, 325,119 as against 167,921, 818 in the corresponaing month of 1940 .

For the same comparative periods the totals were:
Half dollars ․ - \$ $1,968,953$. as against $\% 974,503$.
Quarter dollars - $\$ 2,103,276.50$ as against $\$ 1,317,251.50$
Dimes … .... ${ }^{\$} 3,108,110.60$ as against $\$ 2,470,100.60$
Five-cent pieces - \$761,040.00 as against \$2,217,075.00
Pfnnies - . . ... \$1,436,722.00 as against \$916, 613. ग0.

## TREASURY DEPARTMENT <br> Washington

FOR IMMEDTATE RELEASE,
December $7,1941$.

Press Service No. 28-78

Secretary Morgenthau tonight revoked all outstanding general and specific licenses authorizing any transactions by Japan and her nationals. The effect of this action by the Treasury Department is to place an immediate and complete stoppage on all financial and business dealings, as well as trade transactions, in which Japan or her nationals have any interest.

At the same time the Treasury issued instructions to all Customs Collectors to prevent Japanese nationals from leaving the country.

PUBLIC CIRCULAR NO. 8
UNDER EXECUTIVE ORDER NO. 8389, APRIL 10,1940 , AS AMENDED, AND REGUTATIONS ISSUED PURSUANT THERETO, RELATING TO TRANSACTIONS IN FOREIGN EXCHANGE, EMC, 3

All general licenses, specific licenses, and authorizations of whatsoever character are hereby revoked in go far an they authorize, directly or indirectly, any tronsaction by, on behalf of, or for the benefit of, Japan, or any nationel thereof.
H. MORGENMHAU, JR。, Secretary of the Treasury.

[^10]page 3 -
OR OTHER BODY OF INDIVIDUALS, OF ANY NATIONALITY, RESIDENT WITHIN THE TERRTPORY (INCLUDING THAT OCCUPIED BY THE MTLITTARY AND NAVAL FORCES) OF JAPAN, OR OF ANY NAPION WHICH IS AN ALLY OF JAPAN, OR RESIDENT OUTSIDE THE UNITED STATES AND DOING BUSIVESS WITHIN SUCH TERRITOKY, AND ANY CORPORATION IMCORPORATED WITHIM|SUCH TERRITORY OR MCORPORATED WITHIN ANY COUNTRY OTHER WHAN THE UNITED STATES AND DOING BUSINESS WITHIN SUCH TERRITORY (b) THE GOVERNXENT OF JAPAN OR OF ANY NATION wHICH IS AN ALLY OF JAPAN, OR ANY POLITICAL OR MUNICIPAL SUBDIVISION THEREOF, OR ANY OFFICER, OPFICIAL, AGENP, OR AGENCY THEREOF.

HENRY MORGENTHAU, JR SECRETARY OR THE TREASURY

## page 2 -

OF THE UNITED STATES GOVERNENT OR OF THE GOVRRNMRNT OF ANY NATION, EXCEPT THAT OR ARY ENEMY OR ALLY OF ENEMY NATION, AMD OTHER THAN SUCH PERSONS OR CLASSES OP PERSONS AS MAY BE EXEMPTED HEREUNDER BY THE PRESIDENT OR BY SUCH PERSON AS HE MAY DTRECT), TO SEWD, OR PAKB OUT OP, OR BRING INTO, OR ATTEMPT TO SEND, OR TAAKE OUT OF, OR BRING INTO THE UNTTED STATES, ANY LETTER OR OMHER WRITING OR PANGIBLE PORU O COMMUYICATION, EXCEPT IN THE REGULAR COURSE OF THE MAIL; AND IT SHALL BE UNLAWPUL FOR ANY PERSON TO SEND, TAKE, OR TRANSYIT, OA ATTEMPT TO SEND, TAKE, OR TRANSMTT OUT OF THE UNITED STATES, ANY LETTER OR OTHER WRITING, BOOK, MAP, PLAN, OR OTHER PAPER, PIOTURE, OR ANY TELEORAN, CABLEGRAM, OR WIRELESS $3 E S S A G E$, OR OTMER PORM OP COMAUNICATION INTENDED FOR OR TO BE DELIVERED, DIRECTLY OR INDIRECTLI TO AN EMERY OR ALLY OF ENENY; PROVIDED, ROWEVER, THAT ANY PBRSON MAT SEND, TAKE, OR TRANSMIT OUT OF THE UNITED STATES ANYYHING HEREIN FORBIDDEN XF FE SHALL FIRS SUBMTT THE SAME TO THE PRESIDEMT, OR TO SUCH ORFICER AS TRE PRESIDENT MAY DIRECT, AND SHALL OBTAIN THE LICBKI OR CONSENT OF THE PRESIDENT, UNDER SUCH RULES AND REGULATIONS, AND WITE SUCH EXEMPTIONS, AS SEALL BE PAESCRIBED BY THE PRESIDENT UWQUTK

THE WORDS "ENEMY" AND "ALLY OF BNEMY" OMDER SECTION TW OF THE TRADING WITE THE ENEXY ACT INCLUDE -- (a) ANY INDIVIDUAL, PARTNERSHIP

December 7, 1941
TO ALL COLLECTORS OR CUSTOUS AND CUSTONS PKRSONHEL:
TAXE ALL NECESSARY STEPS TO BNFORCE MOKEDLATELY SECTION $3(a),(b)$, AND (c) OF TYE TRADING WITH THE ENEIY ACT WHICH READS AS FOLLOWS: QUOTE IT SHALL BE UNLWFUL (a) POA AHy FGRSON IN THE UNITED STATES,
 THE ENEKY, OR ALLY OF ENEIY, AS PROVIDED IN FHIS ACT, TO TRADE, OR ATHEMPT TO TRADE, EITHER DIRECTLY OR INDIRECTLY, WITH, TO, OR PROM, OR POR, OR ON ACCOUNT OR, OR ON BEHALY OR, OR POR THE BEICRIT OR, ANY OTHER PURSON, WITH KWOWLSDGE OR REASONABLE CAUSE TO BELIEVE THAY SUCH OTHER PRRSON IS AN EMEMY OR ALLY OF ENEIY, OR IS COWDUCTING OR TAKING PART IM SUCK TRADE, DIRECTLY OR IKDIRECTLY, FOR, OR ON ACCOUM OR, OR ON BEHALE OR, OR BOR FHE BEMEPYT OP, AN BNEIY OR ALEY OR EMBMY. (b) FOR ANY PERSON, BXCEPT WITH THR LICETSE OR THE RRESIDEMT, TO TRANSPORT OR ATTLMPT TO TRANSPORT IWHO OR MRON THE UNITED STATES, OR POR ANY OWNER, WASTER, OR OTHER PERSON IN CHARGE OF A VESSEL OR AMERICAI REGISTMY TO TRANSPORT OR ATTEMPT TO TRANSPORT FIOA ANY PLACE TO ANY OTHER PLACE, ANY SUBJECT OR CITIEEN OF AN ENEMY OR ALLY OF ENEIY NATION, WTTH KMOMLEDGE OR REASOMABLE CAUSE TO BELIEVE THAT THE PARSON TRASSPORTED OR ATREYPTED TO BE TRANSPORTED IS SUCH SUBJKC! OR CIETZEA. (c) POR ANY PERSON (OTHER TUAY A PERSON IN THE SERICR ${ }^{\prime}$

FOR IMMEDIATE RELEASE, Sunday, December 7, 1941.
Secretary Morgenthau tonight ordered Collectors of Customs and all Customs personnel to take steps necessary to prevent trade between persons in the United States and the enemy or an ally of the enemy, to prohibit transportation into or from the United States of such individuals and to halt communications with them, outside -of the mail.
The Secretary in his order invoked
Section 3 (a), (b) and (c) of the Trading with the Enemy Act. His message to the Customs officers was as follows:

## TREASURY DEPARTMENT Washington



Secretary Morgenthau tonight ordered Collectors of Customs and all Customs personnel to take steps necessary to prevent trade between persons in the United States and the enemy or an ally of the enemy, to prohibit transportation into or from the United States of such individuals and to halt communications with them.

