U.S. Treasury Dept.

Press Releases

TREASURY DEPARTMENT
Washington

FOR IMMEDIATE RELEASE
Friday, December 12, 1941

Press Service
No. 29-0

Suspension of visiting hours by the Bureau of the Mint and the Bureau of Engraving and Printing for the duration of the war was announced today by the Treasury. The main Treasury building in Washington is also closed to visitors.

Under the order the following institutions are included:

Bureau of Engraving and Printing, Washington.

United States Gold Depository, Fort Knox, Kentucky.

United States Silver Depository, West Point, New York.

United States Mints at Philadelphia, Pennsylvania; San Francisco, California; and Denver, Colorado.

United States Assay Offices at New York, New York, and Seattle, Washington.

Guards formerly used to escort visitors through the buildings will be retained to augment present forces.

United States soldiers and marines and local police departments are co-operating with Treasury patrols in guarding the various buildings.

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TREASURY DEPARTMENT
Washington

FOR IMMEDIATE RELEASE,
Saturday, December 13, 1941

Press Service

The President today issued a general license under section 3 (a) of the Trading with the enemy Act permitting any transaction which the Secretary of the Treasury licenses under the freezing control orders.

With the outbreak of the present war, section 3(a) of the Trading with the enemy Act became effective. This section prohibits any person from trading with enemy unless authorized by the President. As a consequence banking and business institutions throughout the country refused to put through transactions because they might involve German, Italian or Japanese interests.

The Treasury Department already controls transactions involving German, Italian or Japanese interests under the freezing orders. Today's action by the President integrates the licensing procedure under section 3(a) of the Trading with the enemy Act with that of the Treasury Department under freezing control. The new general license provides that transactions which the Secretary of the Treasury licenses under the freezing control orders may be effected without regard for the provisions of section 3(a) of the Trading with the enemy Act.

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TREASURY DEPARTMENT
Washington

FOR IMMEDIATE RELEASE,
Saturday, December 13, 1941

Press Service
29-OA

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GENERAL LICENSE UNDER SECTION 3(a)

of the

TRADING WITH THE ENEMY ACT

By virtue of and pursuant to the authority vested in me by sections 3 and 5 of the Trading with the enemy Act, as amended, and by virtue of all other authority vested in me, I, FRANKLIN D. ROOSEVELT, PRESIDENT of the UNITED STATES OF AMERICA, do prescribe the following:

A general license is hereby granted licensing any transaction or act prohibited by section 3(a) of the Trading with the enemy Act, as amended, provided, however, that such transaction or act is authorized by the Secretary of the Treasury by means of regulations, rulings, instructions, licenses or otherwise, pursuant to Executive Order No. 8389, as amended.

FRANKLIN D. ROOSEVELT

THE WHITE HOUSE

December 13, 1941.

H. Morgenthau, Jr.
Secretary of the Treasury

Francis Biddle
Attorney General of the United States

TO: Mr. Schwarz

Secretary says to get Sullivan's and Paul's initials on this and then let it go

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From: LIEUT. STEPHENS

29-1

For Immediate Release

Secretary Morgenthau announced today that Randolph Paul, New York attorney and Sterling lecturer on taxation at Yale University School of Law, has been consulting with him and other Treasury officials as a tax adviser. He said that Mr. Paul will be appointed Tax Adviser to the Secretary with the technical status of Assistant to the Secretary to devote his full time to such work as soon as his personal affairs can be arranged. ~~next month~~.

Mr. Paul, a member of the firm of Lord, Day and Lord, is a graduate of Amherst College and the New York Law School. He was admitted to the bar in New York in 1914 and in New Jersey the following year. He is a Class C director of the Federal Reserve Bank of New York.

Mr. Paul is the author of three series of "Studies in Federal Taxation," published in 1937, 1938 and 1940, of "Federal Estate and Gift Taxation," soon to be published by Little, Brown and Company, and is coauthor of "Law of Federal Income Taxation," published in 1934.

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TREASURY DEPARTMENT
Washington

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Friday, December 12, 1941.

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TREASURY DEPARTMENT
Washington

FOR IMMEDIATE RELEASE,
~~Friday~~, December ~~12~~, 1941.
Saturday 13

Press Service
No. 29-2

The Treasury received on December 11, 1941, from the Government of Hungary, $19,656.32 in cash as a payment on account of the funded indebtedness of the Hungarian Government to the United States.

Since December 15, 1937, the Hungarian Government has been making semiannual payments of $9,828.16 on account of its relief indebtedness to the United States. No payment had been made, however, as of June 15, 1941, and the present payment of $19,656.32 represents the amount payable under this practice for June 15, 1941 and December 15, 1941.

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TREASURY DEPARTMENT
Washington

FOR IMMEDIATE RELEASE,
Saturday, December 13, 1941.

Press Service
No. 29 - 2

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TREASURY DEPARTMENT
Washington

FOR IMMEDIATE RELEASE,
Monday, December 15, 1941.

Press Service
No. 29-3

The Treasury Department today further relaxed to some extent and under appropriate safeguards the tight restrictions which had been placed upon Japanese residing in this country. It will be remembered that on the outbreak of war the Treasury, as a precautionary measure, placed a complete stoppage on all Japanese financial and commercial transactions and took custody of many Japanese enterprises.

On December 11, the Treasury issued 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.

The general license issued today by the Treasury unblocks the accounts of Japanese nationals who have resided continuously within the continental United States since June 17, 1940 and permits business enterprises within the continental United States owned and controlled by such Japanese nationals to continue to operate, except in those cases in which Treasury representatives are maintained on the premises or an official Treasury notice is posted indicating that such premises are under Government control. It is anticipated that Treasury representatives and posted notices will be removed from the premises of many Japanese enterprises in which they are now maintained, thus allowing such enterprises to resume normal operations under such general license. It is further anticipated that special business operating licenses will be issued to many Japanese enterprises in which Treasury representatives are continued to be maintained allowing such enterprises to operate under Government surveillance.

Representatives in this country of concerns located abroad or owned and controlled by persons located abroad are excluded from the privileges of the general license.

The Japanese nationals who are given the benefits of today's license are subjected to certain reporting requirements and other restrictions which will constitute safeguards against the abuse of such benefits.

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TREASURY DEPARTMENT
Office of the Secretary
December 15, 1941.

GENERAL LICENSE NO. 68A
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:

(a) Licensing as a generally licensed national any individual who is a national of Japan and who has been residing only in the continental United States at all times on and since June 17, 1940, and

(b) Licensing as a generally licensed national any partnership, association, corporation or other organization within the continental United States which is a national of Japan solely by reason of the interest therein of a person or persons licensed as generally licensed nationals pursuant to this general license.

(2) This general license shall not be deemed to license as a generally licensed national:

(a) Any individual, partnership, association, corporation or other organization on the premises of which the Treasury Department maintains a representative or guard or on the premises of which there is posted an official Treasury Department notice that the premises are under the control of the United States Government, or

(b) Any bank, trust company, shipping concern, steamship agency, or insurance company, or

* 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, Ex. Order 8832, July 26, 1941, and Ex Order 8963, December 9, 1941; Regulations, April 10, 1940, as amended June 14, 1941, and July 26, 1941.

(c) Any person who, on or since the effective date of the Order, has represented or acted as agent for any person located outside the continental United States or for any person owned or controlled by persons located outside the continental United States, or

(d) Any person who on or since the effective date of the Order has acted or purported to act directly or indirectly for the benefit or on behalf of any blocked country, including the government thereof, or any person who is a national of Japan by reason of any fact other than that such person has been domiciled in, or a subject or citizen of, Japan at any time on or since the effective date of the Order.

(3) A report on the appropriate series of Form TFR-300 shall be filed with the appropriate Federal Reserve Bank within 30 days after the date hereof with respect to the property interests of every person licensed herein as a generally licensed national if the total value of the property interests to be reported is $1,000 or more.

(4) Every business enterprise licensed herein as a generally licensed national shall also file with the appropriate Federal Reserve Bank within 30 days after the date hereof an affidavit setting forth the information required by Form TFBE-1, if the total value of all property interests of such business enterprise is in excess of $5,000.

(5) Banking institutions within the United States effecting payments, transfers or withdrawals in excess of $1,000 during any month for the account of any person licensed as a generally licensed national hereunder, shall file promptly with the appropriate Federal Reserve Bank a report showing the details of such transactions.

(6) This general license shall not authorize any transaction which, directly or indirectly, substantially diminishes or imperils the assets within the continental United States of any national of Japan or otherwise prejudicially affects the financial position of such national within the continental United States.

(7) As used in this general license, the term "business enterprise" shall mean any individual proprietorship, partnership, association, corporation or other organization engaged in commercial or other business activities within the continental United States.

E. H. Foley, Jr.

Acting Secretary of the Treasury.

release

See memo to Mr. Wilson

No. 96

December 15, 1941.

FOR IMMEDIATE RELEASE

WASHINGTON, D. C. The Treasury Department today (December 15) announced plans for an organization of RADIO MINUTE MEN in connection with the Defense Bond and Stamp campaign. The promotion, set up on a nation-wide basis, will consist of one-minute talks by RADIO MINUTE MEN on all Treasury Department radio programs each week, on nationally sponsored network programs and on all local radio stations throughout the country.

The Treasury Department is asking a group of outstanding nationally known Americans to act as Minute Men on network broadcasts. Representing the Treasury, they will speak one minute on various programs, urging the purchase of Defense Bonds and Stamps.

Radio Minute Men will also be selected in each city in the country to make one minute speeches over local radio stations. They will include prominent citizens, and representatives from all walks of life. Organization of the local RADIO MINUTE MEN will be handled by State Defense Savings Committees throughout the country.

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December 15, 1941

Mr. Arthur E. Wilson
Chief, Division of Savings Bonds
Treasury Department

There is attached hereto Release No. 96, of which it is requested that 100 copies be mimeographed and delivered to Mr. McCarty, 608 Sloane Building.

The mailing order on this release is as follows:

Press Mailing List No. 1
~~Press Mailing List No. 2~~
~~Daily Newspapers~~

Eugene W. Sloan
Executive Director
Defense Savings Staff

SPECIAL—RUSH

Defense Savings Staff
Newspaper release

Attached release

MMc

For release to: See memo to Mr. Wilson

Approved VFC
VINCENT F. CALLAHAN

EWS 12/15
EUGENE W. SLOAN

F.K.
FERDINAND KUHN, JR.

HAROLD N. GRAVES

Time Date

Time Date

No. 96

29-4

December 16, 1941.

FOR IMMEDIATE RELEASE

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DEFENSE SAVINGS STAFF

TREASURY DEPARTMENT

WASHINGTON

29-4

December 15, 1941

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Chief, Division of Savings Bonds
Treasury Department

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EWS

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Executive Director
Defense Savings Staff

TREASURY DEPARTMENT
Washington

FOR IMMEDIATE RELEASE,
Tuesday, December 16, 1941.

Press Service
No. 29-4

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TREASURY DEPARTMENT

Washington

FOR RELEASE, MORNING NEWSPAPERS,
Tuesday, December 16, 1941.
12/15/41

Press Service
29-5

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 17, 1941, and to mature March 18, 1942, which were offered on December 12, were opened at the Federal Reserve Banks on December 15.

The details of this issue are as follows:

Total applied for - $382,650,000
Total accepted - 150,040,000

Range of accepted bids: (Excepting two tenders totaling $80,000)

High	- 99.950	Equivalent	rate	approximately	0.198	percent
Low	- 99.919	"	"	"	0.320	"
Average price	- 99.925	"	"	"	0.295	"

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

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TREASURY DEPARTMENT
Washington

FOR RELEASE, MORNING NEWSPAPERS,
Tuesday, December 16, 1941.
12/15/41

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TREASURY DEPARTMENT
Washington

(The following address by SECRETARY MORGENTHAU before the first national meeting of the Defense Savings Organization is scheduled to be delivered in Chicago, Illinois, at 2:00 p.m., Central Standard Time, Wednesday, December 17, 1941, and is for release upon delivery at that time.)

This nation of ours has had a shock, but it is wiser and stronger for having had it. Every one of us must be conscious today of a clearer vision and a deeper understanding than we had two weeks ago. The bombs on Pearl Harbor have destroyed much more than what the censors would call "military objectives". They have ripped our complacency to shreds. They have blasted the old comfortable belief that the wide oceans could save us from harm. They have blown away the notion that brutality and deceit and murder in another part of the world could never touch us in ours.

We now know, or ought to know, that this whole world struggle is our war, just as much as it was to the people of Chungking or Warsaw in 1939, or to the people of Rotterdam or London in 1940, or to the people of Athens and Moscow in 1941. We now know, or ought to know, that there can be no half way method of fighting an attempt to dominate the entire earth. We now know, or ought to know, that this total war will require total effort on our part, with everything we have and everything we are, with all our resources pledged to final and decisive victory.

We in this room, the men and women who direct the Defense Savings Organization in the 48 States, have been working hard for many months to mobilize our financial resources in the form of the people's savings. But we have, I think, done more than that.

Since the very inception of the Defense Savings program, it has been one of our major objectives to give the American people a sense of their own direct and inescapable involvement in this great battle for our way of life. We have tried to make them realize that they were not isolated and could not be isolated from a struggle that would shape the future of everyone on this planet. We have tried to give the American people a greater pride in their own country and a greater awareness of the dangers that face them. We have tried to give every man, woman and child in this country a sense of direct participation in its defense, a feeling that there is something for everyone to do in a great effort from which everyone will benefit in the end.

Looking back over the past eight months, I think we can all be proud of what has been accomplished. I believe in all sincerity that the devoted work of the Defense Savings staff and all our thousands of volunteer workers throughout the country has helped greatly to crystallize American opinion. I believe that the response to the bombs at Pearl Harbor was deep and wide and immediate partly because of our groundwork in the Defense Savings program.

We have given to millions a new sense of being partners of their Government, of having a direct share in America and in American freedoms. To me, it is an achievement of far greater proportions than the raising of the more than 2 billion dollars which have rolled into the Treasury since the Defense Bonds first went on sale in May.

Now that we have cleared the decks for action, it is up to us to follow through, and that is the main purpose of my being here with you today. We must follow through, not only in terms of a few million individuals or a couple of billion dollars, but by a determined effort to reach every individual in this country. For total wars are peoples' wars; and in this total war that has spread around the globe, the battlefront now reaches into every factory and every home.

There is no exemption for any group or any section. The Nazis and the Japanese make no exceptions in their conquests. The bombs that fell at Pearl Harbor were aimed straight at every one of us, and whatever the Nazis may attempt in the Atlantic will be aimed at every one of us. We are all in this war together.

Not all of us can pilot a bombing plane or fire a gun from the deck of a battleship. Those of us who are too old or too young to get into uniform will be asked to work longer hours and pay heavier taxes and do without many of our accustomed comforts; but in this Defense Savings effort we are not even being asked to give our money. We are just being asked to lend our money to the Government, to invest our savings for victory. That, it seems to me, is a call to which everyone will want to respond. We will want to do it to the very limit of our ability. We, the people, want to show that we are ready and eager to be of some service to our country.

It has given me real encouragement to be told that you of the Defense Savings Organization have been discussing detailed plans for intensifying and widening our effort, and that you have shown so much enthusiasm in these meetings. Our problem, as you all know, is one of financing the enormously expanding cost of the war while avoiding the immense and dangerous evils of inflation. I have said right here in Chicago, in a talk to the American Bankers Association, that we are in reality fighting two wars -- one, the great struggle on all the continents and all the oceans, and the other the war against an insidious enemy here at home. That enemy is inflation. It creeps up on us as stealthily as a thief in the dark. As the President has said, inflation is a form of taxation that takes no account of the ability to pay and strikes directly at the American standard of life. Our job, therefore, is a double one, and in this renewed effort to which we of the Defense Savings staff must now dedicate ourselves, we must make sure that we deal effectively with both enemies.

For that reason, it seems to me, our major effort now must be directed particularly at those in all walks of life who receive regular pay from wages and salaries. Inflation feeds on current income, rather than on the money that now rests in the vaults of savings banks. It may seem heartless to speak of excess spending on the part of millions of people in the middle and low income groups; but in wartime, in the face of a limited and dwindling supply of civilian goods, there is such a thing. In wartime, excess spending means the buying of any commodity that we can safely do without. Therefore, the most effective course for us, as we have known from the very beginning, has been to enlist current income and to divert excess spending, to persuade our people to set aside a part of their pay every pay day in Defense Bonds and Stamps.

Let's now make every pay day Bond Day. And when I speak of regular investment every pay day, I am speaking not only of the millions of factory workers, not only of the teachers and accountants, the clerks and civic employees who live on regular salaries, but also of the farmers who are earning solid incomes for the first time in many years and who will be the first to suffer if we allow inflation to get out of hand.

All these are the people we must reach, with a determined effort that will have an impact in Berlin and Rome and Tokyo, an effort that will give new heart and courage to the free peoples who are fighting on our side everywhere.

I have been asked many times whether we have a goal, a quota for the United States. I have always avoided answering with a money figure because I have been much more interested, firstly, in reaching vast numbers of individuals, and, secondly, in absorbing current income rather than accumulated savings in the banks. But I will tell you now what my goal is, what our goal shall be and must be. It is to reach quickly, within the next few months, every single recipient of regular current income in the United States, and to have every one of these 35 million people setting aside some part of their pay regularly within the shortest possible time. And when I say "some part of their pay," I am not thinking merely of a token contribution. I mean a real investment, the very limit that each person can afford without actually taking food and other necessities from himself and his family.

When this meeting ends, I hope that this organization will set to work in every State and every community, throughout this great front line of freedom that is the United States, with the same devotion and determination that is now being shown by the men in our fighting forces.

I have complete confidence in the ability of this great group to reach the goal I have set for you today. We have been more than fortunate in the men and women who have rallied to our help since the first of May in all parts of the country. It has been a truly thrilling experience for me as Secretary of the Treasury to see the superb cooperation we have had from labor and industry, from Republicans and Democrats, from foreign-born and American-born, from all the assorted groups and nationalities of which this united American people is composed.

I am genuinely glad to see all our State leaders assembled here in one room, and to thank them and their volunteer helpers on behalf of their Government for the work they have already done.

Now that the greater and more insistent call has come, we are ready to meet it. Our organization has been set up, our people are hard at work, our country knows what Defense Bonds are and what they do. It is up to each and every one of us to do our part.

Our fighting men in the Philippines and Iceland, in Hawaii and Wake and Midway, in all the posts of danger on all the seven seas, are looking to us to supply them with the planes and guns they need. The whole country is looking to us, right here in this room, to raise billions of dollars to win this war -- and let none of our enemies make any mistake about it, we are going to win it. Our allies in all continents, who have been fighting our battle with our common enemy for long, hard years, are looking to us, and also the oppressed peoples in the conquered lands who are now living in darkness -- they, too, are looking to us to sweep that darkness away.

It is by far the greatest test and the grandest opportunity that has ever come to our country. We in this room must prove ourselves worthy of that challenge. The words that Winston Churchill addressed to his own people a year ago can now be applied to ours: let us so bear ourselves that if these United States should last for a thousand years, men will still say, "This was their finest hour."

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TREASURY DEPARTMENT
Washington

FOR IMMEDIATE RELEASE,
Tuesday, December 16, 1941.

Press Service
No 29-7

The Secretary of the Treasury today announced the final subscription and allotment figures with respect to the current offering of 2 percent Treasury Bonds of 1951-55 and 2-1/2 percent Treasury Bonds of 1967-72. Subscriptions for $5,000 or less where the subscribers specified that delivery be made in registered bonds 90 days after the issue date were allotted in full, $13,800,850 for the Treasury Bonds of 1951-55, and $26,043,450 for the Treasury Bonds of 1967-72. ~~In addition to the amount allotted on public subscriptions for the Treasury Bonds of 1967-72, $103,500 have been allotted to Government investment accounts, within the $50,000,000 reservation~~.