The Secretary in his order invoked Section 3 (a), (b) and (c) of the Trading with the Enemy Act. His message to the Customs officers was as follows:

TO ALL COLLECTORS OF CUSTOMS AND CUSTOMS PERSONNEL:
Take all necessary steps to enforce immediately Section 3(a), (b), and (c) of the Trading with the Enemy Act which reads as follows:
"It shall be unlawful (a) for any person in the United States, except with the license of the President, granted to such person, or to the enemy, or ally of enemy, as provided in this act, to trade, or attempt to trade, either directly or indirectly, with, to, or from, or for, or on account of, or on behalf of, or for the benefit of, any other person. With knowledge or reasonable cause to believe that such other person is an enemy or ally of enemy, or is conducting or taking part in such trade, direct$1 y$ or indirectly, for, or on account of, or on behalf of, or for the benefit of, an enemy or ally of enemy.(b) For any person, except with the license of the President, to transport or attempt to transport into or from the United States, or for any owner, master, or other person in charge of a vessel of American registry to transport or attemt to transport from any place to any other place, any subject or citizen of an enemy or ally of enemy nation, with knowledge or reasonable cause to believe that the person transported or attempted to be transported is such subject or citizen. (c) For any person (other than a person in the service of the United States Government or of the Government of any nation, except that of any enemy or ally of enemy nation, and other than such persons or classes of persons as may be exempted hereunder by the President or by such person as he may direct), to send, or take out of, or bring into, or attempt to send, or take out of, or bring into the United States, any letter or other writing or tangible form of communication, except in the regular course of the mail; and it shall be unlawful for any person to send, take, or transmit, or attempt to send, take, or transmit out of the United States, any letter or other writing, book, map, plan, or other paper, picture, or any telegram, cablegram, or wireless message, or other form of communication intended for or to be delivered, directly or indirectly, to an enemy or ally of enemy; provided, however, that any person may send, take or transmit out of the United States anything herein forbidden if he shall first submit the same to the President, or to such officer as the President may direct, and shall obtain the license or consent of the President, under such rules and regulations, and with such exemptions, as shall be prescribed by the Presim dent."

The words "enemy" and "ally of enemy" under section 2 of the Trading with the Enemy Act include -- (a) any individual, partnership, or other body of individuals, of any nationality, resident within the territory (including that occupied by the military and naval forces) of Japan, or of any nation which is an ally of Japan, or resident outside the United States and doing business within such territory, and any corporation incorporated within such territory or incorporated within any country other than the United States and doing business within such territory (b) the Government of Japan or of any nation which is an ally of Japan, or any political or municipal subdivision thereof, or any officer, official, agent or agency thereof.

HENRY MORGENTHAU, JR.,
Secretary of the Treasury.
(2) Mo withdrawals whatsoever are allowed from any account in any banking institution, if Japan or any national of Japan, has any interest in such account. This includes withdrawals for living expenses as well as for any other purpose.
(3) Now whitrawals whatsoever are allowed from any safe deposit box by Japan or any national of Japan, and access is not allowed to any safe deposit box in the contents of which Japan or any national of Japan has any interest.
(4) No remittances in any amounts whatsoever may be made to Japan or any national of Japan, wheresoever located, including remittances to United States citizens resident in Japan.
(5) No trade transaction with any part of the world, including trade with Latin America, in which Japan or any national of Japan has any interest may be effected.

## TREASURY DEPARTMENT



FOR IMMEDIATE RELEASE
December 8, 1941.
Press Service 28 m

The Treasury Department ala the attention of all banking institutions and other interested persons to the fact that the revocation by the Treasury Department in Public Circular No. © of ali outstanding general and specific licenses in so far as they authorize any transaction by, or on behalf of, or for the benefit of, Japan and her nationals has, among other things, the following significant immediate effects:
(1) No Japanese national now has the status of a generally Licensed nations l. In this connection, attention is called to the following:
(a) Japanese nationals resident in this country are blocked under the freezing order, irrespective of the length of their residence in this country s
(b) Ho Japanese bunk, business enterprise or other organization now has the status of a generally licensed national, including the Yokohama Specie Bank, Ltd, and all its branches, the Bank of Taiwan, the Sumitomo Bank of Hawaii, the Sumitomo Bank of California, the Sumitomo Bank of Seattle, and the Pacific Bank, Honolulu.

## TREASURY DEPARTMENT <br> Washington

FOR IMMEDIATE RELEASE, Monday, December 8, 1941.

Press Service
No. 28-80

The Treasury Department calls the attention of all banking institutions and other interested persons to the fact that the revocation by the Treasury Department in Public Circular No. 8 of all outstanding general and specific licenses in so far as they authorize any transaction by, or on behalf of, or for the benefit of, Japan and her nationals has, among other things, the following significant immediate effects:
(1) No Japanese national now has the status of a generally licensed national. In this connection, attention is called to the following:
(a) Japanese nationals resident in this country are blocked under the freezing order, irrespective of the length of their residence in this country;
(b) No Japanese bank, business enterprise or other organization now has the status of a generally licensed national, incluaing the Yokohama Specie Bank, Lta. and all its branches, the Bank of Taiwan, the Sumitomo Bank of Hawaii, the Sumitomo Bank of California, the Sumitomo Bank of Seattle, and the Pacific Bank, Honolulu.
(2) No withdrawals whatsoever are allowed from any account in any banking institution, if Japan or any national of Japan, has any interest in such account. This includes withdrawals for living expenses as well as for any other purpose.
(3) No withdrawals whatsoever are allowed from any safe deposit box by Japan or any national of Japan, and access is not allowed to any safe deposit box in the contents of which Japan or any national of Japan hes any interest.
(4) No remittances in any amounts whatsoever may be made to Japan or any national of Japan, wherescever located, including remittances to United States citizens resident in Jaoan.
(5) No trade transaction with any part of the world, includ-. ing trade with Latin America, in which Japan or any national of Japan has any interest may be effected.

## TREASURY DEPARTMENT

Washington
FOR m mediate release,
Press Service
Monday, December 8, 1941.
Secretary of the Treasury Morgenthau today announced the subscription figures and the bases of allotment for the offering of 2 percent Treasury Bonds of 1951-55 and of 2-1/2 percent Treasury Bonds of 1967-72.

For the 2 percent Treasury Bonds of 1951-55, reports received from the Federal Reserve Banks show that subscriptions total approximately $\$ 4,695,000,000$. Subscriptions in amounts up to and including $\$ 5,000$, where the subscribers speciied that delivery be made in registered bonds 90 days after the issue date, ware allotted in full. All other subscriptions were allotted || percent on a straight percentage basis, with adjustments, where necessary, to the $\$ 100$ denomination.

For the $2-1 / 2$ percent Treasury Bonds of $1967-72$, reports received from the Federal Reserve Banks show that subscriptions total approximately $\$ 6,955,000,000$. Subscriptions in amounts up to and including $\$ 5,000$, where the subscribers speciPied that delivery be made in registered bonds 90 days after the issue date, were allotted in full. All other subscriptions were allotted $/ \Phi$ percent on a straight percentage basis, with adjustments, where necessary, to the $\$ 100$ denomination.