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

Federal Reserve District	2% Bonds of 1951-55 Total subscriptions received	2% Bonds of 1951-55 Total subscriptions allotted	2-1/2% Bonds of 1967-72 Total subscriptions received	2-1/2% Bonds of 1967-72 Total subscriptions allotted
Boston	$ 343,340,850	$ 38,273,800	$ 637,834,450	$ 96,686,700
New York	2,242,647,450	248,727,950	3,433,309,300	520,875,900
Philadelphia	272,261,950	30,835,900	441,752,800	69,103,850
Cleveland	319,816,050	35,781,950	400,009,850	61,176,950
Richmond	164,714,650	19,063,100	252,414,250	39,400,700
Atlanta	182,288,250	20,680,300	255,674,400	~~39,180,500~~ 39,173,300
Chicago	537,042,950	61,489,150	672,230,950	103,897,250
St. Louis	114,617,300	13,847,400	153,192,050	24,673,450
Minneapolis	64,802,350	8,332,900	122,166,450	19,642,450
Kansas City	84,841,550	10,603,150	118,588,100	19,475,400
Dallas	107,621,250	12,257,750	148,225,550	22,989,850
San Francisco	280,768,550	31,363,100	336,961,400	51,467,900
Treasury	13,135,000	1,461,400	6,834,400	1,035,600
Government Investment Accounts				~~103,500~~
TOTAL	$4,727,898,150	$532,717,850	$6,979,193,950	~~$1,069,710,000~~ 1,069,702,800

DWB

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TREASURY DEPARTMENT
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Cleveland	319,816,050	35,781,950	400,009,850	61,176,950
Richmond	164,714,650	19,063,100	252,414,250	39,400,700
Atlanta	182,288,250	20,680,300	255,674,400	39,173,300
Chicago	537,042,950	61,489,150	672,230,950	103,897,250
St. Louis	114,617,300	13,847,400	153,192,050	24,673,450
Minneapolis	64,802,350	8,332,900	122,166,450	19,642,450
Kansas City	84,841,550	10,603,150	118,588,100	19,475,400
Dallas	107,621,250	12,257,750	148,225,550	22,989,850
San Francisco	280,768,550	31,363,100	336,961,400	51,467,900
Treasury	13,135,000	1,461,400	6,834,400	1,035,600
Government Investment Accounts				103,500
TOTAL	$4,727,898,150	$532,717,850	$6,979,193,950	$1,069,702,800

The Harris Trust and Savings
Bank of Chicago, Ill., showed
a 621 per cent increase. Sales there
totaled $184,825 for the first week
of war as against $25,650 during
the preceding week

SPECIAL—RUSH

Defense Savings Staff
Newspaper release

Attached Release No. 100

For release to: See memo to Mr. A.E.Wilson.

~~For Immediate Release, Tuesday, December 16, 1941.~~

Approved VINCENT F. CALLAHAN Time Date

EUGENE W. SLOAN

F.K.
FERDINAND KUHN, JR.

HAROLD N. GRAVES Time Date

Release No. 100

December 16, 1941.

~~FOR IMMEDIATE RELEASE~~

Press Service
No 29-8

WASHINGTON, D. C. -- ~~Bank (and Post Office) figures~~ Figures covering sales by Banks released today (Tuesday, December 16) by the Treasury, disclosed ~~disclosed that patriotic Americans during the first week of the war~~, during the first week of war, bank figures, ~~boosted~~ sale of Defense Savings Bonds ~~to~~ reached an all-time high.

A spot check of representative banks in 45 of the nation's key cities, made for the Treasury by the American Bankers Association, showed Defense Bond sales during America's first week of war effort against the Axis powers increased 177 percent. ~~(Post offices in 90 major cities reported Defense Bond sales jumped 152 percent.)~~

This ~~tremendous~~ wave of Bond buying reflected itself in all sections of the nation. Motivated by Japan's attack on Pearl Harbor and by the declaration of War against the Axis, Defense Bond sales were on the increase everywhere. At Palm Beach, Fla., the First National Bank reported Bond sales of $50,550, an increase of 8,691 per cent over the $575 worth of Bonds sold in the week before the war started. The Union Trust Company of Baltimore, Md., showed the war increased Bond sales there 3,477 percent.

~~A table, showing the percentage of increase~~ ~~Bond sales in 45 representative banks canvassed by the American Bankers Association, follows:~~

Six banks in Washington, D.C., reported a jump of 159 per cent with sales increasing from $366,175 to $949,325. In Los Angeles, the Security-First National Bank showed Bond sales increased from $316,000 the week before war started, to $1,750,000 in the first six days of war, a 454 per cent gain.

29-8

Chic Trib
Chic Sun

~~Washington, D.C.~~ Sale of Defense Savings Bonds was boosted to an all-time high during the first week of war, bank figures released today ~~(Tuesday, December 16)~~ by the Treasury Department revealed.

TREASURY DEPARTMENT
Washington

FOR IMMEDIATE RELEASE,
Tuesday, December 16, 1941.

Press Service
No. 29-8

Sale of Defense Savings Bonds was boosted to an all-time high during the first week of war, bank figures released today by the Treasury Department revealed.

A spot check of representative banks in forty-five of the nation's key cities, made for the Treasury by The American Bankers Association, showed Defense Bond sales during America's first week of war effort against the Axis powers increased 177 percent.

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-oOo-

TREASURY DEPARTMENT

Washington

FOR IMMEDIATE RELEASE,
Wednesday, December 17, 1941.

Press Service
No. 29-9

Secretary Morgenthau has appealed to American railroad workers to invest immediately in Defense Savings Bonds the $75,000,000 they will receive from the railroads in lump sum settlement of wage increases dating back to last September 1.

The Secretary's appeal was made in letters to J. G. Luhrsen, executive secretary of the Railway Labor Executives Association, and A. F. Whitney, president of the Brotherhood of Railroad Trainmen. They were written in response to Mr. Luhrsen's telegraphed pledge to the Secretary of "unreserved support of the Victory program," and a letter from Mr. Whitney offering "all-out support" from the Trainmen, an independent organization.

Mr. Luhrsen assured the Secretary that one million railroad workers included in the twenty unions affiliated with his association, would invest regularly a part of their earnings, now increased by $300,000,000 annually through the wage settlement, in Defense Savings Bonds. Leaders of the member unions "are now engaged in formulating plans on a nation-wide basis...for the systematic purchase" of Defense Savings Bonds and Stamps through voluntary payroll allotment plans, Mr. Luhrsen said.

To both Mr. Luhrsen and Mr. Whitney, whose union has about 150,000 members, the Secretary suggested that immediate investment of accrued back wages would " finance the building of a fleet of heavy bombers or a battleship...as a direct and effective contribution to the victory which this nation has set itself to win."

Mr. Morgenthau also urged that every railroad worker take part in the systematic savings plan offered by voluntary payroll allotments, as the easiest method for giving "continuous support to the national war effort."

-oOo-

Release No. 99

Mr. Morgenthau also urged that every railroad worker take part in the systematic savings plan offered by voluntary payroll allotments, as the easiest method for giving "continuous support to the national war effort."

CP2

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SPECIAL—RUSH

Defense Savings Staff
Newspaper release

Attached Release No. 99

For release to: See memo to Mr. Wilson

Approved ______ VINCENT F. CALLAHAN Time ______ Date ______

AWS 12/16

______ EUGENE W. SLOAN

F. K.
______ FERDINAND KUHN, JR.

WMc

______ HAROLD N. GRAVES Time ______ Date ______

~~Release No. 99~~
~~December 16, 1941~~ 29-9

FOR IMMEDIATE RELEASE

WASHINGTON, D. C. -- Secretary Morgenthau has appealed to American railroad workers to invest immediately in Defense Savings ~~An appeal for immediate investment in Defense Savings~~ Bonds ~~by railroad workers of~~ the $75,000,000 they will receive from the railroads in lump sum settlement of wage increases dating back to last Sept. 1. ~~has been issued by Secretary Morgenthau.~~

The Secretary's appeal was made in letters to J. G. Luhrsen, executive secretary of the Railway Labor Executives Association, and A. F. Whitney, president of the Brotherhood of Railroad Trainmen. They were written in response to Mr. Luhrsen's telegraphed pledge to the Secretary of "unreserved support of the Victory program," and a letter from Mr. Whitney offering "all-out support" from the Trainmen, an independent organization.

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~~(more)~~

DEFENSE SAVINGS STAFF

TREASURY DEPARTMENT

WASHINGTON

December 16, 1941

Mr. Arthur E. Wilson
Chief, Division of Savings Bonds
Treasury Department

There is attached hereto Release No. 99, of which it is requested that 100 copies be mimeographed and delivered to Mr. McCarty, 608 Sloane Building.

The mailing order on this release is as follows:

Press Mailing List No. 1
Press Mailing List No. 2
Labor Lists 1A, 1B, 1C
2A, 2B, 2C

Eugene W. Sloan
Executive Director
Defense Savings Staff

SPECIAL—RUSH

Defense Savings Staff
Newspaper release

Approved ____________ Time ________ Date ________
VINCENT F. CALLAHAN

EWS 12/16
EUGENE W. SLOAN

F.K.
FERDINAND KUHN, JR.

____________ Time ________ Date ________
HAROLD N. GRAVES

Attached ~~Release No. 101~~

MM

For release to: See memo to Mr. Wilson

Release ~~No. 101~~ 29-10

December 16, 1941

FOR IMMEDIATE RELEASE

WASHINGTON, D. C. -- The Authors' League of America today ~~(Tuesday, December 16)~~ notified the Treasury Department that the League has formed an Advisory Committee to cooperate in promoting the National Defense Savings Program.

Howard Lindsay, League president, said that Rex Stout, author of the popular "Nero Wolfe" stories, would serve as chairman of the Advisory Committee. Members of the committee are Pearl S. Buck, whose "The Good Earth," was the 1932 Pulitzer prize-winning novel; Russel Crouse, Broadway playwright, Clifton Fadiman, book reviewer for The New Yorker magazine and radio master of ceremonies for "Information Please," and John P. Marquand, whose "H. M. Pulham, Esq.", is a current best seller.

"We think it peculiarly in the interest of the writer, who can function only in a free country, to do all we can to mobilize American men and women in the job we have to do," Mr. Stout said. "We shall ask the writers of the country to employ all their talents in urging all citizens to help win the war by the regular purchase of Defense Savings Bonds and Stamps to the limit of their ~~capabilities.~~ capacity."

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CP

DEFENSE SAVINGS STAFF

TREASURY DEPARTMENT

WASHINGTON

December 16, 1941

Mr. Arthur E. Wilson
Chief, Division of Savings Bonds
Treasury Department

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Press Mailing List No. 1
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Eugene W. Sloan
Executive Director
Defense Savings Staff

TREASURY DEPARTMENT

Washington

FOR IMMEDIATE RELEASE,
Wednesday, December 17, 1941.

Press Service
No. 29-10

The Authors' League of America today notified the Treasury Department that the League has formed an Advisory Committee to cooperate in promoting the National Defense Savings Program.

Howard Lindsay, League president, said that Rex Stout, author of the popular Nero Wolfe stories, would serve as chairman of the Advisory Committee. Members of the Committee are Pearl S. Buck, whose " The Good Earth," was the 1932 Pulitzer prize-winning novel; Russel Crouse, Broadway playwright; Clifton Fadiman, book reviewer for the New Yorker magazine and radio master of ceremonies for "Information Please," and John P. Marquand, whose "H. M. Pulham, Esq.", is a current best seller.

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TREASURY DEPARTMENT

Washington

FOR IMMEDIATE RELEASE,
Wednesday, December 17, 1941.

Press Service
No. 29-11

The Bureau of Internal Revenue has ruled that the option to charge to expense intangible drilling and development costs incurred by oil and gas operators include amounts paid to an independent contractor for the drilling of a well under a footage contract in which the consideration is fixed at a stated amount per foot drilled, unless the contract is a "turnkey" one.

A "turnkey" contract, it was explained, is one that requires the driller to furnish all labor and materials needed for the completion of the well.

The option referred to is found in Section 19.23(m)-16(1) of Regulations 103 relating to the Federal income tax.

In an opinion expressed by the Chief Counsel of the Bureau, controlling decisions of the United States Board of Tax Appeals were construed as holding that amounts paid to a contractor under a turnkey contract must be capitalized even though the agreed consideration is a stated amount per foot drilled.

A footage contract is defined to include a contract to drill a stated number of feet for a lump sum consideration as the price per foot can be precisely determined in such a case.

The opinion states that payments to a contractor under a contract that is neither a turnkey nor a footage contract are capital expenditures if the contractor is an independent contractor; but may be charged to expense under the option if the contractor is an employee or agent of the operator rather than an independent contractor.

The opinion reviews a number of pertinent Board decisions including I. Rudman, 36 B.T.A. 803, Retsal Drilling Company, 42 B. T. A. 1057, and W. D. Ambrose, 42 B.T.A. 1405.

The opinion will be published in the Internal Revenue Bulletin in the near future.

-oOo-

Please have 10 copies forwarded to Miss Henry, Room 404, Wilkins Bldg., 1512 H. St., N. W.

afternoon

29-12

PRESS RELEASE
Thurs. Dec 18,

The Bureau of Customs announced today that preliminary reports from the collectors of customs show imports of 40,703 head of Canadian cattle weighing 700 pounds or more each (other than cows imported specially for dairy purposes), during the period October 1 to December 6, 1941, inclusive, under the tariff rate quota for the fourth quarter of the calendar year 1941, provided for in the trade agreement with Canada.

The President's proclamation signed November 30, 1940, provided that not more than 51,720 head of this class of cattle, the produce of Canada, entered, or withdrawn from warehouse, for consumption in any calendar quarter year during 1941 shall be entitled to the reduced rate of duty of 1-1/2 cents per pound provided in the trade agreement.

During the period December 18 to 31, 1941, inclusive, the collectors of customs have been instructed to collect estimated duties at 3 cents per pound, the full rate of duty under paragraph 701 of the Tariff Act of 1930, on this class of Canadian cattle entered or withdrawn for consumption pending fulfillment of the quota for the fourth quarter of 1941. Excessive duties deposited on imported cattle of this class found to be within the quarterly quota will be refunded.

(Prepared - Appeals and Protests (Quota Unit)
Bureau of Customs)

WH Henry

TREASURY DEPARTMENT
Washington

FOR RELEASE, MORNING NEWSPAPERS,
Thursday, December 18, 1941.
12/17/41

Press Service
No. 29-12

The Bureau of Customs announced today that preliminary reports from the collectors of customs show imports of 40,703 head of Canadian cattle weighing 700 pounds or more each (other than cows imported specially for dairy purposes), during the period October 1, to December 6, 1941, inclusive, under the tariff rate quota for the fourth quarter of the calendar year 1941, provided for in the trade agreement with Canada.

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TREASURY DEPARTMENT
Washington

FOR IMMEDIATE RELEASE,
Thursday, December 18, 1941.

Press Service
No. 29-13

Commissioner of Internal Revenue Guy T. Helvering announced that certain income and excess profits tax liabilities of the Associated Gas & Electric System and of Howard C. Hopson and various companies organized by Hopson were compromised and settled today in the office of the Collector of Internal Revenue for the Second New York Collection District in New York City in the amount of $8,957,120.98.

The liabilities were represented by jeopardy assessments and other deficiencies in tax later determined against Hopson and his affiliated organizations for the years 1915 to and including 1940; and by an unpaid balance of $5,700,000, plus interest, due from the System under a compromise agreement entered into on July 5, 1939 (covering the taxable years 1927 to and including 1933).

Reorganization proceedings under Chapter X of the Bankruptcy Act involving the System have been pending before Judge Vincent L. Leibell in the United States District Court for the Southern District of New York since the early part of 1940. In January, 1941, Stanley Clarke, trustee of the Associated Gas & Electric Company, obtained a temporary restraining order forbidding further disposition of property belonging to the Hopson interests, including enforcement of collecting taxes due by the Hopson interests. Under the settlement this restraining order was set aside with prejudice; and in addition 78 cases pending before the United States Board of Tax Appeals involving tax liabilities of the Hopson interests were closed.

The sum of $6,619,337.15 was paid in cash at the closing today, the balance ($2,337,783.83) having been previously paid by the taxpayers. The amount of the settlement agreed upon was determined after numerous lengthy conferences between representatives of the proponents and representatives of the Treasury Department and the Department of Justice and was considered a fair settlement on an amicable basis of the controversies for the years in question.

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

Total quota, provided, however, that not more than 33-1/3 percent of the quotas shall be filled by cotton wastes other than card strips and comber wastes made from cottons of 1-3/16 inches or more in staple length in the case of the following countries: United Kingdom, France, Netherlands, Switzerland, Belgium, Germany and Italy:

(In Pounds)

Country of Origin	Established TOTAL QUOTA	TOTAL IMPORTS Sept. 20, 1941 to Dec. 6, 1941	Established 33-1/3% of Total Quota	Imports Sept. 20, 1941, to Dec.6,1941 1/
United Kingdom	4,323,457	434	1,441,152	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	-	12,853	-
Japan	341,535	-	-	-
China	17,322	-	-	-
Egypt	8,135	-	-	-
Cuba	6,544	-	-	-
Germany	76,329	-	25,443	-
Italy	21,263	-	7,088	-
Total	5,482,509	244,248	1,599,886	434

1/ Included in total imports, column 2.

-oOo-

HMorgenthau

Treasury Department
Washington

FOR IMMEDIATE RELEASE,
Thursday, December 18, 1941.

~~FOR THE PRESS BOARD~~

Press Service
No. 29-14

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 December 6, 1941, inclusive:**

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

(In Pounds)

Country of Origin	Staple length less than 1-1/8": Established Quota	Staple length less than 1-1/8": Imports Sept. 20, 1941, to December 6, 1941	Staple length 1-1/8" or more but less than 1-11/16": Established Quota	Staple length 1-1/8" or more but less than 1-11/16": Imports Sept. 20, 1941, to December 6, 1941
Egypt and the Anglo-Egyptian Sudan	783,816	-	43,451,566	6,683,532
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	210	435	-
Haiti	237	-	506	6
Ecuador	9,333	9,333	-	-
Honduras	752	-	-	-
Paraguay	871	-	-	-
Colombia	124	-	-	-
Iraq	195	-	-	-
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	-	-	-
Total	14,516,882	9,759,507	45,656,420	8,739,869

1/ Other than Barbados, Bermuda, Jamaica, Trinidad, and Tobago.
2/ Other than Gold Coast and Nigeria.
3/ Other than Algeria, Tunisia, and Madagascar.

TREASURY DEPARTMENT
Washington

FOR IMMEDIATE RELEASE,
Thursday, December 18, 1941.

Press Service
No. 29-14

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Country of Origin	Staple length less than 1-1/8": Established Quota	Staple length less than 1-1/8": Imports Sept. 20, 1941, to December 6, 1941	Staple length 1-1/8" or more but less than 1-11/16": Established Quota	Staple length 1-1/8" or more but less than 1-11/16": Imports Sept. 20, 1941, to December 6, 1941
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Brazil	618,723	618,723	3,808	2
Union of Soviet Socialist Republics	475,124	-	-	-
Argentina	5,203	210	435	-
Haiti	237	-	506	6
Ecuador	9,333	9,333	-	-
Honduras	752	-	-	-
Paraguay	871	-	-	-
Colombia	124	-	-	-
Iraq	195	-	-	-
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	-
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Total	14,516,882	9,759,507	45,656,420	8,739,869

1/ Other than Barbados, Bermuda, Jamaica, Trinidad, and Tobago.
2/ Other than Gold Coast and Nigeria.
3/ Other than Algeria, Tunisia, and Madagascar.