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


## TREASURY DEPARTMENT Washington

FOR IMMEDIATE RELEASE,
Press Service
No. 28-81

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Further details as to subscriptions and allotments will be announced when final reports are received from the Federal Reserve Banks.
${ }^{201}$ Mr Toby Secretary @aid "OK".

Which any blocked national, including a national of Japan, or a person acting for or on behalf of such a national, has any interest, is exposing himself to criminal prosecution, to a fine of $\$ 10,000$, and to imprisonment for ten years. Any person aiding in, abetting, advising, or conspiring in the destruction, secreting, or alteration of any such document is similarly subject to these criminal penalties.


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## TREASURY DEPARTMMETY WASHIITGION

FOR IMMIDIATE RTIRASE,
Press Service Monday, December 8, 1941. $28-82$

Secretary Morgenthau announced trday that Treasury agents had taken custody of the premises of Japanese banking and business enterprises throughout the United States. Treasury personnel, who included, among others, bank examiners, customs officers, and Treasury investigators, had special instructions to prevent the access of all persons to the premises of such enterprises and to prevent the destruction or removal of their books, records and other property.

The Secretary arranged the precautionary measure through telegrams yesterday to the presidents of all Federal Reserve Banks, whom he requested to obtain the cooperation of local police wherever necessary to carry out his instructions.

Secretary Morgenthau Department personnel had forestalled numerous attempts to remove securities and other valuable documents from the premises of Japanese enterprises. In one instance in San Francisco, Japanese nationals were prevented from removing from a Japanese company securities estimated as having a value of $\$ 40,000$ or more.

The Secretary supplemented $h$ is announcement by stating that any person destroying, secreting, or altering any record, paper, or other document relating in any way to any property or transaction in

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## TREASURY DEPARTMENI

## Washington

FOR RELKASE, MORNIMG NEMSPAPRRS,
Press Service
Tuesday, December 9, 1941.
12/8/41

The Secretary of the Treasury announced last evening that the tenders for $\$ 150,000,000$, or thereabouts, of 91 -day Treasury bills, to be dated December 10 , 1941, and to mature March 11, 1942, which were offered on December 5, were opened at the Federal Reserve Banks on December 8.

The details of this issue are as follows:
Total applied for - \$403,171,000
Total accepted - 150,027,000
Range of accepted bids:
High

- 100. 

Low
Average price

- 99.917 Equivalent rate approximately 0.328 percent
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(23 percent of the amount bid for at the low price mas accepted)


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Release No. 97 -2-

Our comittees have performed a splendid task in organization and promotion work to date. Now that war is on us, let every man, woman, and child be given the opportunity and urged to purchase bonds on a regular plan. I know you and your committees will perform great service.

HENRY MORGENTHAD, JR.,
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No. 97
December 99: 1941
FOR IMMEDIATE RELEASE
WASHIHOTON, D.C. -- The campaign to sell Defense Bonds and Stamps must be stepped up imnediately, Secretary Morgenthau has informed all State Chairmen and State Administrators of the Defense Savings Program.

Defense Savings workers throughout the Nation must, the Secretary stated, "....re double their activities and conduct a sales campaign which by its response will demonstrate to our enemies that America to a man is behind our greatest national test."

The full text of the telegram to Defense Savings Chairmen and Administrators was as follows:
"The Declaration of War places a new and increased responsibility on Defense Savings Committees.

You should at once advise all local committees to redouble their activities and conduct a sales campaign which by its response will demonstrate to our enemies that America to a man is behind our greatest national test.

It is suggested that payroll allotment participation be increased, that each locality push the bank draft plans, stamp banks, school programs, and other plans to secure increased consistent purchasing.

Also local comittees should form groups to solicit limit purchasing of all series of bonds for 1941. Increased cooperation in merchandising of all financial groups should be asked.

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# SPECIAL-RUSH <br> Defense Savings Staff 

 Newspaper releaseAttached $\qquad$
$\qquad$


HAROLD N. GRAVES

Time

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December 9, 1941
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## TREASURY DEPARTMENT <br> Washington

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every man, woman, and child be given the opportunity and urged to purchase bonds on a regular plan. I know you and your committees will perform great service.

HENRY MORGENTHAU, JR.,<br>Secretary of the Treasury."

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COTTON CARD STRIPS, COMBZR WASTE, LAP WASTE, SLIVER WASTE, AND HOVING WASTE, WHETHER OR NOT MANUFACTURED OR OTHLEWISE ADVANCED IN VALUE. Annual quotas comencing 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)

|  | Established | TOTAL IIPONTS | Established | 1 L |
| :---: | :---: | :---: | :---: | :---: |
| Country of | total quota | $\text { Sept. } 20 \text {,1941, }$ | $33-1 / 3 \% \text { of }$ | 20, 19 |


| Urited Kingdom .... | 4,323,457 | 434 | 1,441,252 | 434 |
| :---: | :---: | :---: | :---: | :---: |
| Canada ............ | 239,690 | 231,607 | - | - |
| France ............ | 227,420 | - | 75,807 | - |
| British India ..... | 69,627 | 12,207 | - | - |
| Netherlands | 68,240 | - | 22,747 | - |
| Switzerland | 44,388 | - | 14, 796 | - |
| Belgium ...... | 38,559 | - | 12,353 | - |
| Japan | 341,535 | - | - | - |
| China ............. | 17,322 | - | - | - |
| Egypt | 8,135 | - | - | - |
| Cuba | 6,544 | - | - | - |
| Germany | 76,329 | - | 25,143 | - |
| Italy ............. | 21,263 | - | 7,088 | - |
| Total | 5,482,509 | 244,248 | 1,599,386 | 434 |

1/ Included in total imports, column 2.

FOR IMADIATE RELEASE
December 9, 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, 1941 to November 29, 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 STAPTE IENGTH AND CHIEFLY USZD IN THE MANUFACTURE OF BLANKETS AND BLANKITING, AND OTHER THAN IINTERS). Annual quotas commencing September 20, by Countries of Origin:


| Egypt and the AngloEgyptian Sudan | 783,816 | - | 43,451,566 | 6,068,494 |
| :---: | :---: | :---: | :---: | :---: |
| Peru .................. . | 247,952 | 247,952 | 2,056,299 | 2,056,299 |
| British India ......... | 2,003,483 | - | 64,942 | - |
| China | 1,370,791 | - | 2,626 | - |
| 1.fexico | 8,883,259 | 8,883,259 | - | - |
| Brazil ................ | 618,723 | 618,723 | 3,808 | 2 |
| Union of Soviet Socialist Republics | 475,124 | - | - | - |
| Argentina ............. | 5,203 | 210 | 435 | $\overline{6}$ |
| Haiti ... | 237 | - | 506 | 6 |
| Ecuador | 9,333 | 9,333 | - | - |
| Honduras | 752 | - |  |  |
| Paraguay | 871 | - | - | - |
| Colombia | 124 | - | - | - |
| Iraq | 195 | - | 9 | 30 |
| British East Africa | 2,240 | - | 29,909 | 30 |
| Netherlands East Indies | 71,388 | - | - | - |
| Barbados | - | - | 12,554 | - |
| Other British West Indies 1/ ....... | 21,321 | - | 30,139 | - |
| Nigeria | 5,377 | 30 | - | - |
| Other British West Africa $2 / . . . . . . .$. | 16,004 | - | 2,002 | - |
| Algeria and Tunisia .. | - | - | 1,634 | - |
| Other French Africa 3/ | 689 | - | - |  |

$\begin{array}{lllll}\text { Total } 14,516,882 & 9,759,507 & 45,656,420 & 8,124,831\end{array}$
1 Other than Barbados, Bermuda, Jamaica, Trinidad, and lobago.
Other than Gold Coast and Nigeria.
3/ Other than Algeria, Tunisia, and Madagascar.