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:

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Japan	341,535	-	-	-
China	17,322	-	-	-
Egypt	8,135	-	-	-
Cuba	6,544	-	-	-
Germany	76,329	-	25,443	-
Italy	21,263	-	7,088	-
Total	5,482,509	244,248	1,599,886	434

1/ Included in total imports, column 2.

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COMMISSIONER OF THE PUBLIC DEBT

Mr Schwarz

Mr Bell has approved the attached release

12/18/41

[illegible]

~~GPD~~
~~12/16/41~~

TREASURY DEPARTMENT
Washington

FOR IMMEDIATE RELEASE,
Thursday December 18, 1941

Press Service
No. 29-15

Secretary of the Treasury Morgenthau announced today that on and after January 1, 1942, the additional denomination of $25 (maturity value) of United States Savings Bonds of Defense Series F will be provided, the issue price of which will be $18.50. In explanation, Secretary Morgenthau ~~stated~~ said that as the sale of Defense Savings Bonds of Series E was restricted to individuals, many small associations found it difficult or impossible to participate in the Defense Savings program, as the smallest denomination of bond available for issue to them was the $100 denomination of Defense Series F. With the addition of this denomination, the participation of these small associations is assured.

Bonds of Defense Series F are 12-year bonds, issued on a discount basis, the issue price being 74 percent of their maturity value. If held to maturity the investment yield is 2.53 percent compounded semiannually. ~~Like the bonds of Series E,~~ These bonds are redeemable before maturity, at the option of owners, at fixed redemption values. Bonds of Defense Series F are issued only by the Federal Reserve Banks and the Treasury Department, but commercial banks generally will handle applications.

TREASURY DEPARTMENT
Washington

FOR IMMEDIATE RELEASE,
Thursday, December 18, 1941.

Press Service
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When the attached release has been mimeographed, please have 10 extra copies forwarded to Miss Henry, Quota Unit, Bureau of Customs, 404 Wilkins Bldg., 1512 H St., N. W.

N. P. Henry

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 quota will be refunded.

(Prepared - Appeals and Protests (Quota Unit)
Bureau of Customs)

29-16

PRESS RELEASE Morning
Dec. 19, 1941

The Bureau of Customs announced today that preliminary reports from the collectors of customs show imports of 1,807,909,065 gallons of crude petroleum, topped crude petroleum, and fuel oil the produce or manufacture of Venezuela entered, or withdrawn from warehouse, for consumption during the period January 1 to December 6, 1941, inclusive.

Under the terms of the President's proclamation of December 28, 1940, not more than 1,913,049,600 gallons the produce or manufacture of Venezuela 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 during the calendar year 1941. Such imports in 1941 in excess of the quota will be dutiable at the full rate of import tax of 1/2 cent per gallon.

In order to provide for the control of this quota the collectors of customs have been instructed that, effective December 22, 1941, entries and withdrawals for consumption covering Venezuelan petroleum and fuel oil 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

TREASURY DEPARTMENT
Washington

FOR RELEASE, MORNING NEWSPAPERS,
Friday, December 19, 1941.
12/18/41

Press Service
No. 29-16

The Bureau of Customs announced today that preliminary reports from the collectors of customs show imports of 1,807,909,065 gallons of crude petroleum, topped crude petroleum, and fuel oil the produce or manufacture of Venezuela entered, or withdrawn from warehouse, for consumption during the period January 1 to December 6, 1941, inclusive.

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-oOo-

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 24, 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

~~XLPXX~~

TREASURY DEPARTMENT

Washington

FOR RELEASE, MORNING NEWSPAPERS,
Friday, December 19, 1941.
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The Secretary of the Treasury, by this public notice, invites tenders for $150,000,000, or thereabouts, of 82-day Treasury bills, to be issued on a discount basis under competitive bidding. The bills of this series will be dated December 24, 1941, and will mature March 16, 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 22, 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

Nyy cs 29-17

TREASURY DEPARTMENT
Washington

FOR RELEASE, MORNING NEWSPAPERS,
Friday, December 19, 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 December 24, 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.

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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.

-oOo-

TO: Mr. D. W. Bell

Is this okay in this form? Secretary has approved, if you do

C

OK
DWB

From: MR. SCHWARZ

TO:

The Secretary

For approval, please. cd

12/

White
Bill
HMJr

From: MR. SCHWARZ

2-9-18

For immediate release
Sat., Dec 20, 1941

Secretary Morgenthau today announced that Harry D. White, Assistant to the Secretary, has been assigned full responsibility for all matters with which the Treasury has to deal that have a bearing on foreign relations.

Mr. White will act as liaison between the Treasury Department and the State Department, will serve in the capacity of adviser to the Secretary on all Treasury foreign affairs matters, and will assume responsibility for the management and operation of the Stabilization Fund without change in existing procedures.

H. Merle Cochran, who has been directing operations of the Stabilization Fund since September, 1939, has been recalled to his post of Foreign Service Officer in the State Department.

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HDW
by mess

TREASURY DEPARTMENT
Washington

FOR IMMEDIATE RELEASE,
Saturday, December 20, 1941.

Press Service
No. 29-18

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TREASURY DEPARTMENT
Washington

FOR IMMEDIATE RELEASE
Saturday, DEC 20 1941

Press Service
29-19

The Treasury Department today reinstated certain general licenses under the freezing order in their application to Japanese nationals. ~~It will be remembered that~~ on December 7, 1941, all general and specific licenses were revoked in so far as they concerned Japanese nationals.

Public Circular No. 8A, issued today, authorizes Japanese nationals to pay taxes and fees to the federal and state governments, to deposit their funds in blocked accounts in banks, and to engage in certain other limited types of financial transactions under proper safeguards.

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TREASURY DEPARTMENT
Washington

FOR IMMEDIATE RELEASE,
Saturday, December 20, 1941.

Press Service
No. 29-19

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-oOo-

TREASURY DEPARTMENT
Office of the Secretary
December 20, 1941.

PUBLIC CIRCULAR NO. 8A
UNDER EXECUTIVE ORDER NO. 8389, APRIL 10, 1940, AS AMENDED, AND REGULATIONS ISSUED PURSUANT THERETO, RELATING TO TRANSACTIONS IN FOREIGN EXCHANGE, ETC.*

All general licenses other than those listed below are hereby reinstated to the extent that they were revoked by Public Circular No. 8.

General License No. 56
General License No. 58
General License No. 59
General License No. 60
General License No. 61
General License No. 63
General License No. 65
General License No. 66
General License No. 68
General License No. 69
General License No. 75

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

*This public circular affects Parts 130 and 131 and will be included in appendices to those parts.
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, Ex. Order 8832, July 26, 1941, and Ex. Order 8963, December 9, 1941; Regulations, April 10, 1940, as amended June 14, 1941, and July 26, 1941.

TO:

Mr. D~~. W. Bell~~ Heffelfinger

Slightly changed and reorganized to prevent squelching those who really can afford to give and yet protect those who might be swept up by appeals to their emotions. Okay in this form?

Ok with me if you approve. Should Kuhn see it?

DWB

CS

WJ

From: MR. SCHWARZ

The Secretary also called attention to the fact that the Congress has enacted additional revenue measures and will undoubtedly enact further measures under which the burden of the cost of the war will be imposed upon all of the people according to the degree of their ability to pay such taxes.

ooOoo

Answering inquiries from a number of persons and organizations who asked that they be permitted to collect amounts for donation to the Government, the Secretary repeated his explanation of June 6, 1940, when he said that the sole authority for determining the method of raising money necessary to meet the expenditures of the Government is vested in the Congress.

The Secretary said he was greatly heartened by the numerous donations which have been made to the Treasury and by the number of suggestions received and believed they gave positive evidence of the spirit of patriotism prevailing in the nation. He added that the Treasury would continue to receive voluntary donations from those people who desire to make such donations directly to the Treasury, but that the Treasury could not authorize private persons or agencies to conduct special campaigns to raise funds from the public for this purpose.

The Secretary urged, however, that persons desiring to participate in the war effort of the country invest their funds in Defense Savings Bonds or Stamps or in Treasury Tax Savings Notes to use in paying their currently accruing tax liabilities. In some cases, he pointed out, voluntary donations obviously entail real sacrifice on the part of the donors and such donors bear more than their fair share of the war costs.

29-20
12/22/41

For Immediate Release

Secretary Morgenthau said today that contributions from individuals and groups for war purposes are being deposited in the General Fund of the Treasury as "Donations to the Government for National Defense." He pointed out that such contributions could not be received for specific purposes and that moneys in the General Fund are used to pay all expenses of the Government, including those for war activities.

The Secretary said the Treasury had received a number of suggestions that arrangements be set up to encourage donations to special funds to be identified by slogans such as "Buy a bomber," "Give a Christmas present to [redacted] Uncle Sam" and others. He explained that it did not appear practicable to adopt these suggestions as a major means of financing the Government's requirements and added that the principal sources of funds to the Treasury are from taxation and the sale of public debt obligations.

TREASURY DEPARTMENT
Washington

FOR IMMEDIATE RELEASE,
Monday, December 22, 1941.

Press Service
No. 29-20

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The Secretary also called attention to the fact that the Congress has enacted additional revenue measures and will undoubtedly enact further measures under which the burden of the cost of the war will be imposed upon all of the people according to the degree of their ability to pay such taxes.

-oOo-

Under the plan, the purchase of defense bonds comes first on each pay day before the railroad employee spends a single cent for anything else, Mr. Luhrsen ~~said~~ explained. This, he said, should provide Uncle Sam with enough money to buy a fleet of heavy bombers.

This pledge of cooperation by the Railway Labor Executives' Association followed an exchange of letters and telegrams between Secretary Morgenthau and Mr. Luhrsen, resulting in adoption of the plans for voluntary payroll allotments and purchase of bonds with the retroactive pay.

- - -

Dec 23

29-21

The Railway Labor Executives' Association, representing 1,100,000 railroad employes, ~~asked~~ urged its membership today to use the largest possible share of the $75,000,000 due it in retroactive pay in the purchase of Defense Savings Bonds.

The announcement was made by Julius G. Luhrsen, Executive Secretary of the Association, speaking for its chairman, Thomas C. Cashen, in a new pledge of all-out cooperation with the Defense Savings Bond program to Secretary Morgenthau.

The retroactive pay became available under the wage increase agreements recently signed by the rail labor organizations and the carriers, and is for services rendered in September, October and November.

At the same time Mr. Luhrsen ~~made~~ announced that ~~immediate and practical measures to make this cooperation effective immediately~~. Each railroad employee of the twenty organizations comprising the association's membership is being urged to sign up for the "Payroll Allotment Plan" under which he agrees to have his road set aside regularly a definite part of his pay for purchase of bonds. The managements have agreed to do the bookkeeping necessary to make this plan work.

TREASURY DEPARTMENT
Washington

FOR RELEASE, MORNING NEWSPAPERS,
Tuesday, December 23, 1941.

Press Service
No. 29-21

The Railway Labor Executives' Association, representing 1,100,000 railroad employes, urged its membership today to use the largest possible share of the $75,000,000 due it in retroactive pay in the purchase of Defense Savings Bonds.

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-oOo-

59½

ROUTING SLIP

Please deliver the attached to the persons whose names are checked in the order indicated.

(2) Mr. Bell	Miss Michener
Miss Barr	Miss Miller
Mr. Bartelt	Mr. Murphy (H.C
Mr. Batchelder	Mr. O'Connell
Miss Chatfield	Mr. Owen
Mr. Cole	Mrs. Potts
Mr. Cunningham	Mr. Sloan
Dr. Dolan	Mrs. Taylor
Mr. Emerson	Mr. Thompson(W.
Mr. Fuller	Mr. Thompson(W.
(1) Mr. Heffelfinger	Mr. Wesley
Mr. Kilby	Mr. Wilson (A.E
Mr. Loafman	Mr. Wilson (T.F
Mrs. Martin	

Note for Dec 23rd
Release

WH

COMMISSIONER OF THE PUBLIC DEBT

M Schwarz -

For Dec 23rd

release

DWB

TO: Mr. Shaeffer

Please note I have Jamis turn out during the morning. Will you check that the mimeograph room has copies of the circular? (C)

From: MR. SCHWARZ

TREASURY DEPARTMENT
Washington

FOR IMMEDIATE RELEASE,
Tuesday, December 23, 1941.

Press Service
No. 29-22

Secretary of the Treasury Morgenthau announced today that definitives of the 2-1/2 percent Treasury Bonds of 1967-72, in coupon form, will be ready for delivery on and after January 19, 1942, against the surrender of full-paid interim certificates issued October 20 and December 15, 1941, in lieu of such bonds. Exchanges will be governed by the provisions of Treasury Department Circular No. 675, dated December 15, 1941, and will be conducted through the Federal Reserve Banks and Branches, and the Treasury Department, Washington.

Special arrangements may be made between incorporated banks and trust companies and the Federal Reserve Banks for the exchange of interim certificates for definitive bonds for their own account and for account of their customers, and individuals who hold interim certificates are advised to consult their own bank with respect to the exchange.

The official circular is attached.

TREASURY DEPARTMENT
Washington

FOR IMMEDIATE RELEASE,
Tuesday, December 23, 1941.

Press Service
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Secretary of the Treasury Morgenthau announced today that definitives of the 2-1/2 percent Treasury Bonds of 1967-72, in coupon form, will be ready for delivery on and after January 19, 1942, against the surrender of full-paid interim certificates issued October 20, and December 15, 1941, in lieu of such bonds. Exchanges will be governed by the provisions of Treasury Department Circular No. 675, dated December 15, 1941, and will be conducted through the Federal Reserve Banks and Branches, and the Treasury Department, Washington.

Special arrangements may be made between incorporated banks and trust companies and the Federal Reserve Banks for the exchange of interim certificates for definitive bonds for their own account and for account of their customers, and individuals who hold interim certificates are advised to consult their own bank with respect to the exchange.

The official circular is attached.

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Title 31—Money and Finance: Treasury

Chapter II—Fiscal Service

Subchapter B—BUREAU OF THE PUBLIC DEBT

PART 310—REGULATIONS GOVERNING EXCHANGES OF INTERIM CERTIFICATES OF 2½% TREASURY BONDS OF 1967–72 FOR DEFINITIVE COUPON BONDS

1941
Department Circular No. 675

Fiscal Service
Bureau of the Public Debt

TREASURY DEPARTMENT,
OFFICE OF THE SECRETARY,
Washington, December 15, 1941.

To Holders of full-paid interim certificates of 2½ percent Treasury Bonds of 1967–72, banks and trust companies incorporated in the United States under Federal or State law, and any others concerned:

Sec. 310.0 *Scope of regulations.*—The provisions of this circular are hereby prescribed as the regulations to govern the exchange of full-paid interim certificates, issued pursuant to Treasury Department Circulars No. 368, Revised, dated October 15, 1941 (6 FR 5289), No. 670, dated October 9, 1941 (6 FR 5150), and No. 672, dated December 4, 1941 (6 FR 6257), for definitive 2½ percent Treasury Bonds of 1967–72, dated October 20, 1941, in bearer form with coupons covering interest to maturity attached (which may hereinafter be referred to as definitive coupon bonds, definitive bonds, or definitives).*

Sec. 310.1 *Official agencies.*—The official agencies for the exchange hereunder of interim certificates for definitive coupon bonds are the Federal Reserve Banks and their Branches, and the Treasury Department, Division of Loans and Currency, Washington, D. C.

Sec. 310.2 *Exchanges at official agencies.*—Exchanges may be effected beginning January 19, 1942. Interim certificates to be exchanged must be presented and surrendered to an official agency, at the risk and expense of the holders, and, unless delivered in person, should be forwarded by registered mail or prepaid express. Each delivery of interim certificates must be accompanied by appropriate written advice transmitting the certificates and giving instructions for the delivery of the definitives issued in exchange (see appropriate form appended to this circular). Exchanges will be made on a like par amount basis, and unless other instructions are given in the advice, definitives of the highest possible denominations will be delivered. No charge for the exchange will be made by the United States, and deliveries of definitives will be made within the United States, its territories and possessions at the expense and risk of the United States. No deliveries elsewhere will be made, nor will delivery of definitives be made other than to the party presenting the interim certificates. *IMPORTANT:* SEE THE NEXT FOLLOWING SECTION FOR SPECIAL ARRANGEMENTS FOR PRESENTATION OF INTERIM CERTIFICATES TO FEDERAL RESERVE BANKS BY BANKS AND TRUST COMPANIES.

Sec. 310.3 *Special arrangements for banks and trust companies.*—It is expected that incorporated banks and trust companies within the United States, generally will offer their services to their customers in effecting exchanges of interim certificates for definitive bonds without expense to the holders, and, accordingly, any holders of interim certificates who avail themselves of any such offer should, of course, present and surrender their interim certificates through such institutions. Any such bank or trust company may arrange with the Federal Reserve Bank of its district for the transportation of interim certificates to the Federal Reserve Bank by registered mail at the expense and risk of the United States. Full information concerning such arrangements will be furnished by Federal Reserve Banks to incorporated banks and trust companies upon application. The interim certificates forwarded by incorporated banks and trust companies to the Federal Reserve Banks for exchange pursuant to such arrangements must be clearly stamped on the face, in indel-

* The regulations prescribed in this circular apply to full-paid interim certificates the issue of which was incident to the issue of 2½% Treasury Bonds of 1967–72 pursuant to the authority of the Second Liberty Bond Act, as amended.

ible ink, with a legend reading as follows: "Presented for exchange for definitive coupon bonds by ...." All such interim certificates so stamped shall
(Name of bank or trust company)
thenceforth be deemed nonnegotiable and will be accepted by the Federal Reserve Bank only when presented for exchange by or for account of the bank or trust company named thereon. Such arrangements may not be made with the Treasury Department, nor may they be made by individuals or institutions except as herein provided. Deliveries of definitive bonds issued upon such exchanges will be made to the incorporated bank or trust company presenting the interim certificates for exchange, and will be made at the expense and risk of the United States. Incorporated banks and trust companies, in effecting exchanges pursuant to this paragraph, act as agents of the holders of the interim certificates and not as agents of the United States, and the United States will not be responsible for the receipt or custody of the interim certificates or for the custody or delivery of the definitive bonds by the banks or trust companies. The provisions of this section may be extended to private banks doing a recognized banking business and approved by the Federal Reserve Bank of the district in which located.

Sec. 310.4 *Authority of Federal Reserve Banks.*—Federal Reserve Banks, as fiscal agents of the United States, and their branches are authorized to perform all necessary acts within the purview of this circular, and to carry out such instructions in connection therewith as may, from time to time, be given by the Secretary of the Treasury.

Sec. 310.5 *Reservations.*—The Secretary of the Treasury reserves the right at any time or from time to time to amend, supplement, or withdraw any or all of the provisions of this circular.

16—25392-1

D. W. BELL,
Acting Secretary of the Treasury.

(Filed with the Division of the Federal Register, December 23, 1941)

TREASURY DEPARTMENT
BUREAU OF THE PUBLIC DEBT
Form PD 1732

FORM OF ADVICE TO ACCOMPANY FULL-PAID INTERIM CERTIFICATES OF 2½% TREASURY BONDS OF 1967–72 PRESENTED FOR EXCHANGE FOR DEFINITIVE COUPON BONDS

(Indicate which)

To ☐ FEDERAL RESERVE BANK OF ____________

☐ TREASURY DEPARTMENT, Division of Loans and Currency, Washington, D. C.

Pursuant to the provisions of Treasury Department Circular No. 675, dated December 15, 1941, the undersigned presents and surrenders herewith full-paid interim certificates of the 2½% Treasury Bonds of 1967–72 (as listed below), and requests their exchange for a like face amount of definitive coupon bonds (in the denominations indicated), to be delivered to the undersigned at the address given.

Denomination	Interim certificates herewith			Definitive bonds to be issued	
	Number of pieces	Serial numbers of certificates *	Face amount	Number of pieces	Face amount
$50			$		$
$100					
$500					
$1,000					
$5,000					
$10,000					
$100,000					
		Total amounts (must agree)	$		$

* If space is not ample for listing, back of form or separate sheet may be used.

Signature ____________

Name ____________
(Please print or type)

Address ____________
(Please print or type)

Dated ____________ 1942.

16—25392-1 U. S. GOVERNMENT PRINTING OFFICE

TREASURY DEPARTMENT

Washington

FOR RELEASE, MORNING NEWSPAPERS,
Tuesday, December 23, 1941.
12/22/41

Press Service
29-23

The Secretary of the Treasury announced last evening that the tenders for $150,000,000, or thereabouts, of 82-day Treasury bills, to be dated December 24, 1941, and to mature March 16, 1942, which were offered on December 19, were opened at the Federal Reserve Banks on December 22.

The details of this issue are as follows:

Total applied for - $352,938,000
Total accepted - 150,174,000

Range of accepted bids: (Excepting two tenders totaling $220,000)

High	- 99.966	Equivalent rate approximately	0.149 percent
Low	- 99.927	" " "	0.320 "
Average price	- 99.933	" " "	0.295 "

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

TREASURY DEPARTMENT
Washington

FOR RELEASE, MORNING NEWSPAPERS,
Tuesday, December 23, 1941.
12/22/41

Press Service
No. 29-23

The Secretary of the Treasury announced last evening that the tenders for $150,000,000, or thereabouts, of 82-day Treasury bills, to be dated December 24, 1941, and to mature March 16, 1942, which were offered on December 19, were opened at the Federal Reserve Banks on December 22.

The details of this issue are as follows:

Total applied for - $352,938,000
Total accepted - 150,174,000

Range of accepted bids: (Excepting two tenders totaling $220,000)

High	- 99.966	Equivalent rate	approximately		0.149	percent
Low	- 99.927	"	"	"	0.320	"
Average Price	- 99.933	"	"	"	0.295	"

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

-oOo-

Form 2131-B

TREASURY DEPARTMENT

OFFICE OF THE SECRETARY

EXPEDITE

Mr Schaeffer

For immediate release

[illegible]

U. S. GOVERNMENT PRINTING OFFICE: 1931 2-15774

TREASURY DEPARTMENT

INTER OFFICE COMMUNICATION

DATE December 22, 1941

TO Under Secretary Bell

FROM George Buffington

Attached is a suggested press release covering the new issue of Treasury Tax Savings Notes. Mr. Broughton states that the circular will be released tomorrow, December 23. I should therefore like to have your approval or suggestions for the release.

G.B.

12/24/41 29-24

SUGGESTED PRESS RELEASE

In continuing the Tax Savings Plan inaugurated in August this year, the United States Treasury will offer shortly another issue of Treasury Tax Savings Notes Series A and Series B, dated January 1, 1942, due January 1, 1944.

The new notes as well as those heretofore issued, will be acceptable at par and accrued interest not only in payment of Federal income taxes but may be presented in payment of estate and gift taxes as well. The new notes of both series are available in the same denominations as heretofore with the exception of the addition to Series A of $500 and $1,000 denominations.

Beginning in January, Defense Savings stamps will be accepted at their face value in lieu of cash as payment for notes. This provision permits taxpayers to accumulate Defense Savings stamps and present them in payment of Tax Savings Notes in any and all denominations.

Application may be made to purchase Tax Savings Notes through local banks and savings and loan associations. Application may also be made direct to Federal Reserve Banks and their branches or to the United States Treasury, Washington, D. C.

The notes provide a convenient, systematic means of saving to pay Federal income, estate, and gift taxes. Series A notes yield approximately 1.92% and Series B approximately .48% when used in payment of Federal income, estate, and gift taxes.

G.F.

TREASURY DEPARTMENT

Washington

FOR IMMEDIATE RELEASE,
Wednesday, December 24, 1941.

Press Service
No. 29-24

In continuing the Tax Savings Plan inaugurated in August this year, the United States Treasury will offer shortly another issue of Treasury Tax Savings Notes Series A and Series B, dated January 1, 1942, due January 1, 1944.

The new notes as well as those heretofore issued, will be acceptable at par and accrued interest not only in payment of Federal income taxes but may be presented in payment of estate and gift taxes as well. The new notes of both series are available in the same denominations as heretofore with the exception of the addition to Series A of $500 and $1,000 denominations.

Beginning in January, Defense Savings stamps will be accepted at their face value in lieu of cash as payment for notes. This provision permits taxpayers to accumulate Defense Savings Stamps and present them in payment of Tax Savings Notes in any and all denominations.

Application may be made to purchase Tax Savings Notes through local banks and savings and loan associations. Application may also be made direct to Federal Reserve Banks and their branches or to the United States Treasury, Washington, D. C. The notes provide a convenient, systematic means of saving to pay Federal income, estate, and gift taxes. Series A notes yield approximately 1.92% and Series B approximately .48% when used in payment of Federal income, estate, and gift taxes.

-oOo-

TO: Mr. Bell

For approval, please.

S

Has White seen this. Simms O.K. but hard to distinguish between agreements except by dates

DWB

From: MR. SCHWARZ

TO: Dr Harry White

For approval,
please.

Schaeffer

#390

Treasury Department
Division of Monetary Research

Date.................................19

To: Mr. Schwarz - Room 388½

Mr. White has initialed the attached, and suggests that you have Mr. B. Bernstein initial it also.

L. Shanahan

MR. WHITE
Branch 2058 - Room 214½

TO: Mr Bernstein

To do, please

— Shaeffer

29-25

12/24/41

Secretary Morgenthau announced today that the arrangement of July 14, 1937, under which the Central Bank of China has been enabled to obtain dollar exchange under certain special conditions, has been extended for a period of six months beyond December 31, 1941. This arrangement is to be distinguished from the stabilization agreement ~~which the Secretary~~ concluded by the Secretary earlier this year with the Chinese Government and the Central Bank of China, which provided for the purchase of Chinese Yuan by the United States Stabilization Fund to the amount of $50,000,000, and for the establishment by China of a United States Dollar-Chinese Yuan Stabilization Fund.

HDW
BB
E.M.F.L.
CPB.

TREASURY DEPARTMENT

Washington

FOR IMMEDIATE RELEASE,
Wednesday, December 24, 1941.

Press Service
No. 29-25

Secretary Morgenthau announced today that the arrangement of July 14, 1937, under which the Central Bank of China has been enabled to obtain dollar exchange under certain special conditions, has been extended for a period of six months beyond December 31, 1941.

This arrangement is to be distinguished from the stabilization agreement concluded by the Secretary earlier this year with the Chinese Government and the Central Bank of China, which provided for the purchase of Chinese Yuan by the United States Stabilization Fund to the amount of $50,000,000, and for the establishment by China of a United States Dollar-Chinese Yuan Stabilization Fund.

-oOo-

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.

o0o

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 31, 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 upon sale or redemption at maturity

TREASURY DEPARTMENT

Washington

FOR RELEASE, MORNING NEWSPAPERS,
Friday, December 26, 1941.

Double sp

The Secretary of the Treasury, by this public notice, invites tenders for $150,000,000, or thereabouts, of 76-day Treasury bills, to be issued on a discount basis under competitive bidding. The bills of this series will be dated December 31, 1941, and will mature March 17, 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 29, 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.

Single sp balance

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

29-26

TREASURY DEPARTMENT

Washington

FOR RELEASE, MORNING NEWSPAPERS,
Friday, December 26, 1941.

The Secretary of the Treasury, by this public notice, invites tenders for $150,000,000, or thereabouts, of 76-day Treasury bills, to be issued on a discount basis under competitive bidding. The bills of this series will be dated December 31, 1941, and will mature March 17, 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).

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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

29-26

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 31, 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 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.

- oOo -

PRESS RELEASE

The Bureau of Customs announced today that equal opportunities will be afforded at all customs ports of entry for filing entries and withdrawals for consumption covering molasses and sugar sirups, not specially provided for, which contain soluble nonsugar solids (excluding any foreign substance that may have been added) equal to more than 6 per centum of the total soluble solids, at the opening moment of the tariff rate quota for the calendar year 1942, provided in the trade agreement with the United Kingdom.

The collectors of customs have been instructed that no entries or withdrawals for consumption covering these commodities shall be filed on January 2, 1942, before 12 noon Eastern Standard Time, 11 A. M. Central Standard Time, 10 A. M. Mountain Standard Time and 9 A. M. Pacific Standard Time.

Entries and withdrawals for consumption covering quota class molasses and sugar sirups may be accepted at the lower rate of duty provided for in the trade agreement, provided delivery permit is not released pending determination of their quota status. If delivery permit is desired before such determination, importers of these commodities will be required to deposit estimated duties at the full rate. Excessive duties deposited on entries or withdrawals found to be within the quota will be refunded.

(Prepared - Appeals and Protests (Quota Unit)
Bureau of Customs)

HMJ Jr [signature]

12/24/41 Press Re. No. 29-2

Please have 10 copies of the attached release forwarded to Miss Henry, Room 404, Wilkins Bldg., 1512 H. St. N.W. (Quotabout - Bureau of Customs)

TREASURY DEPARTMENT

Washington

FOR IMMEDIATE RELEASE,
Wednesday, December 24, 1941.

Press Service
No. 29-27

The Bureau of Customs announced today that equal opportunities will be afforded at all customs ports of entry for filing entries and withdrawals for consumption covering molasses and sugar sirups, not specially provided for, which contain soluble nonsugar solids (excluding any foreign substance that may have been added) equal to more than 6 per centum of the total soluble solids, at the opening moment of the tariff rate quota for the calendar year 1942, provided in the trade agreement with the United Kingdom.

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-oOo-

TREASURY DEPARTMENT
Washington

FOR IMMEDIATE RELEASE
Wednesday, December 24, 1941

Press Service
No. 29-28

The Minister of Denmark to the United States has informed the Secretary of the Treasury that coupons falling due January 1, 1942, on Kingdom of Denmark 6% External Gold Bonds, due January 1, 1942 will not be paid in dollars if held by Denmark or persons within Denmark. The Danish Minister has requested the assistance of the Secretary of the Treasury in making this limitation effective.

In view of this request, the Treasury Department today issued Public Circular No. 9, which revokes all outstanding licenses and authorizations to the extent that they would otherwise permit sale, presentation for payment or redemption, or other disposition, on behalf of Denmark or persons within Denmark, of such coupons and other Danish securities.

The text of the letter from the Danish Minister is as follows:

> "I beg to inform you that the Kingdom of Denmark is desirous of paying the coupons falling due on January 1, 1942, of the Kingdom of Denmark 20-Year 6% External Gold Bonds. It is planned to exclude from payment in dollars the coupons presented on behalf of Denmark or persons within Denmark.
>
> "It will facilitate this program if appropriate restrictions are imposed upon transactions and dealings for the account of Denmark or persons within Denmark in Danish securities. Accordingly, I would appreciate your imposing the necessary restrictions."

Secy th.

TREASURY DEPARTMENT
Washington

FOR IMMEDIATE RELEASE
Wednesday, December 24, 1941

Press Service
No. 29-28

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-oOo-

Three hundred and fifty thousand post rs presenting instructions on the filing of tax returns are being prepared by the Treasury Department for distribution to corporations through the sixty-four offices of Collectors of Internal Revenue.

The new tax schedules require the filing of returns by all single persons having gross incomes of $750 or more, and all married persons having gross incomes of $1,500 or more.

(A copy of the folder is attached.)

TREASURY DEPARTMENT

Washington

Press Service
No.

"How to File Your Income Tax the Simple Way," a folder containing illustrations of the proper method to be used in filling out the simplified income tax return Form 1040A and a table showing amounts payable in various income brackets, will be made available to more than 15,000,000 potential taxpayers shortly after January 1, the Treasury Department announced today.

These folders will be mailed along with Individual Income Tax returns to all persons who filed during the 1941 period.

An additional six million copies are being printed for distribution through numerous channels to persons who will file their first returns during the coming period. These channels include Savings and Loan Associations, labor unions, banks and corporations. The cooperation of several Government agencies and business associations is also being sought in an effort to place the leaflet in the hands of all taxpayers as soon after New Year's Day as possible.

The groups mentioned are being asked to inform the public that ample quantities of the folder will be available at the offices of Collectors of Internal Revenue throughout the Nation.

Arrangements are being made with the United States Chamber of Commerce, the National Association of Manufacturers, and the American Bankers Association to carry a presentation of the folder in the January issues of their publications.

The folder shows that small taxpayers using Form 1040 A will be required to fill in only six items. These simple steps are shown by numbers in the illustration, and the taxpayer is able to read directly from the table the amount of tax he will pay.

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TREASURY DEPARTMENT

Washington

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Arrangements are being made with the United States Chamber of Commerce, the National Association of Manufacturers, and the American Bankers Association to carry a presentation of the folder in the January issues of their publications.

The folder shows that small taxpayers using Form 1040 A will be required to fill in only six items. These simple steps are shown by numbers in the illustration, and the taxpayer is able to read directly from the table the amount of tax he will pay.

(e) Single copy to be mailed to 600 newspapers on or about January 1, 1942, with press release to be prepared by U. S. Treasury, Public Relations Division.

(f) SAVINGS AND LOAN ASSOCIATIONS. Request that Governor, Federal Home Loan Bank System, send 1 copy of the folder to each savings and loan association with covering letter similar to the one sent out by the Federal Deposit Insurance Corporation.

(g) Arrangements have already been made with American Bankers Association publication "Banking" to carry in January issue double page presentation of folder stating in the text of the article that additional copies may be secured through the local office of Collector of Internal Revenue.

2. 350,000 posters now in preparation to be distributed on or about January 1, 1942, by the 64 offices of the Collector of Internal Revenue to corporations.

3. Ask the American Newspaper Publishers Association to secure cooperation of all newspapers beginning January 1, 1942, in running daily tax brevities on front page above headline as follows:

ONLY _____ DAYS TO FILE YOUR INCOME TAX RETURN

Consult the nearest Collector of Internal Revenue	Tax Information Page____, ______

4. Possibility is being considered of having Walt Disney develop one or more animated movie shorts for distribution to as many theatres as possible after January 1, 1942.

GB:amo 12/16/41

December 16, 1941

Commissioner Helvering

George Buffington

The following reduces to writing our conversation in your office yesterday.

1. Suggest printing at least 21,000,000 folders "How to File Your Income Tax THE SIMPLE WAY".

   15,000,000 copies to be mailed on or about January 5, 1942, with Individual Income Tax Returns.

   6,000,000 to be available for distribution through the following channels on or about January 1, 1942:

   (a) BANKS. Request that Federal Deposit Insurance Corporation send at least one copy with covering letter to all banks in the country, exclusive of National banks. Suggest that the Comptroller of the Currency send a similar letter with enclosure to all National banks. Covering letter to state that additional copies are available through the local office of Collector of Internal Revenue.

   (b) UNIONS. Commissioner of Internal Revenue will notify various unions that copies of the folder are available at local offices of Collector of Internal Revenue.

   (c) CORPORATIONS. Request that U. S. Chamber of Commerce and National Association of Manufacturers include item in their January bulletin stating that copies of the folder may be secured from local offices of Collector of Internal Revenue.

   (d) Single copies to be mailed to 4,000 business publications, house organs, and company magazines, together with press release, requesting that contents be published in January and February issues. Press release and covering letter to be prepared by Internal Revenue Department and sent to A. E. Wilson, Chief, Division of Savings Bonds, for mailing.

M E M O R A N D U M

December 16, 1941

FROM: George Buffington

TO: Secretary Morgenthau
Mrs. Klotz
D. W. Bell
Mr. Blough
Mr. Foley
Mr. Gaston
Mr. Graves
Mr. Haas
Mr. Kuhn
Mr. Morris
Mr. Schwarz
Mr. Sullivan
Mr. Thompson
Mr. White

Supplementing my memorandum of December 5, the attached amplifies the method of distributing the folder "How to File Your Income Tax THE SIMPLE WAY".

In an effort to stimulate taxpayers to

Three hundred and fifty thousand posters presenting instructions on the filing of tax returns are being prepared by the Treasury Department for distribution to corporations through the 64 offices of Collectors of Internal Revenue.

The new tax schedules require the filing of returns by all single persons having gross incomes of $750 or more, and all married persons having gross incomes of $1,500 or more.

(A copy of the folder is attached.)

Q.T.S.

—oOo—

"How to File Your Income Tax the Simple Way," a folder containing illustrations of the proper method to be ~~employed~~ used in ~~executing~~ filling out the simplified income tax return Form 1040A and a table showing amounts payable in various income brackets, [redacted], will be made available to more than 15,000,000 potential taxpayers shortly after January ~~1st~~, the Treasury Department announced today. These folders will be mailed along with Individual Income Tax returns to all persons who filed [redacted] during the 1941 period.

An additional six million copies are being printed for distribution through numerous channels to persons who will file their first returns during the coming period. These channels include Savings and Loan Associations, labor unions, banks and corporations. ~~and~~ The cooperation of ~~other~~ several government agencies and business associations is also being ~~asked~~ sought in an effort to place the leaflet in the hands of all taxpayers as soon after ~~the~~ New Year's Day as possible. The groups mentioned are being asked to inform the public that ample quantities of the folder will be available ~~in all~~ at the offices of Collectors of Internal Revenue throughout the Nation.

Arrangements ~~have~~ are ~~also~~ ~~been~~ being made with the United States Chamber of Commerce, the National Association of Manufacturers, and the American Bankers Association to carry a presentation of the folder in the January issues of their publications.

The folder ~~indicates~~ shows that small taxpayers using ~~the~~ Form 1040A will be required to fill in only six items. ~~on the schedule.~~ These simple steps are shown [redacted] by numbers on the illustration, and the taxpayer is able to read directly from the table the amount of tax he will pay.

Three hundred and fifty thousand posters presenting instructions on the filing of tax returns are being prepared by the Treasury Department for distribution to corporations through the sixty-four offices of Collectors of Internal Revenue.

The new tax schedules require the filing of returns by all single persons having gross incomes of $750 or more, and all married persons having gross incomes of $1,500 or more.

(A copy of the folder is ~~attached~~ enclosed.)

TREASURY DEPARTMENT

Washington

Sunday AMs

Press Service
No. 29-29

"How to File Your Income Tax the Simple Way," a folder containing illustrations of the proper method to be used in filling out the simplified income tax return Form 1040A and a table showing amounts payable in various income brackets, will be made available to more than 15,000,000 potential taxpayers shortly after January 1, the Treasury Department announced today.

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The groups mentioned are being asked to inform the public that ample quantities of the folder will be available at the offices of Collectors of Internal Revenue throughout the Nation.

Arrangements are being made with the United States Chamber of Commerce, the National Association of Manufacturers, and the American Bankers Association to carry a presentation of the folder in the January issues of their publications.