## TREASURY DEPARTMENT <br> Washington

FOR IMMEDIATE RELTASE,
Tuesday, December 9, 1941.
Press Service
No. 28-85

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, 2 , follows, during the period September 20, 1941 to November 29, 1941, inclusire:

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Egyptian Sudan ...... 783,816
Peru .......................
British India .........
China ...................
Mexico ..................
Brazil ...................
Union of Soviet
Socialist Republics
Argentina ..............
Haiti ....................
Ecuador .................
Honduras ..............
Paraguay ............... 871
Colombia .............. 124
Iraq .................. 195
British East Africa ... 2,240
Netherlands East
Indies .............. 71,388
Barbados ............... -
Other British West
Indies I/........... 21,321
Nigeria ................. 5,377
Other British West
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Algeria and Tunisia ... -
Other French Africa $3 / /$.
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COTTON CARD STRIPS, COMBER WASTE, LAP WASTE, SLIVER WASTE, AND ROVING WASTE, WHETHER OR NOT MANUFACTURED OR OTHERTISE ADVAYCED 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:


1/ Included in total imports, column 2.

## PRESS RELEASE:

The Bureau of Customs announced today preliminary figures showing the quantities of coffee authorized for entry for consumption as of November 29, 1941, under the quotas for the twelve months commencing October 1, 1941, provided for in the Inter-American Coffee Agreement, proclaimed by the President on April 15, 1941, as follows:

| Country of Production | : Quota Quantity | : Authorized for Entry <br> (For Consumption |
| :--- | :--- | :--- |
|  | (Pounds) | (Pounds) |

Signatory Countries:

| Brazil | $1,364,853,662$ | $238,746,027$ |
| :--- | ---: | ---: |
| Colombia | $462,698,802$ | $78,850,887$ |
| Costa Rica | $29,358,129$ | $9,177,430$ |
| Cuba | $11,795,051$ | $1,428,454$ |
| Dominican Republic | $17,626,703$ | $8,108,564$ |
| Ecuador | $22,044,457$ | $13,905,755$ |
| El Salvador | $94,298,370$ | 472,852 |
| Guatemala | $78,611,627$ | $14,107,690$ |
| Haiti | $40,355,291$ | $17,105,762$ |
| Honduras | $3,208,883$ | 523,235 |
| Mexico | $73,098,231$ | 417,887 |
| Nicaragua | $31,311,581$ | 8,965 |
| Peru | $3,668,676$ | $2,422,706$ |
| Venezuela | $36,442,699$ | 36,904 |

Non-signatory Countries:
British Empire, except
Aden and Canada
17,213,035
9,906,849
Kingdom of the Netherlands and its possessions 19,156,274

7,855,945
Aden, Yemen, and Saudi Arabia

3,771,864
621,009
Other countries not signatories of the InterAmerican Coffee Agreement

11,956,391 (Import quota filled)

> (Prepared - Appeals and Protests (Quota Unit) Bureau of Customs)


FOR IMUEDIATE RELEASE,
Wednesday, December 10, 1941.

Press Service
No. 28-86

The Bureau of Customs announced today preliminary figures showing the quantities of coffee authorized for entry for consumption as of November 29, 1941, under the quotas for the twelve months commencing Octooer 1, 1941, provided for in the Inter-American Coffee Agreement, proclaimed by the President on Aoril 15, 1941, as follows:

| Country of Production | Quota Quantity <br>  <br>  <br> (Founds) | Authorized for Entry <br> For Consumption |
| :---: | :---: | :---: | :---: |

Signatory Countries:

```
Brazil
Colombia
Costa Sica
Cuha
Dominican Republic
Ecuedor
    El Selvador
    Guatemala
    Haiti
    Honduras
    Mexico
    Nicaragua
    Peru
    Venezuela
```

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British Empire, except Aden and Canada
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238,746,027
$78,850,887$
$462,698,802$
29, 358, 129
11, 795, 251
17,626,703
22,044, 457
94, 298, 370
78,611,627
40,355,291
3,208, 883
73,092,231
31, 311,581
3,668,676
36,442,699

9,177,430
1,428,454
z,108,564
13,905,755
14,107,690
27,105,762
523,235
417,887
8,965
2, 422,706
36,904

$$
\begin{array}{rr}
17,213,035 & 9,906,849 \\
19,156,274 & 7,855,945 \\
3,771,854 & 621,009 \\
11,956,391 & \text { (Imoort auota fil1 } \\
& \\
\text {-000- } &
\end{array}
$$



Molasses and sugar sirups containing soluble nonsugar solids equal to more than 6\% of total soluble solids Calendar year $\quad 1,500,000$ Gallon (Tariff rate quota filled)

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(Prepared - Appeals and Protests (Quota Unit), Bureau of Customs)


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28-87
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## PRESS RELEASE

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 November 29, 1941, inclusive, as follows:


Press Service
No. 28-87

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 November 29, 19H, inclusive, as follows:

| Commodity | $\qquad$ Established Quota :Unit of : Imports as of : Period \& Country: Quantity : Quantity : Nov. 29, 1941 |  |  |  |
| :---: | :---: | :---: | :---: | :---: |
| Cattle less than 200 pounds each | Calendar year | 100,000 | Head | (Tariff rate quota filled) |
| Cattle, 700 pounds or more each (other than dairy cows) | ```Quarter year fro Oct. 1, 1941 Canada Other countrie``` | $\begin{array}{r} 51,720 \\ 6,212 \end{array}$ | $\begin{gathered} \text { Head } \\ \prime \prime \end{gathered}$ | 35,684 (Tariff rate quota filled) |
| Whole milk, fresh or sour | Calendar year | 3,000,000 | Gailon | 5,840 |
| Cream, fresh or sour | Calendar year | 1,500,000 | Gallon | 1,245 |
| Fish, fresh or frozen filleted, etc., cod, haddock, hake, pollock, cush and rosefish | Calendar year | 15,000,000 | Pound | 9,221,649 |
| White or Trish potatoes Certified seed | 12 months from Sept. 15, 1941 | 90,000,000 | Pound | 4,012,995 |
| Other | 12 months from Sept. 15, 1941 | 60,000,000 | Pound | 992,610 |
| Cuban filler tobacco, unstemmed or stemmed (other than cigarette leaf tobacco), and scrap tobacco | Calendar year | 22,000,000 | Pound (Unstemmed equivalent) | 19,061,863 |
| Red Cedar shingles | Calendar year | 2,488,359 | Square | $\begin{aligned} & \text { (Duty-free } \\ & \text { quota filled) } \end{aligned}$ |


| Commodity | Bstablished Quota |
| :--- | :--- |
| : Unit of : Imports as of |  |
| \& Country : Quantity | Quantity: Nov. 29, 1941 |

Silver or black foxes, furs, and articles: Foxes valued under $\$ 250$ ea. and whole furs and skins

12 months from
December 1,1940

| Cenada | 70,000 | Number |
| ---: | ---: | ---: |$\quad$| (Import quota |
| ---: |
| filled) |

Tails
12 months from
December 1, 1940 5,000 Piece (Import quota filled.)