The folder shows that small taxpayers using Form 1040 A will be required to fill in only six items. These simple steps are shown by numbers in the illustration, and the taxpayer is able to read directly from the table the amount of tax he will pay.

THE USE

OF SIMPLIFIED INCOME TAX RETURN

EXPLAINED

FORM 1040A simplifies filing income tax returns for millions of small taxpayers.

If you use this simple Form 1040A you can prepare your return in a few minutes.

The filing of a return is required by all single persons having gross incomes of $750 or more, and for all married persons having gross incomes of $1,500 or more.

Form 1040 A *may* be used by persons who are required to file returns but who have gross incomes of not more than $3,000 from salaries, wages, compensation for personal services, dividends, interest, rent, annuities, and royalties only.

The tax shown on Form 1040A automatically makes provision for deductions and family status.

The six simple steps required are shown by numbers in the illustration on the inside pages.

If you are not eligible to use Form 1040A, or do not choose to use it, then you should file on Form 1040.

Illustrations of the amount of tax on 1941 incomes for persons using Form 1040 are shown on the last page of this folder.

Just six items to fill in—

1. Your name, address, and occupation
2. Your dependents
3. List your income
4. Subtract your credit for dependents
5. Indicate your family status
6. Read your tax directly from the table

16—25318—1

FORM 1040 A
TREASURY DEPARTMENT
INTERNAL REVENUE SERVICE

OPTIONAL
UNITED STATES
INDIVIDUAL INCOME TAX RETURN

1941

THIS RETURN MAY BE FILED INSTEAD OF FORM 1040 BY CITIZENS OR RESIDENT ALIENS IF GROSS INCOME IS NOT MORE THAN $3,000 AND IS ONLY FROM SOURCES STATED HEREON

Do not write in these spaces
Serial No.
Amount Paid. $
(Cashier's Stamp)
Cash—Check—M. O.

PRINT NAME AND HOME OR RESIDENTIAL ADDRESS PLAINLY BELOW

John and Mary Doe
(Name) (Use given names of both husband and wife, if this is a joint return)
100 Oak Street
(Street and number, or rural route)
Doeville, Doe Co., Doe
(Post office) (County) (State)

Occupation Machinist

DEPENDENTS ON LAST DAY OF YEAR

List persons *deriving their chief support from you* (other than husband or wife) under 18 years of age or mentally or physically incapable of self-support

Name of dependent	Relationship	If 18 years of age or over, give reason for listing
John Doe, Jr.	Son	

GROSS INCOME LESS ALLOWANCE FOR DEPENDENTS

1. Salary, wages, and compensation for personal services	2200	00
2. Dividends, interest, rent, annuities, and royalties	32	00
3. Total	2232	00
4. Less: $400 for each dependent (If you are the head of a family (see definition on other side) *only because of dependent(s) listed above*, $400 for each listed dependent *except one*)	400	00
5. INCOME SUBJECT TO TAX	1832	00

TAX

6. Tax to be paid (from Column A or B of table on other side)	24	00

I/we swear (or affirm) that this return 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 regulations issued under authority thereof; and that I/we had no income from sources other than stated hereon.

Subscribed and sworn to by ....

before me this .... day of ...., 1942.

.... (Signature and title of officer administering oath)

.... (Signature)

.... (Signature)
(If this is a joint return, it must be signed by both husband and wife. It must be sworn to before a proper officer by the spouse preparing the return.)

An income tax return is required to be filed by single persons having a gross income (item 3 above) of $750 or more and married persons having a gross income of $1,500 or more. A husband and wife may make a joint return on this form if their combined gross income is not more than $3,000. A separate return may be made on this form if the gross income of the one filing the return is not more than $3,000. If this return is used, it must be filed with the Collector of Internal Revenue for your district on or before March 15, 1942. The tax may be paid in equal quarterly installments commencing March 15, 1942. Pay tax, if any, to the Collector and if payment is made by check or money order, make payable to "Collector of Internal Revenue."

FORM 1040 A, FRONT

PLACE CHECK MARK (✓) IN THE APPLICABLE BLOCK ☐ BELOW

Single (and not head of family) on last day of year ☐
Married but not living with husband or wife (and not head of family) on last day of year ☐
Married and living with husband or wife on last day of year but each filing separate returns ☐
IF YOU CHECKED ONE OF ABOVE, FIND YOUR TAX IN COLUMN A

Married and living with husband or wife on last day of year and this return includes all income of husband and wife ☑
Head of family (a single person or married person not living with husband or wife who exercises family control and supports closely connected dependent relative(s) in one household) on last day of year ☐
IF YOU CHECKED ONE OF ABOVE, FIND YOUR TAX IN COLUMN B

IF Income subject to tax (item 5) is		COLUMN A	COLUMN B	IF Income subject to tax (item 5) is		COLUMN A	COLUMN B	IF Income subject to tax (item 5) is		COLUMN A	COLUMN B
Over	But not over	Your tax is	Your tax is	Over	But not over	Your tax is	Your tax is	Over	But not over	Your tax is	Your tax is
$1	$750	$0	$0	$1,500	$1,525	$63	$1	$2,250	$2,275	$128	$60
750	775	1	0	1,525	1,550	65	2	2,275	2,300	130	63
775	800	2	0	1,550	1,575	68	3	2,300	2,325	132	65
800	825	3	0	1,575	1,600	70	5	2,325	2,350	134	67
825	850	5	0	1,600	1,625	72	6	2,350	2,375	137	69
850	875	7	0	1,625	1,650	74	7	2,375	2,400	139	71
875	900	9	0	1,650	1,675	76	9	2,400	2,425	141	73
900	925	11	0	1,675	1,700	78	11	2,425	2,450	143	76
925	950	14	0	1,700	1,725	80	13	2,450	2,475	145	78
950	975	16	0	1,725	1,750	83	15	2,475	2,500	147	80
975	1,000	18	0	1,750	1,775	85	17	2,500	2,525	150	82
1,000	1,025	20	0	[illegible]	1,800	87	[illegible]	2,525	2,550	152	84
1,025	1,050	22	0	1,800	1,825	89	22	2,550	2,575	154	86
1,050	1,075	24	0	1,825	1,850	91	24	2,575	2,600	156	89
1,075	1,100	[illegible]	0	1,850	1,875	93	26	2,600	2,625	158	91
[illegible]	[illegible]	29	0	[illegible]	1,900	96	[illegible]	2,625	2,650	160	93
[illegible]	1,150	31	0	1,900	1,925	98	30	2,650	2,675	163	95
[illegible]	1,175	33	0	1,925	1,950	100	32	2,675	2,700	165	97
[illegible]	1,200	35	0	1,950	1,975	102	35	2,700	2,725	167	99
1,200	1,225	37	0	1,975	2,000	104	37	2,725	2,750	169	102
1,225	1,250	39	0	2,000	2,025	106	39	2,750	2,775	172	104
1,250	1,275	42	0	2,025	2,050	109	41	2,775	2,800	174	106
1,275	1,300	44	0	2,050	2,075	111	43	2,800	2,825	177	108
1,300	1,325	46	0	2,075	2,100	113	45	2,825	2,850	180	110
1,325	1,350	48	0	2,100	2,125	115	48	2,850	2,875	183	112
1,350	1,375	50	0	2,125	2,150	117	50	2,875	2,900	186	114
1,375	1,400	52	0	2,150	2,175	119	52	2,900	2,925	189	117
1,400	1,425	55	0	2,175	2,200	122	54	2,925	2,950	191	119
1,425	1,450	57	0	2,200	2,225	124	56	2,950	2,975	194	121
1,450	1,475	59	0	2,225	2,250	126	58	2,975	3,000	197	123
1,475	1,500	61	0								

The income to be reported in this return is gross income (not including income which is wholly exempt from income tax) without any deductions. The taxes in the above table are such that they generally compensate for deductions and credits not allowable if this form is used.

U. S. GOVERNMENT PRINTING OFFICE

FORM 1040 A, BACK

On the inside of this folder you will find a sample of the new, *simplified* Form 1040 A, with directions for using it.

If you are not eligible to use the simplified form, 1040 A, or if you prefer not to use it, then Form 1040 must be filed.

The following table shows how much you will have to pay in individual income tax on 1941 net income before deduction of personal exemptions and credit for dependents from salaries and wages of selected sizes *if you use Form 1040.*

*Net income from salary or wages	Tax for single person, not head of family—No dependents	Tax for married person living with husband or wife			
		No dependents	1 dependent	2 dependents	3 dependents
$ 750	...	...	...	...	...
800	$3	...	...	...	...
900	11	...	...	...	...
1,000	21	...	...	...	...
1,100	31	...	...	...	...
1,200	40	...	...	...	...
1,300	50	...	...	...	...
1,400	59	...	...	...	...
1,500	69	...	...	...	...
1,600	79	$6	...	...	...
1,700	88	13	...	...	...
1,800	98	23	...	...	...
1,900	107	32	...	...	...
2,000	117	42	$6	...	...
2,100	127	52	12	...	...
2,200	136	61	21	...	...
2,300	146	71	31	...	...
2,400	155	80	40	$6	...
2,500	165	90	50	12	...
3,000	221	138	98	58	$18
3,500	284	186	146	106	66
4,000	347	249	197	154	114
4,500	410	312	260	208	162
5,000	483	375	323	271	219
6,000	649	521	453	397	345
7,000	825	687	619	551	483
8,000	1,031	873	789	717	649
9,000	1,247	1,079	995	911	827
10,000	1,493	1,305	1,205	1,117	1,033
12,000	2,035	1,817	1,701	1,597	1,497
14,000	2,657	2,409	2,277	2,157	2,041
16,000	3,354	3,084	2,940	2,805	2,673
18,000	4,112	3,819	3,663	3,516	3,372
20,000	4,929	4,614	4,446	4,287	4,131
22,000	5,807	5,469	5,289	5,118	4,950
24,000	6,744	6,384	6,192	6,009	5,829

*Net income after allowable deductions, but before deduction of personal exemptions and credit for dependents.

16—25318-1

HOW TO FILE YOUR INCOME TAX

THE SIMPLE WAY

As a service to taxpayers, I have had prepared the attached information to help you in filing your income tax return for this year.

If you wish any additional information, I suggest you go to the nearest Collector of Internal Revenue who, I am sure, will be glad to answer your questions.

Henry Morgenthau Jr.
Secretary of the Treasury

TREASURY DEPARTMENT

TREASURY DEPARTMENT
Washington

FOR RELEASE, MORNING NEWSPAPERS,
Sunday, December 28, 1941.
12/26/41

Press Service
No. 29-29

"How to File Your Income Tax the Simple Way," a folder containing illustrations of the proper method to be used in filling out the simplified income tax return Form 1040A and a table showing amounts payable in various income brackets, will be made available to more than 15,000,000 potential taxpayers shortly after January 1, the Treasury Department announced today.

These folders will be mailed along with Individual Income Tax returns to all persons who filed during the 1941 period.

An additional six million copies are being printed for distribution through numerous channels to persons who will file their first returns during the coming period. These channels include Savings and Loan Associations, labor unions, banks and corporations. The cooperation of several Government agencies and business associations is also being sought in an effort to place the leaflet in the hands of all taxpayers as soon after New Year's Day as possible.

The groups mentioned are being asked to inform the public that ample quantities of the folder will be available at the offices of Collectors of Internal Revenue throughout the Nation.

Arrangements are being made with the United States Chamber of Commerce, the National Association of Manufacturers, and the American Bankers Association to carry a presentation of the folder in the January issues of their publications.

The folder shows that small taxpayers using Form 1040A will be required to fill in only six items. These simple steps are shown by numbers in the illustration, and the taxpayer is able to read directly from the table the amount of tax he will pay.

Three hundred and fifty thousand posters presenting instructions on the filing of tax returns are being prepared by the Treasury Department for distribution to corporations through the sixty-four offices of Collectors of Internal Revenue.

The new tax schedules require the filing of returns by all single persons having gross incomes of $750 or more, and all married persons having gross incomes of $1,500 or more.

(A copy of the folder is enclosed.)

-oOo-

TREASURY DEPARTMENT
Washington

FOR IMMEDIATE RELEASE,
Saturday, December 27, 1941

Press Service
No. 29-30

The President last night issued an Executive Order freezing Hong Kong assets in the United States. This action was taken as the result of the fall of Hong Kong into Japanese hands. Under the new Executive Order all financial and trade transactions in which Hong Kong interests are involved are brought under the control of the Government and criminal penalties for any violations are imposed.

The new Executive Order also provides for the automatic freezing of the assets of any other territory in case it should be occupied or overrun by the military, naval or other forces of the Axis.

DWB

TREASURY DEPARTMENT
Washington

FOR IMMEDIATE RELEASE,
Saturday, December 27, 1941

Press Service
No. 29-30

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EXECUTIVE ORDER NO. 8998

- - - - -

AMENDMENT OF EXECUTIVE ORDER NO. 8389
OF APRIL 10, 1940, AS AMENDED

By virtue of the authority vested in me by Sections 3(a) and 5(b) of the Trading with the enemy Act of October 6, 1917 (40 Stat. 415), as amended by Title III of the First War Powers Act, 1941 (Public No. 354, 77th Congress), and by virtue of all other authority vested in me, I, FRANKLIN D. ROOSEVELT, PRESIDENT of the UNITED STATES OF AMERICA, do hereby amend Executive Order No. 8389 of April 10, 1940, as amended, in the following respects:

(1) By changing the period at the end of subdivision (l) of section 3 of such Order to a semi-colon and adding the following new subdivision thereafter:

(m) June 14, 1941--
Hong Kong.

(2) By amending paragraph B of section 5 of such Order to read as follows:

B. The term "United States" means the United States and any place subject to the jurisdiction thereof, and the term "continental United States" means the states of the United States, the District of Columbia, and the Territory of Alaska; provided, however, that for the purposes of this Order the term "United States" shall not be deemed to include any territory included within the term "foreign country" as defined in paragraph D of this section.

(3) By substituting the following in lieu of subdivision (iii) of paragraph D of section 5:

(iii) Any territory which on or since the effective date of this Order is controlled or occupied by the military, naval or police forces or other authority of such foreign country;

(iv) Any person to the extent that such person is, or has been, or to the extent that there is reasonable cause to believe that such person is, or has been, since such effective date, acting or purporting to act directly or indirectly for the benefit or on behalf of any of the foregoing.

Hong Kong shall be deemed to be a foreign country within the meaning of this subdivision.

THE WHITE HOUSE, FRANKLIN D. ROOSEVELT

December 26, 1941.

TREASURY DEPARTMENT
Washington

FOR IMMEDIATE RELEASE,
Saturday, December 27, 1941

Press Service
No. 29-31

In view of the occupation of Hong Kong, and the freezing of Hong Kong assets by the President, the Treasury Department has issued Public Circular No. 10, which revokes certain general licenses which specifically relate to Hong Kong. The public circular also has the effect of blocking the accounts of all banks in Hong Kong and in occupied China, and of preventing the offices in Hong Kong and occupied China of such banks from financing trade and handling remittances between the United States and China.

DWB

TREASURY DEPARTMENT
Washington

FOR IMMEDIATE RELEASE
Saturday, December 27, 1941

Press Service
No. 29-31

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TREASURY DEPARTMENT
Office of the Secretary
December 26, 1941

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

1. General License No. 57 is hereby revoked.

2. The offices within Hong Kong and occupied China of banks named in Schedule A of General License No. 58, shall, as of the date hereof, cease to be appointed banks, and, as of the date hereof, such offices shall also cease to be generally licensed nationals within the meaning of General Licenses Nos. 59, 60, or 61, and such general licenses are to such extent hereby revoked.

3. General License No. 13 is hereby amended in the following respects:

(a) The word "Hong Kong" is deleted from subdivision (a) of paragraph (1) thereof; and

(b) The words "Hong Kong" and "Penang" are deleted from subdivision (b) of paragraph (1) thereof.

4. Subparagraph (a) of paragraph (3) of General License No. 53 is hereby amended in the following respects:

(1) A semicolon is substituted for the period at the end of item (x) thereof; and

(2) The following proviso to all of the provisions of subparagraph (a) is added at the end thereof:

"Provided, however, that the term 'generally licensed trade area' shall not include any territory which is controlled or occupied by the military, naval or police forces or other authority of Japan, Germany, or Italy, or allies thereof."

D. W. BELL

Acting Secretary of the Treasury

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* This public circular affects Parts 130 and 131 and will be included in appendices to those parts.
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, Ex. Order 8832, July 26, 1941, Ex. Order 8963, December 9, 1941, and Ex. Order 8998, December 26, 1941; Regulations, April 10, 1940, as amended June 14, 1941, and July 26, 1941.

Please forward 10 copies to Miss Henry,

Bureau of Customs, Rm. 404, Wilkens Bldg.,

15 12 H St., N. W.

M Henry

29-32

PRESS RELEASE

The Bureau of Customs announced today that equal opportunities will be afforded at customs ports of entry for the filing of entries and withdrawals for consumption covering cattle weighing 700 pounds or more each (other than dairy cows), the produce of countries other than Canada, at the opening moment of the quarterly quota periods during the year 1942, provided for in the President's proclamation of December 22, 1941.

The collectors of customs have been instructed that no entries, or withdrawals from bonded pastures, for consumption of this class of cattle shall be filled on January 2, April 1, July 1 and October 1, 1942, before 12 Noon Eastern Standard Time, 11 A. M. Central Standard Time, 10 A. M. Mountain Standard Time and 9 A. M. Pacific Standard Time.

Entries and withdrawals for consumption covering this class of cattle may be accepted at the lower rate of duty of 1-1/2 cents per pound provided for under the Canadian Trade Agreement, provided the delivery permit is not released pending determination of their quota status. If delivery permit is desired before such determination, importers of this class of cattle will be required to deposit estimated duties at the full tariff rate of 3 cents per pound. Excessive duties deposited on entries or withdrawals found to be within the quotas will be refunded.

(Prepared - Appeals and Protests (Quota Unit)
Bureau of Customs)

HMHenry

TREASURY DEPARTMENT
Washington

FOR RELEASE, MORNING NEWSPAPERS,
Tuesday, December 30, 1941.
12/29/41

Press Service
No. 29-32

The Bureau of Customs announced today that equal opportunities will be afforded at customs ports of entry for the filing of entries and withdrawals for consumption covering cattle weighing 700 pounds or more each (other than dairy cows), the produce of countries other than Canada, at the opening moment of the quarterly quota periods during the year 1942, provided for in the President's proclamation of December 22, 1941.

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TREASURY DEPARTMENT

Washington

FOR RELEASE, MORNING NEWSPAPERS,
Tuesday, December 30, 1941.
12/29/41

Press Service
29-33

The Secretary of the Treasury announced last evening that the tenders for $150,000,000, or thereabouts, of 76-day Treasury bills, to be dated December 31, 1941, and to mature March 17, 1942, which were offered on December 26, were opened at the Federal Reserve Banks on December 29.

The details of this issue are as follows:

Total applied for - $317,107,000
Total accepted - 150,004,000

Range of accepted bids: (Excepting two tenders totaling $80,000)

High	- 99.961	Equivalent rate approximately	0.185 percent
Low	- 99.927	" " "	0.346 "
Average price	- 99.935	" " "	0.310 "

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

o0o

TREASURY DEPARTMENT
Washington

FOR RELEASE, MORNING NEWSPAPERS,
Tuesday, December 30, 1941.
12/29/41

Press Service
No. 29-33

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High	- 99.961	Equivalent rate approximately		0.185	percent
Low	- 99.927	"	" "	0.346	"
Average Price	- 99.935	"	" "	0.310	"

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

-oOo-

5,52

Schwarz

29-34

FOR IMMEDIATE RELEASE:

Secretary Morgenthau has awarded Distinguished Flying Crosses to the pilot and crew of a Coast Guard airplane which was landed safely at Philadelphia on October 3 after having been severely damaged in a crash through tree tops near New Hackensack, New York. The Secretary, who was then head of the Coast Guard, was a passenger in the plane.

Those receiving the crosses were the pilot, Lieutenant William E. Sinton, Aviation Chief Machinist's Mates Edmund T. Preston and Lonnie Bridges, and Radioman (First Class) Stephen J. Brodman, all of the United States Coast Guard.

O.K. HMJr.

TREASURY DEPARTMENT
Washington

FOR IMMEDIATE RELEASE,
Tuesday, December 30, 1941.

Press Service
No. 29-34

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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 January 7, 1942, 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,

~~ALPHA~~

TREASURY DEPARTMENT

Washington

FOR RELEASE, MORNING NEWSPAPERS,
Friday, January 2, 1942.

The Secretary of the Treasury, by this public notice, invites tenders for $150,000,000, or thereabouts, of 71-day Treasury bills, to be issued on a discount basis under competitive bidding. The bills of this series will be dated January 7, 1942, and will mature March 19, 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, January 5, 1942. 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

29-35

TREASURY DEPARTMENT
Washington

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Tenders will be received without deposit from incorporated banks and trust companies and from responsible and recognized dealers in investment securities. Tenders from others must be accompanied by payment of 10 percent of the face amount of Treasury bills applied for, unless the tenders are accompanied by an express guaranty of payment by an incorporated bank or trust company.

Immediately after the closing hour, tenders will be opened at the Federal Reserve Banks and Branches, following which public announcement will be made by the Secretary of the Treasury of the amount and price range of accepted bids. Those submitting tenders will be advised of the acceptance or rejection thereof. The Secretary of the Treasury expressly reserves the right to accept or reject any or all tenders, in whole or in part, and his action in any such respect shall be final. Payment of accepted tenders at the prices offered must be made or completed at the Federal Reserve Bank in cash or other immediately available funds on January 7, 1942, 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 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.

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29-36

~~12-8-41~~
1-2-42

Secretary Morgenthau tonight made public the following comment on the statement of twenty-six Nations issued at the White House today:

"This statement of twenty-six Nations is destined to take its place among the immortal documents that are the milestones of human freedom. It means to Americans and to all the peoples of the world far more than a mere alliance against a common enemy, far more than a mere agreement to fight together without any thought of a separate peace until victory has been achieved. Its greatest significance is in the statement of the principles for which we fight. These are the great ideals of human liberty, the rights of the individual which government exists to protect and not to annul. In the denial of these rights by the forces of aggression lies the only and the fundamental cause of this great struggle. Let us be clear about that.

"This is a struggle of human rights against oppression. In the twenty-five Nations whom we join as comrades in arms there is awake, as there is in our own land, the conscience of mankind. The black shadow of oppression which has plunged nation after nation into darkness must not fall upon us, and it must be swept away from the conquered lands where its darkness has fallen. It will be swept away. We can go forward with the firmest determination and a sure faith."

TREASURY DEPARTMENT
Washington

FOR IMMEDIATE RELEASE,
Friday, January 2, 1942.

Press Service
No. 29-36

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TREASURY DEPARTMENT
Washington

FOR RELEASE, MORNING NEWSPAPERS,
Sunday, January 4, 1942.
1/3/41

Press Service
No. 29-37

Secretary Morgenthau has placed at the disposal of Vice President Wallace, chairman of the Supply, Priorities and Allocation Board, an inventory of $200,000,000 of materials for America's war effort, the cache of the Department's Foreign Funds Control.

The itemized inventory, which included all sorts of goods and merchandise, machinery and equipment, will make it possible for SPAB and other Government agencies to direct these materials, much of which is strategic, into the allied war effort.

At the same time the Secretary indicated that the inventory covered only a part of the strategic materials held for foreign account and buried in warehouses, sheds and factories throughout the country. The complete inventory, which will be furnished to Vice President Wallace in the next few days, probably will represent a much larger figure.

"Ferreting out stocks of strategic materials 'lost' in the United States is an effective way of adding immediately to the nation's stock piles during a period when our supply lines abroad are interrupted by war," the Secretary said. "This is but one of the many war time measures Foreign Funds Control in the Treasury has undertaken."

The Secretary explained that these vital materials uncovered by Foreign Funds Control were "lost" in the United States either through accident or design on the part of their foreign owners. In some cases the foreign owner could not communicate with the United States because of communication difficulties arising out of war conditions abroad. In other cases the owner was the victim of the Axis invasion and his whereabouts unknown. In still other instances the Axis powers through "dummies" actually had bought up the stocks for their own use before the war or had acquired them later for the express purpose of preventing their use in the Allied war machine. Regardless of the intent of the foreign owner, the result was the same--the supplies were not being used in our war effort.

Typical examples of items found in the list prepared by Foreign Funds Control and given to the Vice President included the following:

The following material and equipment was held in one warehouse in the port of New York for just one foreign owner whose identity was "unknown": 89 boxes of aluminum, 3092 pieces of aluminum, 396 crates of brass, 3 pieces of forgings, 117 tons of rough forgings, 169 tons of forgings, 49 crates of auto parts, 25 boxes of auto parts, 2 crates of tractor implements, 3 crates of pneumatic tools, 1 box of link belting, 14 packages of diesel equipment and 138 crates of machinery.

Tractors, tires, motor accessories and barley held for Greek accounts and valued at $1,395,321, machines, aluminum and molybdenite held for Fiat, Italy's motor car and truck company, and valued at $268,000; merchandise from an American automobile manufacturer consigned to Greece, $157,775; tire fabric, $67,213; materials for Hispano Suiza, an important engine manufacturer in Seine, France, $475,984; steel for Holland, $79,565; automobiles for Finnish account, $35,114; steel valued at $92,000 for French account; and leather valued at $88,063 for French account.

Until Treasury reporting regulations under freezing control brought the information to light and an inventory of the reports was made, no comprehensive study of this picture was available. The supplies were scattered in a thousand places and under ten thousand different names. The warehouseman or other custodian of each parcel in many instances had forgotten that it was packed away in an inaccessible place. If he knew of its presence he either did not know that it was critically needed for national defense, or even if he did appreciate its value, he saw it only as an insignificant amount because he did not see the thousands of similar parcels held by others.

Today's disclosure, however, was compiled by Foreign Funds Control after examination of the TFR-300 census reports of foreign property. Those required to report on this form included every person in the United States holding foreign-owned property as well as agents in the United States of foreign nationals having any information regarding the holdings of their principals. This was the most comprehensive census of foreign-owned property this country had ever undertaken.

The reports brought the Division of Foreign Funds Control a complete census of every foreign account over $1,000. The thoroughness of the census insures an adequate sweeping of every corner of the nation for large and small quantities of materials which might possibly benefit the nation's war effort.

In June, 1941, when the United States froze all Axis assets in the United States and the Treasury required a census of all foreign-owned property, there was dismay in some circles because of the detailed information Foreign Funds Control was requiring, but this economic preparedness is now paying dividends, Treasury officials said. More than 500,000 reports already have been received and are being processed both day and night. Instead of waiting for another six months before being able to take stock of our foreign and enemy holdings, Foreign Funds Control already has complete information which it is using and also making available to other interested Government agencies.

Several months ago the Treasury performed this same task on a much smaller scale with respect to an earlier and less complete census on report Form TFR-100. Strategic materials valued at many millions of dollars were made available to the army, navy and defense industries following their location by the Foreign Funds Control. The success of this initial inventory prompted the obtaining of much more complete data in connection with the recent census on report Form TFR-300.

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thing we can do. It is the first concrete test of our willingness to back up our soldiers and sailors and airmen. At first sight the amount of money we have to raise through borrowing and taxes may seem impossible, but we in the Treasury have struck the word "impossible" out of our dictionary. With your help we are going to do the job.

Let us, then, resolve to be worthy of ~~those~~ our men in uniform. Let us prove that we will lend to defend our right to be free -- that we will pour out a mighty torrent of dollars "to defend life, liberty, independence and religious freedom . . . against savage and brutal forces seeking to subjugate the world."

D-C

and sustain their fighting men in the front line. Those fighting men are looking to us right now. They are looking to us in our homes and factories, looking from the Philippines and Iceland, from the silent gray ships that are guarding our shores, from all the posts of danger in all the seven seas -- looking to us to keep them supplied and to do our part as they are doing theirs. Those men have the right to look back home and see us standing shoulder to shoulder, with all sections, all groups, all the old divisions and dissensions swept away in our united resolve to win this war.

I ~~don't pretend~~ am not suggesting that purchase of Defense Bonds is all we need to do here at home to achieve victory. But I do say that the buying of Defense Bonds is the first

I suggest, then, that each of us sit down this very evening to study our family budget; that each of us decide this very evening, not the least but the most that we can afford every week for the purchase of Defense Savings Bonds; that we then translate that amount into a percentage of our pay, five, ten, or even fifteen percent, whatever we choose, and stick to it by setting that percentage aside week after week without fail. Remember, the more bonds we buy, the more planes will fly. Remember, every bond we pledge ourselves to buy will add to the weight of the bombs that will fall on Tokyo and Berlin. ~~Remember, also, that every dollar we pledge to set aside now will come back to us with interest after that happier day when victory is ours.~~

X Now is the time for all of America to line up as 130 million united people, using their dollars to support X

X

our State organizations are ready to tell you all about it, and will cheerfully send someone to your factory to explain it to you.

I am in dead earnest when I say that millions more must take part in these payroll saving plans, and must invest hundreds of millions of dollars more, if we are to do our job. Our plans at the Treasury for financing the war are based upon the belief that the American people will want to assume a big share of the cost of the war, of their own free will. The response to payroll saving will tell us whether that belief is right or wrong.

I have such faith in the American people that I believe they will want to do the job in the voluntary way -- but it is up to you to prove it ~~to me~~.

D-C

been much greater, from labor and from management alike. I am receiving reports already of some companies in which 90 percent or more of the employees are making good use of this easy road to voluntary saving. In this connection I should like to pay a sincere tribute to the labor unions which are urging their members in all parts of the country to get behind the Defense Savings effort. X

But the response from industrial workers so far is only a beginning. If you haven't heard how to join in a voluntary payroll saving plan, or if the details haven't been explained to you, or if your company has refused to install such a plan for you, I wish you would write to me at the Treasury Department in Washington. It's the Treasury's responsibility to tell you about payroll saving;

D-C

for workers to accumulate their savings for the purchase of Defense Bonds.

Many of you already know about these payroll saving plans. The most popular of them is a method by which you or your union can tell your company how much you wish to set aside from your pay, to be saved for Defense Bond purchases. Your company accumulates your savings for you, and when you have enough to buy a Defense Bond your company will deliver the bond to you, registered in your own name. That is all there is to it.

Until now a very small fraction of employees have taken advantage of these plans, and a comparatively small proportion of companies have agreed to provide the facilities. Since Japan attacked us the extent of participation has

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every wage-earner and salary-earner put aside a part of every pay check, every week, for the purchase of Defense Bonds and Stamps. And when I say "a part" I do not mean a mere token contribution of a few nickels every week, or the mere contribution of one percent or two percent of the weekly pay check. This is not a token war. It is not a two percent war. It is not a war that can be won with spare change. Each of us will have to figure out the very most that we can set aside to buy Defense Bonds, for our own good and for our country's good, as long as the war may last.

The industrial workers of this country are making a good start. Voluntary payroll saving plans are now in operation in thousands of factories, and in most of our largest business concerns, to make it more convenient

D-C

This is a people's war. If it ~~If this~~ were a different kind of war, I should not be speaking to you, the people, in your homes tonight about the job ahead. ~~that faces us. But this is a people's war.~~ Everything that the people of this and other free countries have won through centuries is now at stake. You will want me, as Secretary of the Treasury, to finance this people's war by going to the people themselves for the sinews of war. I am not going to finance it by depending primarily on a few financiers. I am depending on you, on each and every one of you who may be listening to my voice this evening. In particular, I am depending on the 40,000,000 American men and women who earn regular pay.

You may ask "What is the Treasury's goal? Can't the Treasury give us some figure to shoot at?" The Treasury's goal is to make every pay day Bond Day. It is to have such huge expenditures in the coming year that even the half billion dollar record you established in the purchase of Defense Bonds in December will seem to be almost insignificant.

War is never cheap, but let me remind you that it's a million times cheaper to win than to lose. The French, the Czechs, the people of a dozen conquered and ravaged countries, can tell us what it costs to lose. We have made up our minds to win. We have made up our minds to produce and to fight with such an overwhelming number of planes, of ships, of tanks, of guns and of trained and fully equipped men, that the Nazis and Japanese and their kind can never again threaten our freedom. The cost of our war effort should frighten no one but our enemies. ~~To us, it is just a necessary measuring of the size of the job ahead.~~

D-C

the country is pushing us. We like to be pushed. The presses are at work all night, every night. While there still are shortages in some cities, we are now accumulating several weeks' advance supply of bonds to meet the demand which, I am confident, will never slacken until the war is won.

It is important, however, to keep in our minds the relation between Defense Bond sales and the total amount of money that we have to borrow. In December your Government spent about four times as much on the war effort as you subscribed in Defense Savings Bonds. In the months to come it will spend at a far greater and ever increasing rate. You read the President's statement of last week that we shall have to devote half of our entire national income to the war effort. That statement foreshadowed

D-C

they had been in previous months. All this indicates that more and more people with moderate ~~and small~~ incomes are acquiring the good habit of saving for their country.

The rush to buy bonds was so great that in some places the supply ~~of bonds~~ ran out for a time. We just couldn't print the bonds fast enough after Pearl Harbor. In Honolulu, while the smoke ~~from Pearl Harbor~~ still darkened the sky, the citizens of Hawaii replied to the bombs by buying bonds ten times as fast as before. ~~and we had to authorize the issuance of temporary receipts in place of bonds to meet the demand.~~ As a result of that thrilling ~~superb~~ demonstration, and many others like it throughout the country, we promptly placed the Bureau of Engraving and Printing on a three-shift 24-hour basis. We're glad that

DRAFT OF SECRETARY MORGENTHAU'S BROADCAST
"THE JOB AHEAD"
January 4th, 1942

Tonight I can give you proof that the country remembers Pearl Harbor. I am happy to report to you that Defense Bond sales in the month of December produced more than five hundred million fighting dollars for fighting men. Actual cash deposits from Defense Bond sales reached the record total of $528,000,000, about twice as much as the average for the previous seven months.

This grand response is just one sample of what our people will do, in every field of the war effort, now that they are awake and aroused to their country's danger.

It is especially good news to me that $341,000,000 of the December total came from the sale of the Series E Bonds, the "people's bonds", that start at a price of $18.75. The sales of Series E Bonds were almost three times what

D-C 1/3/42

TREASURY DEPARTMENT
Washington

(The following address by SECRETARY MORGENTHAU ~~before the first national meeting of the Defense Savings Organization is scheduled to be delivered in Chicago, Illinois, at 2:00 p.m., Central Standard Time, Wednesday, December 17, 1941, and is for release upon delivery at that time.)~~

on "The Job Ahead" is scheduled to be broadcast over the Columbia Broadcasting System and the Blue Network of the National

This nation of ours has had a shock, but it is wiser and stronger for having had it. Every one of us must be conscious today of a clearer vision and a deeper understanding than we had two weeks ago. The bombs on Pearl Harbor have destroyed much more than what the censors would call "military objectives". They have ripped our complacency to shreds. They have blasted the old comfortable belief that the wide oceans could save us from harm. They have blown away the notion that brutality and deceit and murder in another part of the world could never touch us in ours.

We now know, or ought to know, that this whole world struggle is our war, just as much as it was to the people of Chungking or Warsaw in 1939, or to the people of Rotterdam or London in 1940, or to the people of Athens and Moscow in 1941. We now know, or ought to know, that there can be no half way method of fighting an attempt to dominate the entire earth. We now know, or ought to know, that this total war will require total effort on our part, with everything we have and everything we are, with all our resources pledged to final and decisive victory.

We in this room, the men and women who direct the Defense Savings Organization in the 48 States, have been working hard for many months to mobilize our financial resources in the form of the people's savings. But we have, I think, done more than that.

Broadcasting Company at 7:15 p.m., Eastern Standard Time, Sunday, January 4, 1942, and is for release upon delivery at that time. It will be rebroadcast at 11 p.m. that evening over The Mutual Broadcasting System.)

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29-38

Number

Treasury DEPARTMENT
Washington

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The industrial workers of this country are making a good start. Voluntary payroll saving plans are now in operation in thousands of factories, and in most of our largest business concerns, to make it more convenient for workers to accumulate their savings for the purchase of Defense Bonds.

Many of you already know about these payroll saving plans. The most popular of them is a method by which you or your union can tell your company how much you wish to set aside from your pay, to be saved for Defense Bond purchases. Your company accumulates your savings for you, and when you have enough to buy a Defense Bond your company will deliver the bond to you, registered in your own name. That is all there is to it.

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But the response from industrial workers so far is only a beginning. If you haven't heard how to join in a voluntary payroll saving plan, or if the details haven't been explained to you, or if your company has refused to install such a plan for you, I wish you would write to me at the Treasury Department in Washington. It's the Treasury's responsibility to tell you about payroll saving; our State organizations are ready to tell you all about it, and will cheerfully send someone to your factory to explain it to you.

I am in dead earnest when I say that millions more must take part in these payroll saving plans, and must invest hundreds of millions of dollars more, if we are to do our job. Our plans at the Treasury for financing the war are based upon the belief that the American people will want to assume a big share of the cost of the war, of their own free will. The response to payroll saving will tell us whether that belief is right or wrong.

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CONFIDENTIAL

Single

UNITED STATES SAVINGS BONDS

Sales Since May 1, 1941, by Months
On Basis of Issue Price

(In thousands of dollars)

Month	Series E			Series F	Series G	Total
	Post Offices	Banks	Total			
May	$ 42,836	$ 57,745	$ 100,581	$ 37,817	$ 211,420	$ 349,818
June	40,788	61,729	102,517	28,876	183,134	314,527
July	50,558	94,717	145,274	27,359	169,498	342,132
August	40,725	76,878	117,603	20,318	127,685	265,606
September	38,117	67,123	105,241	18,099	108,987	232,327
October	41,634	81,250	122,884	22,963	124,866	270,713
November	37,997	71,478	109,475	18,978	105,035	233,487
December	103,154	237,930	341,085	33,272	154,242	528,599
Total	$395,811	$748,850	$1,144,660	$207,682	$1,184,867	$2,537,210

Single

Office of the Secretary of the Treasury, Division of Research and Statistics. January 1, 1942.

Source: All figures are deposits with the Treasurer of the United States on account of proceeds of sales of United States savings bonds.

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

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The Secretary said that the Bureau of Engraving and Printing had been placed on a three-shift, twenty-four hour basis to cope with the bond-buying rush which began to develop shortly after the Japanese attack on Pearl Harbor. While there are still shortages in the supply of bonds in some cities, he said, several weeks' advance supply is now being accumulated "to meet the demand which, I am confident, will never slacken until the war is won."

"At first sight the amount of money we have to raise through borrowing and taxes may seem impossible," said Mr. Morgenthau, "but we in the Treasury have struck the word 'impossible' out of our dictionary. With your help we are going to do the job."

The sales figures announced tonight did not include the sales of Defense Savings Stamps, which also reached new records in December.