Paws, heads, or other separated parts

Piece plates

Articles, other than piece plates

- Crude petroieum, topped crude petroleum, and fuel oil

| Calendar year |  |  |  |  |
| :---: | :---: | :---: | :---: | :---: |
|  | Venezuela | 913,049,600 | Gallon | 1,747,351,883 |
| Netherlends |  | 578,806,200 | 1 | (Tariff rate quota filled) |
|  | Colombia | 86,955,800 | " | (Tariff rate |
|  |  |  |  | quota filled) |
| Other | Countries | 138,587,400 | 1 | (Tariff rate quota filled) |

Molasses and sugar
sirups containing
soluble nonsugar
solid.s equal to
more than $6 \%$ of
total soluble solids
Calendar year $1,500,000$
Gallon
(Tariff rate quota filled)


The President hot right Issued an Executive Order
freezing Thai assets in the United States in the same manner in which assets of various foreign countries were frozen on June 14 and July 26, 1941. This measure, in effect, brings all financial and trade transactions in which Thai interests are involved under the control of the Government and imposes criminal penalties for violation of the Order.

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## TREASURY DEPARTMENT

 WashingtonFOR IMMEDIATE RELEASE, Wednesday, December 10, 1941.

Press Service No. 28-88

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December 10, 1941
TOR IMMRDIATR RELBASE

MASHINGTON, D. C. - In a move to place the Defense Savings Progran on an itengified and wartime basis, Secretary Morgenthau today (December 10) issued an emergency call to all state and territorial leaders of the Defense Savings Staff to meet in Chicago on Tuesday, December 16, at 10 a. a.

The Secretary of the Treasury notified all Defense Savings State Administrators and State Chairmen that he will be present to discuss "plans for more intensive prometion" for the nationwide sale of United States Defense Bonds and Stamps "in view of the critical energency which now confronts the country." The Secretary described the meeting as "urgent."

The conference will be held in the Chicago Federal Reserve Bank Building.


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## TREASURY DEPARTMENT <br> Washington

FOR IMMEDIATE RELEASE
December 10, 1941
WASHINGION, D. C. -- In a move to place the Defense Savings Program on an intensified and wartime basis, Secretary Morgenthau today issued an emergency call to all state leaders of the Defense Savings Staff to meet in Chicago on Tuesday, December 16, at 10 a.m.

The Secretary of the Treasury notified all Defense Savings State Administrators and State Chairmen that he will be present to discuss "plans for more intensive promotion" for the nationwide sale of United States Defense Bonds and Stamps "in view of the critical emergency which now confronts the country." The Secretary described the meeting as "urgent."

The conference will be held in the Chicago Federal Reserve Bank Building.

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28-89

## 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:


## TREASURY DEPARTMENT <br> Washington

FOR IMMEDIATE RELEASE,
Press Service
No . 28-90
The Bureau of Customs announced today preliminary figures showing the quantities of wheat and wheat flour entered, or withdrawn from warehouse, for consumption 4 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 |  |
| :---: | :---: | :---: | :---: | :---: |
|  | : Establishe <br> : Quota | Imports May : <br> 29, 1941 to <br> :Nov. 29, 1941: | Established Quota | Imports May 29, 1941 to Nov. 29, 1941 |
|  | (Bushels) | (Bushels) | (Pounds) | (Pounds) |
| Canada | 795,000 | 795,000 | 3,815,000 | 553,328 |
| China | - | - | 24,000 | 6,136 |
| Hungary | - | - | 13,000 | - |
| Hong Kong | - | - | 13,000 | 7,365 |
| - Japan | $\stackrel{-}{-}$ | - | 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 | 97 |
| 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 | - | - | - |

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28-91
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## PRESS RELEASE:

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 November 29, 1941, inclusive, as follows:

| Products ofPhilippine Islands | Established Quota |  | :Unit of :Imports as of :Quantity:Nov. 29, 1941 |  |
| :---: | :---: | :---: | :---: | :---: |
|  | : Period | : Quantity |  |  |
| Coconut oil | Calendar year | 425,600,000 | Pound | 368,011,595 |
| Refined sugars | Calendar year | 112,000,000) | Pound. | 106,585,365 |
| Sugars other than refined | Calendar year | 1,792,000,000) | Pound | 1,538,592,678 |
| Cordage | $\begin{aligned} & \text { Period - May I } \\ & \text { to Dec. } 31 \text {, 1941 } \end{aligned}$ | 4,000,000 | Pound | 3,354,261 |
| Buttons of pearl or shell | Calendar year | 807,500 | Gross | 738,376 |
| Cigars | Calendar year | 190,000,000 | Number | 166,863,500 |
| Scrap tobacco and stemmed and unstemmed filler tobacco | Calendar year | 4,275,000 | Pound | 3,892,547 |

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.

## TREASURY DEPARTMENT <br> Washington

FOR IMMEDIATE RELEASE, Thursday, December 11, 1941.

Press Service
No. 28-91

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 November 29, 1941, inclusive, as follows:

| Products of Philippine Islands | Established Quota |  | Unit of :Imports as of Quantity:Nov. 29, 1941 |  |
| :---: | :---: | :---: | :---: | :---: |
|  | Period | : Quantity |  |  |
| Coconut oil | Calendar year | 425,600,000 | Pound | 368,011,595 |
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| Sugars other than refined | Calendar year | 1,792,000,000) ${ }^{\text {(1/ }}$ | Pound | 1,538,592,678 |
| Cordage | $\begin{aligned} & \text { Period - May } 1 \\ & \text { to Dec. 31, } 1941 \end{aligned}$ | 4,000,000 | Pound | 3,354,261 |
| Buttons of pearl or shell | Calendar year | 807,500 | Gross | 738,376 |
| Cigars | Calendar year | 190,000,000 | Number | 166,863,500 |
| Scrap tobacco and stemmed and unstemmed filler to bacco | Calendar year | 4,275,000 | Pound | 3,892,547 |

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.

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


TREASURY DEPARTMENT
Comptroller of the Currency Washington

FOR RELEASE, MORNING NEWSPAPERS
thursday,


Press Service
$28-92$

During the month of November, 1941, the liquidation of seven 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 seven receiverships, amounted to $\$ 14,269,399$, while dividends paid to unsecured creditors amounted to an average of 66.02 percent of their claims. Total costs of liquidation of these receiverships averaged 8.27 percent of total collections from all sources including offsets allowed.

Dividend distributions to all creditors of all active receiverships during the month of November, amounted to $\$ 1,628,034$. Data as to results of liquidation of the receivership finally closed during the month are as follows:


TREASURY DEPARTMENT Comptroller of the Currency Washington

FOR RELEASE, MORNING NENSPAPERS,
Press Service Friday, December 12, 1941. No. 28-92 12/11/41

During the month of November, 2941, the liquidation of seven Insolvent National Banks was completed and the affairs of such receivershios finally closed.

Total disbursements, including offsets allowed, to depositors and other creditors of these seven receiverships, amounted to \$14, 269, 399, while dividends paid to unsecured creditors amounted to an average of 66.02 percent of their claims. Total costs of liquidation of these receiverships averaged 8.27 percent of total collections from all sources including offsets allowed.

Dividend distributions to all creditors of all active receiverships during the month of November, amounted to $\$ 1,628,034$. Data as to results of liquidation of the receiverships finally closed during the month are as follows:

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

| Name and Location of Bank | Date of <br> Failure | Total <br> Disbursements <br> to Creditors <br> Including <br> Offsets Allowed |  | Per Cent <br> Dividends <br> Declared <br> to All <br> Claimants | Capital <br> Stock at <br> Date of <br> Failure |  | Cash, Assets, Uncollected Stock Assessments, etc. <br> Returned to <br> Shareholders |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| American-First Nat'l Bank Mount Carmel, Illinois | $5-31-34$ | \$ | 1,337,990 | 57. $92 \%$ | \$ | 100,000 | \$ | 000 |
| Fort Fairfield Nat'l Bank Fort Fairfield, Maine | 1-8-34 |  | 1,520,541 | 64.53\% |  | 200,000 |  | 000 |
| Boston-Continental NB Boston, Massachusetts | 12-22-31 |  | 4,562,427 | 45.72\% |  | 1,000,000 |  | 000 |
| Carlstadt National Bank Carlstadt, New Jersey | 4-10-34 |  | 1,097.963 | 92.27\% |  | 100,000 |  | 000 |
| First National Bank Boswell, Pennsylvania | 2-9-32 |  | 459,206 | 55.117\% |  | 30,000 |  | 000 |
| First National Bank <br> Indiana, Pennsylvania | $5-2-34$ |  | 3,944,784 | 80.17\% |  | 200,000 |  | 000 |
| Tower City Nat'l Bank Tower City, Pennsylvania | 4-20-34 |  | 1,346,388 | 98.05\% |  | 50,000 |  | 000 |

bills, whether on original issue or on subsequent purchase, and the amount actually received either upon sale or redemption at maturity during the taxable year for which the return is made, as ordinary gain or loss.

Treasury Department Circular No. 418, 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.

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 December 17, 1941, provided, however, any qualified depositary will be permitted to make payment by credit for Treasury bills allotted to it for itself and its customers up to any amount for which it shall be qualified in excess of existing deposits when so notified by the Federal Reserve Bank of its district.

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. Under Sections 42 and 117 (a)(1) of the Internal Revenue Code, as amended by Section 115 of the Revenue Act of 194, the amount of discount at which bills issued hereunder are sold shall not be considered to accrue until such bills shall be sold, redeemed or otherwise disposed of, and such bills are excluded from consideration as capital assets. Accordingly, the owner of Treasury bills (other than life insurance companies) issued hereunder need include in his income tax return only the difference between the price paid for such

## TREASURY DEPARTMENT

## Washington

FOR RELEASE, MORNING NEWSPAPERS, Friday; December 12, 1941
(20)

The Secretary of the Treasury, by this public notice, invites tenders for $\frac{150,000,000}{(x)}$, or thereabouts, of $\frac{91}{\text { - day Treasury bills, to be issued }}$ on a discount basis under competitive bidding. The bills of this series will be dated $\qquad$ , and will mature

March 18, 1942 , 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 un to the closing hour, two oiclock p. m., Eastern Standard time, Monday, December 15, 194. 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 punted 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 att the Federal


TREASURY DEPARTMENT Washington

FOR RELEASE, MORNING NENSPAFERS, Friday, December 12, 1941.

The Secretary of the Treasury, by this public notice, invites tenders for $\$ 150,000,000$, or thereabouts, of 91 -day Treasury bills, to be issued on a discount basis under competitive bidaing. The bills of this series will be dated December 17, 1941, and will mature March 18, 1942, when the face amount will be payable without interest. They will be issued in bearer form only, and in denominations of $\$ 1,000, \$ 5,000, \$ 10,000$, ${ }^{3} 100,000, \$ 500,000$, and朝, 00), 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, December 15, 1941. Tenders will not be received at the Treasury Department, Washington. Each tender must be for an even multiole 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 orinted 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 incorborated 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 makie 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 December 17, 1941, provided, however, any qualified depositary will be permitted to make payment by credit for Treasury bills allottea to it for itself and its customers up to any amount for which it shall be qualified in excess of existing deposits when so notified by the Federal Reserve Bank of its district.

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 imoosed 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. Under Sections 42 and 117 (a) (1) of the Internal Revenue Code, as amended by Section 115 of the Revenue Act of 1941, the amount of discount at which bills issued hereunder are sold shall not be considered to accrue until such bills shall be sold, redeemed or otherwise disposed of, and such bills are excluded from consideration as capital assets. Accordingly, the owner of Treasury bills (other than life insurance companies) issued hereunder need include in his income tax return only the difference between the price paid for such bills, whether on original issue or on subsequent purchase, and the amount actually received either upon sale or redemption at maturity during the taxable year for which the return is made, as ordinary gain or loss.

Treasury Department Circular No. 4i8, 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.

FOR IMMEDIATE RELEASE, Thursday, December 11, 1941.

Press Service No. 28-94

Treasury officials who left Washington December 1 for a series of meetings with bankers and other interested groups, called to explain operations of the Foreign Funds Control, have been held in San Francisco to deal with new problems arising from the war.

The Treasury announced today that additional personnel is being sent to San Francisco to assist the group.

Meetings with bankers scheduled this week and next for Dallas, New Orleans and Atlanta have been cancelled.

The tour, made in cooperation with the American Bankers Association, included meetings in Cleveland, Chicago, Denver and San Francisco.

Control of foreign-owned property was vested in the Treasury by an executive order which "froze" the assets of continental Europe, Japan, and China, in the United States.

With the outbreak of war between Japan and the United States, additional restrictions were ordered to apply to property of Japanese nationals, and Thailand was added to the list of countries under the freezing order.

The Bureau of Customs announced today preliminary figures showing the quantities of silver or black fox articles entered, or withdrawn from warehouse, for consumption on December 1, 1941, under the import quotas provided for in the supplementary trade agreement with Canada, signed on December 13, 1940, as follows:


[^11](Prepared - Appeal and Protests (Quota Unit) Bureau of Customs)


## TREASURY DEPARTMIENT

Washington

FOR IMMEDIATE RELEASE, Thursdey, December 11, 1941.

Press Service
No. 28-95

The Bureau of Customs announced today preliminary figures showing the quantities of silver or black fox articles entered, or withdrnwn from warehouse, for consumption on December 1, 1941, under the import quotas provided for in the supplementary trade agreement with Canada, signed on December 13, 1940, as
follows:

| Commodity | Established Quota |  | :Unit of : Imports on <br> : Quentity: Dec. 1, 1941 |  |
| :---: | :---: | :---: | :---: | :---: |
| Foxes valued under $\$ 250$ each and whole furs and skins (with or without paws, tails or heads) | Month of <br> December, 1941: <br> From Cenada <br> From other countries | $\begin{gathered} 17,500) \\ 7,500) \end{gathered}$ | Fox or skin Fox or skin | $\begin{array}{r} 9,161 \\ \text { (Import quota } \\ \text { filled) } \end{array}$ |
| Tails | 12 months from December 1, 1941 | 5,000 | Tail | (Import quota filled) |
| Paws, heads, or other separate parts | " | 500 | Pound | 254 |
| Piece plates | " | 550 | Pound | None |
| Articles, other than piece plates | 11 | 500 | Unit | 13 |

I/ Of the annual quota of 100,000 for these articles which may be entered, or withdrawn from warehouse, for consumption in the twelve-month period commencing December 1, 1941, not more than 70,000 may be imported from Canada, nor more than 30,000 from all other foreign countries, but not to exceed 25 percent of these quotas during any month.

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## TREASURY DEPARTMENT <br> Washington

FOR IMMEDIATE RELEASE, Thursday, December 11, 1941.

Press Service No. 28-96

Citizens of Hawaii stepped up tenfold their purchases of Defense Bonds on Monday and Tuesday, following Sunday's attack on Pearl Harbor and Hickam Field. Supplies of bonds at the banks of Hónolulu and other Island cities are virtually exhausted.

Secretary Morgenthau received this information today by telegram from Fred. E. Kanne, Territorial Administrator of the Defense Savings Staff, who asked authorization, "in view of the uncertainty of transportation from the mainland, " for Hawaiian banks to issue special receipts for non-delivered bond purchases.

Secretary Morgenthau telegraphed authorization for the use of receipts, and said:
"Your telegram is another thrilling proof of Hawaii's patriotism and devotion. You in the front lines are setting an example to the whole country, and our hats are off to you!"