Following is a month-by-month record of the sales of all three series of Defense Savings Bonds, on a basis of the issue price, in thousands of dollars, since May 1:

Month	Series E	Series F	Series G	Total

what it costs to lose. We have made up our minds to win. We have made up our minds to produce and to fight with such an overwhelming number of planes, of ships, of tanks, of guns and of trained and fully equipped men, that the Nazis and the Japanese and their kind can never again threaten our freedom.

"The cost of our war effort should frighten no one but our enemies."

Emphasizing the importance of systematic saving from current income, and particularly of the voluntary payroll saving plans now in operation in thousands of factories, the Secretary said:

"I am in dead earnest when I say that millions more must take part in these payroll saving plans, and must invest hundreds of millions of dollars more, if we are to do our job. Our plans at the Treasury for financing the war are based upon a belief that the American people will want to assume a big share of the cost of the war, of their own free will. The response to payroll saving will tell us whether that belief is right or wrong.

"I have such faith in the American people that I believe they will want to do the job in the voluntary way--but it is up to you to prove it."

The Treasury's goal, he went on, is "to make every pay day Bond Day", and to have "every wage-earner and salary-earner put aside a part of every pay check, every week, for the purchase of Defense Bonds and Stamps."

"And when I say 'a part' I do not mean a mere token contribution of a few nickels every week, or the mere contribution of one per cent or two per cent of the weekly pay check," said Mr. Morgenthau. "This is not a token war. It is not a two per cent war. It is not a war that can be won with spare change.

"Remember, the more bonds we buy, the more planes will fly. Remember, every bond we pledge ourselves to buy will add to the weight of the bombs that will fall Tokyo and Berlin."

TREASURY DEPARTMENT
Washington

FOR RELEASE, MORNING NEWSPAPERS,
Monday, January 5, 1942.
1/3/42

(even with margin)

Press Service
No. 29-39

double

Cash receipts at the Treasury from the sale of Defense Savings Bonds in December reached a total of $528,599,000, Secretary Morgenthau announced tonight.

single

This record figure for a single month compared with receipts of $233,487,000 in November, and ~~is~~ was almost twice as high as the average for the seven months since Defense Savings Bonds first went on sale in May. The December sales boosted the total receipts since May 1 to $2,537,210,000.

Sales of the Series "E" bonds, the successors to the old "baby bonds," accounted for $341,085,000 of the December receipts. This ~~is~~ was more than three times the November figure of $109,475,000 from the sale of Series E bonds, and ~~is~~ was more than three times the average of the seven months since May 1.

In a nation-wide broadcast this evening Secretary Morgenthau hailed the December figures as "just one sample of what the American people will do, in every field of the war effort, now that they are awake and aroused to their country's danger."

~~Mr. Morgenthau reminded his listeners, however, that~~ The war effort in December, however, cost about four times as much as the total receipts from Defense Bonds in the month, ~~and that~~ Mr. Morgenthau said, in the months to come the Government ~~would~~ will spend "at a far greater and ever increasing rate." The President's recent statement on the war production program, said the Secretary, "foreshadowed such huge expenditures in the coming year that even the half billion dollar record you established in the purchase of Defense Bonds in December will seem to be almost insignificant."

"War is never cheap," said Sécretary Morgenthau, "but let me remind you that it's a million times cheaper to win than to lose. The French, the Czechs, the people of a dozen conquered and ravaged countries, can tell us

For Monday A.M.s

29-39

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TREASURY DEPARTMENT
Washington

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"War is never cheap," said Secretary Morgenthau, "but let me remind you that it's a million times cheaper to win than to lose. The French, the Czechs, the people of a dozen conquered and ravaged countries, can tell us what it costs to lose. We have made up our minds to win. We have made up our minds to produce and to fight with such an overwhelming number of planes, of ships, of tanks, of guns and of trained and fully equipped men, that the Nazis and the Japanese and their kind can never again threaten our freedom.

"The cost of our war effort should frighten no one but our enemies."

Emphasizing the importance of systematic saving from current income, and particularly of the voluntary payroll saving plans now in operation in thousands of factories, the Secretary said:

"I am in dead earnest when I say that millions more must take part in these payroll saving plans, and must invest hundreds of millions of dollars more, if we are to do our job. Our plans at the Treasury for financing the war are based upon a belief that the American people will want to assume a big share of the cost of the war, of their own free will. The response to payroll saving will tell us whether that belief is right or wrong.

"I have such faith in the American people that I believe they will want to do the job in the voluntary way--but it is up to you to prove it."

The Treasury's goal, he went on, is "to make every pay day Bond Day", and to have "every wage-earner and salary-earner put aside a part of every pay check, every week, for the purchase of Defense Bonds and Stamps."

"And when I say 'a part' I do not mean a mere token contribution of a few nickels every week, or the mere contribution of one per cent or two per cent of the weekly pay check," said Mr. Morgenthau. "This is not a token war. It is not a two per cent war. It is not a war that can be won with spare change.

"Remember, the more bonds we buy, the more planes will fly. Remember, every bond we pledge ourselves to buy will add to the weight of the bombs that will fall on Tokyo and Berlin."

The Secretary said that the Bureau of Engraving and Printing had been placed on a three-shift, twenty-four hour basis to cope with the bond-buying rush which began to develop shortly after the Japanese attack on Pearl Harbor. While there are still shortages in the supply of bonds in some cities, he said, several weeks' advance supply is now being accumulated "to meet the demand which, I am confident, will never slacken until the war is won."

"At first sight the amount of money we have to raise through borrowing and taxes may seem impossible," said Mr. Morgenthau, "but we in the Treasury have struck the word 'impossible' out of our dictionary. With your help we are going to do the job."

The sales figures announced tonight did not include the sales of Defense Savings Stamps, which also reached new records in December.

Following is a month-by-month record of the sales of all three series of Defense Savings Bonds, on a basis of the issue price, in thousands of dollars, since May 1:

Month	Series E	Series F	Series G	Total
May	$ 100,581	$ 37,817	$ 211,420	$ 349,818
June	102,517	28,876	183,134	314,527
July	145,274	27,359	169,498	342,132
August	117,603	20,318	127,685	265,606
September	105,241	18,099	108,987	232,327
October	122,884	22,963	124,866	270,713
November	109,475	18,978	105,035	233,487
December	341,085	33,272	154,242	528,599
	$1,144,660	$207,682	$1,184,867	$2,537,210

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

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January 5, 1942

STATUTORY DEBT LIMITATION
AS OF DECEMBER 31, 1941

Section 21 of the Second Liberty Bond Act, as amended, provides that the face amount of obligations issued under authority of that Act, "shall not exceed in the aggregate $65,000,000,000 outstanding at any one time."

The following table shows the face amount of obligations outstanding and the face amount which can still be issued under this limitation:

Total face amount that may be outstanding at any one time			$65,000,000,000
Outstanding as of December 31, 1941:			
Interest-bearing:			
Bonds -			
Treasury	$33,367,393,200		
Savings (Maturity value)*	7,549,061,400		
Depositary	63,746,000		
Adjusted Service	733,197,856	$41,713,398,456	
Treasury notes	12,198,809,925		
Certificates of indebtedness	2,750,550,000		
Treasury bills (maturity value)	2,001,505,000	16,950,864,925	
		$58,664,263,381	
Matured obligations, on which interest has ceased		113,461,400	58,777,724,781
Face amount of obligations issuable under above authority			6,222,275,219

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

Total face amount of outstanding public debt obligations issued under authority of the Second Liberty Bond Act, as amended		58,777,724,781
Deduct, unearned discount on Savings bonds (difference between current redemption value and maturity value)		1,409,364,306
		$57,368,360,475
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	11,789,520	
Bearing no interest	361,926,502	569,762,622
Total gross debt outstanding as of December 31, 1941		$57,938,123,097

*Approximate maturity value. Principal amount (current redemption value) according to preliminary public debt statement $6,139,697,093.

29-40

000

January 5, 1942

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29-40

In view of General License No. 80 issued today the freezing restrictions will not affect Philippine citizens within the United States or within the generally licensed trade area.

OK
H.M.Jr.

Cleared with Dean Acheson &
Leo Crowley over ~~telephone~~ telephone.
John Pehle to inform Elizalde
after papers are released.
H.M.Jr - 1/5/42 - 1:15 PM.

AFL:nrd - 1/3/42

(a. schwarz suggested changes)

enemy occupation of important parts of the Philippine Islands

TREASURY DEPARTMENT
Washington

FOR IMMEDIATE RELEASE
Monday, January 5, 1942

Press Service
No. 29-41

situation created by the

In view of the [fall of Manila], the Treasury Department today issued Public Circular No. 11 calling attention to the fact that Philippine assets have been automatically frozen under the December 26, 1941 amendment to the freezing orders.

for the purposes of the freezing orders

The new public circular prescribed that the Philippine Islands should be regarded as of their own a separate blocked country and that January 1, 1942 would be regarded as the effective date of the freezing regulations as applied to the Philippines. This was done to facilitate the administration of freezing control over Philippine assets and also to provide the public with specific standards to guide their compliance with the freezing regulations relating to the Philippines. For all practical purposes this had the same effect as though freezing control had been specifically extended to the Philippine Islands on January 1, 1942.

The public circular also announced that census reports on Form TFR-300 were required to be filed with respect to Philippine assets. Details regarding this requirement will be announced later. Certain general licenses relati[ng] to the Philippine Islands were revoked and others were amended. New general licenses were issued dealing with problems arising out of freezing Philippine assets. These general licenses followed the general pattern of documents issued in the past in connection with extending freezing control to a new country.

TREASURY DEPARTMENT
Washington

FOR IMMEDIATE RELEASE
Monday, January 5, 1942

Press Service
No. 29-41

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In view of General License No. 80 issued today the freezing restrictions will not affect Philippine citizens within the United States or within the generally licensed trade area.

-oOo-

TREASURY DEPARTMENT

Washington

FOR RELEASE, MORNING NEWSPAPERS,
Tuesday, January 6, 1942.
1/5/42

Press Service
29-42

The Secretary of the Treasury announced last evening that the tenders for $150,000,000, or thereabouts, of 71-day Treasury bills, to be dated January 7, 1942, and to mature March 19, 1942, which were offered on January 2, were opened at the Federal Reserve Banks on January 5.

The details of this issue are as follows:

Total applied for - $351,600,000
Total accepted - 150,230,000

Range of accepted bids: (Excepting two tenders totaling $640,000)

High	- 99.952	Equivalent rate approximately 0.243 percent
Low	- 99.934	" " " 0.335 "
Average price	- 99.940	" " " 0.304 "

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

TREASURY DEPARTMENT
Washington

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Tuesday, January 6, 1942.
1/5/42

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-oOo-

TO:

The Secretary

For approval, please.

This has been okayed by

Mr. White's office.

CS

From: MR. SCHWARZ

Treasury Department
Washington

For Immediate Release
Tuesday, Jan 6, 1942

Press Service
No 29-43

Secretary Morgenthau announced today that the Treasury has purchased an additional 20 million dollars of gold from the Union of Soviet Socialist Republics. The gold is to be delivered within 180 days from January 3, the date of the purchase agreement.

The new transaction follows two similar gold purchases of last year, one for 10 million dollars and another for 30 million dollars. Delivery of gold against the first purchase, made August 16 on a 90-day basis, was completed on October 25. The second arrangement, consummated on October 10, called for delivery of the gold within 180 days, by April 8, 1942. Two-thirds of the gold involved in this transaction already has been delivered.

Dollar assets made available by the gold transactions are being used by the Soviet Union to purchase goods and services in the United States in addition to materials being obtained under the terms of the lend-lease arrangement.

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O.K. HMJr.

TREASURY DEPARTMENT
Washington

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Tuesday, January 6, 1942.

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-oOo-

When the attached release has been mimeographed, please have 10 extra copies forwarded to Miss Henry, Bureau of Customs, Rm 404 Wilkins Bldg., 1512 H St. N. W.

McHenry

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

Total quota, provided, however, that not more than 33-1/3 percent of the quotas shall be filled by cotton wastes other than card strips and comber wastes made from cottons of 1-3/16 inches or more in staple length in the case of the following countries: United Kingdom, France, Netherlands, Switzerland, Belgium, Germany and Italy:

(In Pounds)

Country of Origin	Established TOTAL QUOTA	TOTAL IMPORTS Sept. 20, 1941, to Dec. 27, 1941	Established 33-1/3% of Total Quota	Imports Sept. 20, 1941, to [Dec.] 27, 1941 1/
United Kingdom	4,323,457	434	1,441,152	434
Canada	239,690	231,615	-	-
France	227,420	-	75,807	-
British India	69,627	69,627	-	-
Netherlands	68,240	-	22,747	-
Switzerland	44,388	-	14,796	-
Belgium	38,559	-	12,853	-
Japan	341,535	-	-	-
China	17,322	-	-	-
Egypt	8,135	-	-	-
Cuba	6,544	-	-	-
Germany	76,329	-	25,443	-
Italy	21,263	-	7,088	-
Total	5,482,509	301,676	1,599,886	434

1/ Included in total imports, column 2.

[signature]

29-44

To be disseminated to mailing list.

FOR IMMEDIATE RELEASE
January ~~6~~,7 1942

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 December 27, 1941, inclusive:

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

(In Pounds)

Country of Origin	Staple length less than 1-1/8"		Staple length 1-1/8" or more but less than 1-11/16"	
	Established Quota	Imports Sept. 20, 1941, to Dec. 27, 1941	Established Quota	Imports Sept. 20, 1941, to Dec. 27, 1941
Egypt and the Anglo-Egyptian Sudan	783,816	-	43,451,566	12,120,239
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	3
Union of Soviet Socialist Republics .	475,124	-	-	-
Argentina	5,203	210	435	-
Haiti	237	-	506	6
Ecuador	9,333	9,333	-	-
Honduras	752	-	-	-
Paraguay	871	-	-	-
Colombia	124	-	-	-
Iraq	195	-	-	-
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	-	-	-
Total	14,516,882	9,759,507	45,656,420	14,176,577

1/ Other than Barbados, Bermuda, Jamaica, Trinidad, and Tobago.
2/ Other than Gold Coast and Nigeria.
3/ Other than Algeria, Tunisia, and Madagascar.

TREASURY DEPARTMENT
Washington

FOR IMMEDIATE RELEASE,
Wednesday, January 7, 1942.

Press Service
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(In Pounds)

Country of Origin	Staple length less than 1-1/8": Established Quota	Staple length less than 1-1/8": Imports Sept. 20, 1941, to Dec. 27, 1941	Staple length 1-1/8" or more but less than 1-11/16": Established Quota	Staple length 1-1/8" or more but less than 1-11/16": Imports Sept. 20, 1941, to Dec. 27, 1941
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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:

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British India	69,627	69,627	-	-
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Switzerland	44,388	-	14,796	-
Belgium	38,559	-	12,853	-
Japan	341,535	-	-	-
China	17,322	-	-	-
Egypt	8,135	-	-	-
Cuba	6,544	-	-	-
Germany	76,329	-	25,443	-
Italy	21,263	-	7,088	-
Total	5,482,509	301,676	1,599,886	434

1/ Included in total imports, column 2.

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TREASURY DEPARTMENT
Washington

FOR RELEASE, MORNING NEWSPAPERS
Wednesday, January 7, 1942.
1/6/42

Press Service
No. 29-45

(The following address by Daniel W. Bell, Under Secretary of the Treasury, is scheduled for delivery before the Washington Board of Trade, Mayflower Hotel, Washington, D. C., at 9:30 P.M., Eastern Standard Time, Tuesday, January 6, 1942.)

file Copy

TREASURY DEPARTMENT
Washington

FOR RELEASE, MORNING NEWSPAPERS,
Wednesday, January 7, 1942.
1/6/42

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No. 29-45

(The following address by Daniel W. Bell, Under Secretary of the Treasury, is scheduled for delivery before the Washington Board of Trade, Mayflower Hotel, Washington, D. C., at 9:30 P.M., Eastern Standard Time, Tuesday, January 6, 1942.)

I am happy to be with you tonight because yours is an organization typical of every American city and town. Your group represents the collective enterprise and experience of the Capital City, and we in the Government look to it, and to similar groups throughout the country, for support and understanding in this time of crisis.

I need not tell you how much we in the Treasury appreciate the good work you have done by promoting our Defense Savings program. I have been told that the Washington Board of Trade has organized a committee to make personal contact with its 4,500 members in order to promote the sale of Defense Bonds. I am told that your goal of a million dollars virtually has been reached. Yours is a splendid contribution to the Treasury's war chest, an outstanding example that proves America's united resolve to win this war.

One month has gone by since the 7th of December, the "day that will live in infamy." I doubt if any other single day in all our history has brought a greater or swifter change in our mental attitude. I doubt if any other month in all our history has brought a greater transformation in the American scene and in the American state of mind. Until Pearl Harbor most of us had been looking into the immediate future through a spyglass that had not yet been focused. We saw the shadowy outlines of America as an "arsenal of democracy," but the picture had not yet become clear. We talked in vague terms of helping those peoples who were fighting our fight, but we were not yet able to see clearly that it was really our fight.

Since December 7th, the blurred outlines have taken precise shape. We now see our country not merely as an abstraction called an arsenal of democracy, but we can see it develop into a mighty engine of war with all our resources, all our power, all our material and moral strength becoming mobilized to bring us victory.

Already we can see the American giant stirring from his long sleep. We can see him throwing off the easy-going ways of peace and clenching his fists for the stern realities of war. It will not be an easy transformation. The first of many shocks has come already here at home: the production and sale of automobiles and tires, the very symbols of our modern American way of life, are about to be ended for the duration. Shortages of other materials will produce similar shocks upon our normal living conditions. It will not be many months before every citizen, no matter how sheltered in other times, will feel the impact of this war upon his everyday life.

One way to measure the changes which war has brought and will bring is to look at the financial picture. In the past 18 months -- that is, from the fall of France in June 1940 until the end of last month -- we spent about $14,300,000,000 on defense. In the month of December we spent close to $2,000,000,000 on the war effort, the largest monthly war expenditure in all our history. These figures represent actual production of materials and equipment needed to fight a total war, yet even these figures must be greatly increased without delay if we are to achieve the destruction of the Axis powers and the liberation of free peoples throughout the world.

You probably heard the President's statement today that we would have to spend 56 billion dollars in the fiscal year 1943 on the war effort -- more than half of our entire National income. We cannot produce immediately the swarms of planes and fleets of ships and great armies of trained men which this figure represents; we cannot reach such a rate of expenditure by waving a magic wand. Mere appropriations by Congress of billions piled upon billions will not give us the armed strength that will spell victory. Those appropriations must be translated into actual labor and production in the factories. We must clear the decks for production on a scale which no nation has ever achieved. We shall have to compress into two years the work which Hitler's Germany took seven years to accomplish. The Budget Message to be delivered to Congress tomorrow will give us further indication of the rate of expenditure necessary to do this.

When I stress the size of these expenditures, I do not mean to suggest that we cannot carry them. Of course we can. We can carry them because we Americans believe in the purposes for which we are fighting, we believe in the danger in which our country stands, we believe in the necessity of ridding the earth of a hateful way of life under which our country and all its institutions would perish. But we cannot carry that burden unless we accept its implications. And those are a severe curtailment of civilian spending, a cheerful acceptance of taxes higher than we have ever known, and a continuing effort to set aside a part of our current income by the systematic purchase of Defense Savings Bonds.