Mr. Kanne's message was as follows:
"Banks sales defense bonds Monday, Tuesday approximately ten times normal rate. Supplies virtually exhausted. View uncertainty mainland transportation systems and arrival date next shimments and undesirability rejecting prospective purchasers banks ask whether you can authorize them issue special receipt form for bond purchase, these receipts to be exchanged for bonds when bonds themselves arrive."

CODE OR FTDERAL RMGULARIONS
Tible 31 - Money and Pinancet Treasury
Chapter I - Monetary offices, Depertment of the Treasury
Part 131 - General ilcenses wader Executive Order No. 8399, April 10, 1940, as amended, snd regulations issued pursuant thereto.
Section 131.2

TREASURY DEPARTMETT
ofrice of the Secretary December 11, 1941.

GENERAL LICENSE NO. 2, AS A MEXDED, UNDER EXECUTIVE ORDER MO. 8389, APRIL 10,1940 , AS AMEMDED, AND REGULATIOMS ISSUMD PURSUANT THERETO, FPLATTMG TO TRANSACTIOMS IH FORELCN EXCHMGE, FTC.*

General License No. 2 is hereby smended in the following respectis
(a) Paragraph (2) thereof is deleted;
(b) The following seatence is substituted for the sentence deleted by paragraph (a) of this amendment:
*(2) Any banking inptitution within the United States whioh during any quarterly period enters any aingle item in exeess of $\$ 50$ to smy account under the euthority of this general license shnil file with the appropriate Federal Reserve Bank at the and of aueh cuarterly period a report showlag the name of such sccount and the nature and mount of each 1 vem in excess of $\$ 50$ enterad to such account under the authority of thin genoral License during such cuarterly period."
E. H. Foley, Jr., Alting Seeretary of the Treasury.

[^12]imperils the assets of such person within the continental United States or otherwise prejudicially affects the financial position of auch person within the continental United States.
(3) Any bank effecting any payment, transfer or withdrawal pursuant to this general license shall satisfy itself that such payment, transfer or withdrawal is being made purnuant to the teras and conditions of this general license.
(4) There any blocked account in a bank is debited in excess of \$500 per calendar month pursuent to this general license, such bank shall file with the appropriate Pederal Reserve Bank a report for such calendar month setting forth the detsils of the transactions in such account during the calencar month.
E. H. FOLEY, JR.

Acting Secretary of the Tressury.

CODE OF PEDERAL REGULATIONS
Tithe 31 - Money and Financet Treasury
Chapter I - Monetary Offices, Departwent of the Treasury
Part 131 - General Licenses under Executive Order Mo. 8389, April 10, 1940, as amended, and regulations issued pursuant thereto.

## Section 131.

TREASURY DERARTMET
Office of the Secretary
December 11, 1941.

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GEAERAL LICEISE MO. 77 UNDER EXECUTIVE ORDER NO. 8389 , APRIL 10, 1940, AS AWENDED, AND RECULATIONS ISSUID PURSUANT THERETO, BRLATIHG TO TRAMSACYIOXS IW PORFICO EXCHAMGE, ETC. \%
(1) A general 2icense is hereby granted licensing any person engaged, prior to December 7, 194, in the production, mariceting or distribution of food products within the continental United States and who is a national of Japan to engage in all transactions ordinarily incidental to the normal conduct of their business of producing, warketing or distributing food within the continental United States, Provided, hovever, that this general license shall not authorise
(a) any transaction which could not be effected without a license if such person were not a national of any blocked country.
(b) total payments, transfers or withdrawals from blocked accounts of any such person during any one week In excess of the average weekly payments from such account during the six months' period immediately preceding the date of this license, or
(c) any transaction by or on behalf of nationals of Japan who were not generally licensed nationals under General License No. 68 prior to Decenber 7, 1942.
(2) Any person ongaging in business pursuent to this general
license shall not engege in any transection pursuant to this general
license which, directly or indirectly, substantially dininishes or

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Title 31 - Honey and Pinance: Proatury
Chapter I - Monetary Offices, Department of the Treasury
Part 231 - General 11 censes under fixeoutive Order 10.8389 , April 10, 1940, as anonded, and regulations issued pursuant therete.
Seotion 131.11A
TREASURY DSPARTMEMT
office of the Secretary December 21, 1941

GRWMRAL LTCRNS MO. 11-A
 10, 1940, AS ANENDED, AND RECUIATIONS ISSURD PUSGUAN T THEASTO, RRLATMO TO

(1) A general lieense is hereby granted authorizing paymente out
of the blocked aocount of any mational of Japan in the continontal United
States for the living and personal expenses of sueh nstional and his households provided that the total payments under this general ileense from all the blocked accounts of any one national shall not oxeeed ${ }^{\text {bin }} 100$ in any one calendar month.
(2) Banks, mployers and other persons making any such paymente shall satisfy thamselves, through affidavits or otherwise, that paymente out of blocked accounte for Living expenses for ay me national and his household do not exceed. $\$ 100$ in any one alendar month.
(3) Banles, employers and othar peraons making any aueh payments ahall file promptly with the appropriate Federal Reserve Bank separate monthly reports in triplicete on Form TYR-111 for each national with respect to whom payments were made đuring the ealondar month. Item 11 of Form TFR-111 need not be filled in.

Aoting ${ }_{\text {georetary of the Trensury. }}$

[^14]Japanese national cannot withdraw from his accounts during any one week for such enterprises sums in excess of his average weekly withdrawals during the last six months. Moreover, the license covers only Japanese nationals who were previously licensed under General License No. 68. This action is intended to permit the orderly movement of fresh vegetables and other food in areas such as the Pacific coast in order to supply the needs of our civilian population and military forces.

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## TREASURY DEPARTMENT <br> Weshington

FOR IMMEDIATE RELEASE,
Thursday, December 11, 1941

Press Service
$28-97$

The Treasury Department today announced regulations governing living expenses and wages for Japanese nationals in the United States and regulations governing Japanese nationals engaged in the production, marketing and distributing of food and agricultural products within the United States.

Under General License No. 11-A any Japanese national in the continental United States may receive up to $\$ 100$ per month for living and personal expenses for him and his family. This license permits such payments from either the national's bank account or from his employer in the form of wages. Banks and employers making such payments are required to make certain that the Japanese national is not drawing more than $\$ 100$ under the license. Thus a Japanese national cannot draw $\$ 100$ per month in the form of wages and at the same time withdraw $\$ 100$ per month from his bank accounts.

Under General License No. 77 Japanese nationals engaged in the business of producing, marketing or distributing food or agricultural products may, with minor exceptions, engage in all transactions incident to the normal conduct of such business. However, under the license a

## TREASURY DEPARTMENT <br> Washington

FOR IMMEDIATE RELEASE, Thursday, December 11, 1941.

Press Service No. 28-97

The Treasury Department today announced regulations govern-
ing living expenses and wages for Japanese nationals in the United
States and regulations governing Japanese nationals engaged in the production, marketing and distributing of food and agricultural products within the United States.

Under General License No. IlA any Japanese national in the continental United States may receive up to $\$ 100$ per month for living and personal expenses for him and his family. This license permits such payments from either the national's bank account or from his employer in the form of wages. Banks and employers making such payments are required to make certain that the Japanese national is not drawing more than \$100 under the license. Thus a Japanese national cannot draw ${ }^{3} 100$ per month in the form of wages and at the same time withdraw \$100 per month from his bank accounts.

Under General License No. 77 Japanese nationals engaged in the business of producing, marketing or distributing food or agricultural products may, with minor exceptions, engage in all transactions incident to the normal conduct of such business. However, under the license a Japanese national cannot withdraw from his accounts during any one week for such enterprises sums in excess of his average weekly withdrawals during the last six months. Moreover, the license covers only Japanese nationals who were previously licensed under General License No. 68. This action is intended to permit the orderly movement of fresh vegetables and other food in areas such as the Pacific coast in order to supply the needs of our civilian population and military forces.

GENERAL LICENSE NO. 77
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 person engaged, prior to December 7, 1941, in the production, marketing or distribution of food products within the continental United States and who is a national of Japan to engage in all transactions ordinarily incidental to the normal conduct of their business of producing, marketing or distributing food within the continental United States, Provided, however, that this general license shall not authorize
(a) any transaction which could not be effected without a license if such person were not a national of. any blocked country.
(b) total payments, transfers or withdrawals from blocked accounts of any such person during any one week in excess of the average weekly payments from such account during the six months' period immediately preceding the date of this license, or
(c) any transaction by or on behalf of nationals of Japan who were not generally licensed nationals under General License No. 68 prior to December 7 , 1941.
(2) Any person engaging in business pursuant to this general license shall not engage in any transaction pursuant to this general license which, directly or indirectly, substantially

* Part 131; - Sec. 5(b), 40 Stat. 415 and 966; Sec. 2, 48 Stat. 1 ;
54 Stat. 179; Ex. Order 8389, Apri1 10, 1940, as amended by
Ex. Order 8785 , June 14, 1941, and Ex. Order 8832 , July 26 ,
1941; Regulations, Apri1 10, 1940, as amended June 14, 1941,
and July 26, 1941; Ex. Oräer 8963, December 9, 1941.
diminishes or imperils the assets of such person within the continental United States or otherwise prejudicially affects the financial position of such person within the continental Urited States.
(3) Any bank effecting any payment, transfer or withdrawal pursuant to this general license shall satisfy itself that such payment, transfer or withdrawal is being made pursuant to the terms and conditions of this general license.
(4) Where any blocked account in a bank is debited in excess of $\$ 500$ per calenare month pursuant to this general license, such bank shall file with the appropriate Federal Reserve Bank a report for such calendar month setting forth the detalls of the transactions in such account during the calendar month.
E. H. FOLEY, JR.

Acting Secretary of the Treasury.

> TREASURY DEPARTMENT, Office of the Secretary, December 11, 1941 .

> GINERAL LICENSE NO. 2, AS AMENDED, UNDER EXECUTIVE ORDER NO. 8389 , APRIL 10,1940, AS AMENDED, AND REGULTIONS ISSUED PURSUANT THERETO, RELATATG TO TRANSACTIONS IN FOREIGN EXCHANGE, ETC.*

General License No. 2 is hereby amended in the following respects:
(a) Paragraph (2) thereof is deleted;
(b) The following sentence is substituted for the sentence deleted by paragraph (a) of this amendment:
"(2) Any banking institution within the United States which during any quarterly period enters any single item in excess of $\$ 50$ to any account under the authority of this general license shall file with the appropriate Federal Reserve Bank at the end of such quarterly period a report showing the name of such account and the nature and amount of each item in excess of $\$ 50$ entered to such account under the authority of this general license during such quarterly period."
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 , and Ex. Order 8832 , July 26 , 1941; Regulations, April 10, 1940, as amended June 14, 1941, and July 26, 1941; Ex. Order 896z, December 9, 1941.

GENERAL LICENSE NO. II-A.
UNDER EXECUTIVE ORDER NO. 8389, APRIL $10,1940, A S$ AMENDED, AND REGULATIONS ISSUED PURSUANT THERETO, RELATING TO TRANSACTIONS IN FOHEIGN EXCHANGE, ETC.*
(1) A general license is hereby granted authorizing payments out of the blocked account of any national of Japan in the continental United States for the living and personal expenses of such national and his household; provided that the total payments under this general license from all the blocked accounts af any one national shall not exceed $\$ 100$ in any one calendar month.
(2) Banks, employers and other persons making any such payments shall satisfy themselves, through affidavits or otherwise, that' payments out of blocked accounts for living expenses for any one national and his household do not exceed $\$ 100$ in any one calendar month.


[^0]:    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.
    2/ Press Service No. 28-3 showed this quota filled. Revised reports show imports as of September 27, 1941, of 3,357,094 pounds.

[^1]:    (Signed) H. Morgenthau, Jr.
    Secretary of the Treasury.

[^2]:    1/Excluding debt retirement

[^3]:    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, and Ex. Orત́pr 8832, July 26, 1941; Regulatinns, April 10, 1940, as am\&nded June 14, 1941, and July 26, 1941.

[^4]:    * Part 131; - Sec. 5(b), 40 Stat. 415 and 966 ; Sec. 2, 48 Stat. 1; 54 Stat. 179; Ex. Orier 8389, April 10, 1940, as amended by Ex. Order 8785, June 14, 1941, and Ex. Order 8832, July 26, 1941; Regulations, April 10, 1940, as amended June 14, 1941, and July 26, 1941.

[^5]:    * 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, and Ex. Order 8832, July 26, 1941; Regulations, April 10, 1940, as amended June 14, 1941, and July 26, 1941 .

[^6]:    (Prepared by Division of Fiscal Administration, Bureau of Gustoms)

[^7]:    * 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, and Ex. Order 883?, July 26, 1941; Regulations, April 10, 1940, as amended June 14, 1941, and July 26, 1941.

[^8]:    (a) Including withdrawals for ship supplies and diplomatic use.
    (1) Revised (2) Not yet awailable.

[^9]:    \$
    Interest received or accrued during the year (subject to normal tax and surtax)

[^10]:    क्तथts public circular affects parts 130 and 131 and will be included in appendices to those parts.
    Sec. $5(\mathrm{~b}), 40$ Stat. 415 and 986 ; Sec. 2, 48 Stat. $1 ; 54$ Stat 179; Ex. Crder 8389, April 10, 1940, as amended by Ex. Order 8785; June 14, 1941, and Ex. Order 8832, July 26, 1941; Regulations, April 10, 1940, as amended June 14, 1941, and ฮัu1y 26, 1941.

[^11]:    1/ Of the annual quota of 100,000 for these articles which may be entered, or withdrawn from warehouse, for consumption in the twelvemonth period commencing December 1, 1941, not more than 70,000 may be imported from Canada, nor more than 30,000 from all other foreign countries, but not to exceed 25 percent of these quotas during any month.

[^12]:    4 Part 231 ; - Sec. $5(\mathrm{~B}), 40$ Stat. 415 and $966 ;$ Sec. 2, 48 Stat. $1 ; 54$ Stat. 279; Ex. Oxder 8389 , April 10, 1940, as manded by Ex. Order 8785, June 14,1941 , and Ex. Ordor 8832, July 26, 1941; Rogulattons, Apri2. 10, 1940, as anended June 14, 194, wnd July 26, 1941, Ex. Order 8963, December 9, 1941.

[^13]:    * Part 131; - Sec. 5(b), 40 Stat. 415 and 966 ; Sec. 2,48 Stat. 1; 54 Stat. 179; Ex. Order 8389, April 10, 1940, az amended by $\mathbb{\text { Ex. Order } 8 7 8 5 \text { , June }}$ 14,1941 , and Kx. Order 8832, July 26, 1941; Regulations, Apri1 10, 1940, as amended June 14, 1941, and July 26, 1941; Bx. Order 8963, December 9, 1941.

[^14]:    W Part 131; - See. 5(b), 40 Stat. 415 and 966 s See. 2, 48 stat. It 54 stat. 179\% Ex. Order 8389, April 10, 1940, as amended by Ex. Order 8785, June 14, 1941. Ex. Order 8832, July 26, 1941, and Ex. Order E9es, Decomber 9, 1941, Reguletionm, Agril 10, 1940, as smended June 14, 1941, and July 26, 2941.