The story of the Defense Savings effort is one illustration of the transformation that Pearl Harbor has brought about in the American mind. We planned this program long ago, we launched it last May, when this country was still in the phase of "all aid short of war" to the enemies of the Axis. I think we laid our foundations carefully and well. A field organization was created reaching into every State and into every community. We received wonderful help from volunteer workers in all walks of life, in all parts of the country. Yet in the period from May 1st to November 30th, we sold only about $2 billion worth of these securities -- a figure which, although large, was not enough considering our swiftly mounting war expenditures and our growing need for funds. We can thank the Japanese for giving our people the shock that brought Defense Savings into its stride. In December we sold a total of more than $528 million worth of Defense Bonds, twice as much as the previous monthly average. Of this amount $341 million came from the little bonds, the Series E Bonds, which we regard as the most important of the three types; this was a figure three times as great as the previous monthly average for the sale of these bonds. Not only the dollar volume but the number of individual subscribers in December made us feel that we were selling Bonds at last at a rate comparable to the need.

Yet the need is growing by leaps and bounds. Even half a billion dollars a month in Bonds will not be enough in the months to come, which will see war expenditures mounting to a monthly rate of three, four, and ultimately five billion dollars.

I hear it said sometimes that it can't be done. I hear it said that a country at war, with war-time taxes and other unaccustomed burdens cannot save at the rate that will be needed. Let us look, however, at the record of Great Britain.

The war savings movement over there produced six hundred million pounds in its second year of operation. Translated into American currency, that is $2,400,000,000 in a year. This total accounted for ten per cent of the British national income of six billion pounds. Ten per cent of our National income would be between nine and ten billion dollars. We should do much better than the British because our limit on individual holdings of savings securities is much higher than theirs.

England's experience shows what one brave country can do in the midst of war. Remember that the enemy is just twenty-one miles from the cliffs of Dover; remember that the British have more than three million of their men in uniform and that they are sustaining a war effort on all the seven seas; remember also that their cities have been bombed, their property destroyed, their taxes increased to over 40 per cent of the National income, and their civilian life dislocated to an extent never before known in their history. Yet these people have managed to purchase war savings securities of an amount equal to ten per cent of their National income. If England can do it, why can't we do even better?

My answer is that we can, and we will. Our people need only the same clear realization of their country's need. But it will take immense effort on our part to enlist our country's savings to the same extent. That effort is already under way, and we at the Treasury are depending upon you to put all your weight and influence and energy behind it.

In particular we are trying to reach the 40 million men and women who receive regular income. Their income represents by far the greatest source of the purchasing power that must be diverted into the Treasury and away from civilian consumption if we are to avoid inflation in our war financing. Their income represents the best source of funds for supplying us with the weapons we require. The Treasury has determined to make every pay day Bond Day; that is, it wants 40 million people to set aside of their own free will, a part of every pay check they receive. That part will have to be a substantial one. As Secretary Morgenthau said the other evening, this is not a war that can be won with spare change. It is one that will require the largest possible amount from every person who can afford it, without actually taking food and other necessities from his children.

Therefore, I am appealing to you as leading business men of the District to spare no effort in this savings program. It is our job to see that every firm, large or small, sets up savings plans for the convenience of its employees. The District of Columbia Defense Savings Committee is now working out a plan which will involve direct contact with every company in this community. The contacts will be made by men like yourselves who understand Washington and who understand the problem involved.

I am convinced that with such a system of contacts established here and in every State of the Union, we shall soon find the name of every wage earner on the Treasury Department's roll of honor.

There is no time to lose. Every day that we delay with the production of vital weapons will prolong the war. The factory workers and managers of this country are straining every nerve to see that American soldiers and sailors have fighter planes and anti-aircraft guns and weapons with which to meet a powerful and resourceful enemy. The President said a few months ago that our production of war materials must grow until it is a mighty torrent. In the same way, the flow of dollars must increase until that too is a mighty torrent. I am confident that you, as the leaders of the business community in Washington, will not fail to do your part in this effort that is so vital to the winning of the war. I am confident of our success.

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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 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 January 14, 1942, 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

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TREASURY DEPARTMENT

Washington

FOR RELEASE, MORNING NEWSPAPERS,
Friday, January 9, 1942 .

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 January 14, 1942 , and will mature April 15, 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, January 12, 1942. Tenders will not be received at the Treasury Department, Washington. Each tender must be for an even multiple of $1,000, and the price offered must be expressed on the basis of 100, with not more than three decimals, e. g., 99.925. Fractions may not be used. It is urged that tenders be made on the printed forms and forwarded in the special envelopes which will be supplied by Federal Reserve Banks or Branches on application therefor.

Tenders will be received without deposit from incorporated banks and trust companies and from responsible and recognized dealers in investment securities. Tenders from others must be accompanied by payment of 10 percent of the face amount of Treasury bills applied for, unless the tenders are accompanied by an express guaranty of payment by an incorporated bank or trust company.

Immediately after the closing hour, tenders will be opened at the Federal

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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 January 14, 1942, 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.

29-46

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 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.

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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.

"Federal Farm Mortgage Corporation for payment, the proceeds to be applied to payment for Treasury Bonds of 1949-51"; if the new bonds are desired registered in another name, "Federal Farm Mortgage Corporation for payment, the proceeds to be applied to payment for Treasury Bonds of 1949-51 in the name of ______________________"; if the new bonds are desired in coupon form, "Federal Farm Mortgage Corporation for payment, the proceeds to be applied to payment for Treasury Bonds of 1949-51 in coupon form to be delivered to __________".

(b) Where 2-3/4 percent bonds are surrendered.- If the new bonds are desired registered in the same name as the bonds surrendered, "Federal Farm Mortgage Corporation for purchase, the principal proceeds to be applied to payment for Treasury Bonds of 1949-51"; if the new bonds are desired registered in another name, "Federal Farm Mortgage Corporation for purchase, the principal proceeds to be applied to payment for Treasury Bonds of 1949-51 in the name of __________"; if the new bonds are desired in coupon form, "Federal Farm Mortgage Corporation for purchase, the principal proceeds to be applied to payment for Treasury Bonds of 1949-51 in coupon form to be delivered to ________".

VI. 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.

tion bonds of 1942-47 in coupon form and accrued interest from September 1, 1941, to January 15, 1942 ($10.33149 per $1,000) will be paid following acceptance of the bonds. In the case of registered bonds of either issue, checks in payment of final interest will be drawn in accordance with the assignments on the bonds surrendered.

V. SURRENDER OF CALLED BONDS

1. Coupon bonds.- 3 percent and 2-3/4 percent Federal Farm Mortgage Corporation bonds of 1942-47 in coupon form tendered hereunder should be presented and surrendered with the subscription to a Federal Reserve Bank or Branch or to the Treasurer of the United States, Washington, D. C. Coupons dated July 15, 1942, and March 1, 1942, respectively, and all coupons bearing subsequent dates, should be attached to such bonds when surrendered, and if any such coupons are missing, the subscription must be accompanied by cash payment equal to the face amount of the missing coupons. The bonds must be delivered at the expense and risk of the holder. Facilities for transportation of bonds by registered mail insured may be arranged between incorporated banks and trust companies and the Federal Reserve Banks, and holders may take advantage of such arrangements when available, utilizing such incorporated banks and trust companies as their agents.

2. Registered bonds.- 3 percent and 2-3/4 percent Federal Farm Mortgage Corporation bonds of 1942-47 in registered form tendered hereunder should be assigned by the registered payees or assignees thereof in one of the forms hereafter set forth, and thereafter should be presented and surrendered with the subscription to a Federal Reserve Bank or Branch or to the Treasury Department, Division of Loans and Currency, Washington, D. C. The bonds must be delivered at the expense and risk of the holder. The proper forms of assignment are

(a) Where 3 percent bonds are surrendered.- If the new bonds are desired registered in the same name as the bonds surrendered,

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 ALLOTMENT

1. Subscriptions will be received at the Federal Reserve Banks and Branches and at the Treasury Department, Washington, and should be accompanied by securities of one or more of the issues enumerated in Section I hereof, tendered for payment or purchase as the case may be, to an aggregate par amount equal to the par amount of Treasury Bonds of 1949-51 subscribed for hereunder. 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.

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. Subject to these reservations, all subscriptions will be allotted in full. Allotment notices will be sent out promptly upon allotment.

IV. PAYMENT

1. Payment at par for bonds allotted hereunder must be made on or before January 15, 1942, or on later allotment and may be made only in Treasury Notes of Series A-1942 or through application of the principal proceeds of payment of 3 percent Federal Farm Mortgage Corporation bonds of 1942-47, 2-3/4 percent Federal Farm Mortgage Corporation bonds of 1942-47, or Reconstruction Finance Corporation notes of Series R, in an aggregate par amount equal to the amount of bonds allotted hereunder. Coupons dated March 15, 1942, must be attached to Treasury Notes of Series A-1942 when surrendered, and accrued interest from September 15, 1941, to January 15, 1942 ($5.89779 per $1,000) will be paid following acceptance of the notes. Coupons dated March 1, 1942, must be attached to 2-3/4 percent Federal Farm Mortgage Corpora-

struction Finance Corporation notes of Series R, maturing January 15, 1942, tendered for payment in accordance with Sections III and IV of this circular, to payment for Treasury bonds subscribed for hereunder. Tenders of Series R notes for that purpose are invited.

II. DESCRIPTION OF BONDS

1. The bonds will be dated January 15, 1942, and will bear interest from that date at the rate of 2 percent per annum, payable on a semiannual basis on June 15 and December 15 in each year until the principal amount becomes payable. They will mature June 15, 1951, but may be redeemed at the option of the United States on and after June 15, 1949, 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 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 deposits of public 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 made 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.

UNITED STATES OF AMERICA

2 PERCENT TREASURY BONDS OF 1949-51

Dated and bearing interest from January 15, 1942 Due June 15, 1951

REDEEMABLE AT THE OPTION OF THE UNITED STATES AT PAR AND ACCRUED INTEREST ON AND AFTER JUNE 15, 1949

Interest payable June 15 and December 15

1942
Department Circular No. 676

Fiscal Service
Bureau of the Public Debt

TREASURY DEPARTMENT,
Office of the Secretary,
Washington, January 12, 1942.

I. OFFERING OF BONDS AND INVITATION FOR TENDERS

1. 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 2 percent bonds of the United States, designated Treasury Bonds of 1949-51, the amount of the offering to be limited to the amount of securities tendered and accepted as provided in the following subparagraphs:

(a) Treasury Notes of Series A-1942.-Treasury Notes of Series A-1942, maturing March 15, 1942, will be accepted in payment for Treasury bonds subscribed for hereunder.

(b) 3 Percent Federal Farm Mortgage Corporation Bonds of 1942-47.-The Secretary of the Treasury offers to apply the proceeds of payment of 3 percent Federal Farm Mortgage Corporation bonds of 1942-47, called for redemption on January 15, 1942, tendered for payment in accordance with Sections III and IV of this circular, to payment for Treasury bonds subscribed for hereunder. Tenders of 3 percent Federal Farm Mortgage Corporation bonds of 1942-47 for that purpose are invited.

(c) 2-3/4 Percent Federal Farm Mortgage Corporation Bonds of 1942-47.-The Secretary of the Treasury, on behalf of the Federal Farm Mortgage Corporation, offers to purchase on January 15, 1942, at par and accrued interest, 2-3/4 percent Federal Farm Mortgage Corporation bonds of 1942-47, called for redemption on March 1, 1942, to the extent to which the holders thereof subscribe for Treasury bonds hereunder. Tenders of 2-3/4 percent Federal Farm Mortgage Corporation bonds of 1942-47 for that purpose are invited.

(d) Reconstruction Finance Corporation Notes of Series R.-The Secretary of the Treasury offers to apply the proceeds of payment of Recon-

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 should be accompanied by securities of one or more of the four issues enumerated in the first paragraph of this statement, to an aggregate par amount equal to the par amount of the new Treasury bonds subscribed for. Coupons dated January 15, 1942 should be detached from the 3 Percent Federal Farm Mortgage Corporation bonds and the Reconstruction Finance Corporation notes and cashed in regular course. Following acceptance of the Treasury notes and the 2-3/4 Percent Federal Farm Mortgage Corporation bonds, accrued interest to January 15, 1942, about $10.33 and $5.90 per $1,000 respectively, will be paid to the owners of the securities surrendered.

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

The amounts of the four issues now outstanding are approximately as follows: Treasury Notes of Series A-1942, $426,000,000; 3 Percent Federal Farm Mortgage Corporation bonds of 1942-47, $236,000,000; 2-3/4 Percent Federal Farm Mortgage Corporation bonds of 1942-47, $103,000,000; and Reconstruction Finance Corporation notes of Series R, $310,000,000.

The text of the official circular follows:

TREASURY DEPARTMENT
Washington

FOR RELEASE, MORNING NEWSPAPERS,
Sunday, January 11, 1942.
1/10/42

Press Service
29-47

Secretary of the Treasury Morgenthau today announced a plan for refinancing a Treasury issue and three corporate issues which shortly come due for payment. These issues are the Treasury Notes of Series A-1942, maturing March 15, 1942, the 3 Percent Federal Farm Mortgage Corporation bonds of 1942-47, called for redemption on January 15, 1942, the 2-3/4 Percent Federal Farm Mortgage Corporation bonds of 1942-47, called for redemption on March 1, 1942, and the Reconstruction Finance Corporation Notes of Series R, maturing January 15, 1942. An issue of Treasury bonds is being made available to the holders of the four issues enumerated on a par for par basis, with adjustments of accrued interest to January 15, 1942 in the case of the Treasury notes and the 2-3/4 Federal Farm Mortgage Corporation bonds. The bases on which the securities comprising these four issues may be presented and accepted, and the new bonds obtained, are specifically set forth in the official circular released today. The books will be opened for the receipt of subscriptions tomorrow morning, January 12.

The Treasury bonds now offered will be dated January 15, 1942, and will bear interest from that date at the rate of two percent per annum payable on a semi-annual basis on June 15 and December 15 in each year. They will mature June 15, 1951, but may be redeemed, at the option of the United States, on and after June 15, 1949. They will be issued in two forms: bearer bonds with interest coupons attached, 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 circular released today.

TREASURY DEPARTMENT
Washington

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Sunday, January 11, 1942.
1/10/42

Press Service
No. 29-47

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REDEEMABLE AT THE OPTION OF THE UNITED STATES AT PAR AND ACCRUED INTEREST ON AND AFTER JUNE 15, 1949

Interest payable June 15 and December 15

1942
Department Circular No. 676

TREASURY DEPARTMENT,
Office of the Secretary,
Washington, January 12,1942.

Fiscal Service
Bureau of the Public Debt

I. OFFERING OF BONDS AND INVITATION FOR TENDERS

1. 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 2 percent bonds of the United States, designated Treasury Bonds of 1949-51, the amount of the offering to be limited to the amount of securities tendered and accepted as provided in the following subparagraphs:

(a) Treasury Notes of Series A-1942.-Treasury Notes of Series A-1942, maturing March 15, 1942, will be accepted in payment for Treasury bonds subscribed for hereunder.

(b) 3 Percent Federal Farm Mortgage Corporation Bonds of 1942-47.- The Secretary of the Treasury offers to apply the proceeds of payment of 3 percent Federal Farm Mortgage Corporation bonds of 1942-47, called for redemption on January 15, 1942, tendered for payment in accordance with Sections III and IV of this circular, to payment for Treasury bonds subscribed for hereunder. Tenders of 3 percent Federal Farm Mortgage Corporation bonds of 1942-47 for that purpose are invited.

(c) 2-3/4 Percent Federal Farm Mortgage Corporation Bonds of 1942-47.- The Secretary of the Treasury, on behalf of the Federal Farm Mortgage Corporation, offers to purchase on January 15, 1942, at par and accrued interest, 2-3/4 percent Federal Farm Mortgage Corporation bonds of 1942-47, called for redemption on March 1, 1942, to the extent to which the holders thereof subscribe for Treasury bonds hereunder. Tenders of 2-3/4 percent Federal Farm Mortgage Corporation bonds of 1942-47 for that purpose are invited.

(d) Reconstruction Finance Corporation Notes of Series R.- The Secretary of the Treasury offers to apply the proceeds of payment of Reconstruction Finance Corporation notes of Series R, maturing January 15, 1942, tendered for payment in accordance with Sections III and IV of this circular, to payment for Treasury bonds subscribed for hereunder. Tenders of Series R notes for that purpose are invited.

II. DESCRIPTION OF BONDS

1. The bonds will be dated January 15, 1942, and will bear interest from that date at the rate of 2 percent per annum, payable on a semiannual basis on June 15 and December 15 in each year until the principal amount becomes payable. They will mature June 15, 1951, but may be redeemed at the option of the United States on and after June 15, 1949, 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 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 deposits of public 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 made 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 ALLOTMENT

1. Subscriptions will be received at the Federal Reserve Banks and Branches and at the Treasury Department, Washington, and should be accompanied by securities of one or more of the issues enumerated in Section I hereof, tendered for payment or purchase as the case may be, to an aggregate par amount equal to the par amount of Treasury Bonds of 1949-51 subscribed for hereunder. 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.

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. Subject to these reservations, all subscriptions will be allotted in full. Allotment notices will be sent out promptly upon allotment.

IV. PAYMENT

1. Payment at par for bonds allotted hereunder must be made on or before January 15, 1942, or on later allotment and may be made only in Treasury Notes of Series A-1942 or through application of the principal proceeds of payment of 3 percent Federal Farm Mortgage Corporation bonds of 1942-47, 2-3/4 percent Federal Farm Mortgage Corporation bonds of 1942-47, or Reconstruction Finance Corporation notes of Series R, in an aggregate par amount equal to the amount of bonds allotted hereunder. Coupons dated March 15, 1942, must be attached to Treasury Notes of Series A-1942 when surrendered, and accrued interest from September 15, 1941, to January 15, 1942 ($5.89779 per $1,000) will be paid following acceptance of the notes. Coupons dated March 1, 1942, must be attached to 2-3/4 percent Federal Farm Mortgage Corporation bonds of 1942-47 in coupon form and accrued interest from September 1, 1941, to January 15, 1942 ($10.33149 per $1,000) will be paid following acceptance of the bonds. In the case of registered bonds of either issue, checks in payment of final interest will be drawn in accordance with the assignments on the bonds surrendered.

V. SURRENDER OF CALLED BONDS

1. Coupon bonds.-3 percent and 2-3/4 percent Federal Farm Mortgage Corporation bonds of 1942-47 in coupon form tendered hereunder should be presented and surrendered with the subscription to a Federal Reserve Bank or Branch or to the Treasurer of the United States, Washington, D. C. Coupons dated July 15, 1942, and March 1, 1942, respectively, and all coupons bearing subsequent dates, should be attached to such bonds when surrendered, and if any such coupons are missing, the subscription must be accompanied by cash payment equal to the face amount of the missing coupons. The bonds must be delivered at the expense and risk of the holder. Facilities for transportation of bonds by registered mail insured may be arranged between incorporated banks and trust companies and the Federal Reserve Banks, and holders may take advantage of such arrangements when available, utilizing such incorporated banks and trust companies as their agents.

2. Registered bonds.-3 percent and 2-3/4 percent Federal Farm Mortgage Corporation bonds of 1942-47 in registered form tendered hereunder should be assigned by the registered payees or assignees thereof in one of the forms hereafter set forth, and thereafter should be presented and surrendered with the subscription to a Federal Reserve Bank or Branch or to the Treasury Department, Division of Loans and Currency, Washington, D. C. The bonds must be delivered at the expense and risk of the holder. The proper forms of assignment are

(a) Where 3 percent bonds are surrendered.- If the new bonds are desired registered in the same name as the bonds surrendered, "Federal Farm Mortgage Corporation for payment, the proceeds to be applied to payment for Treasury Bonds of 1949-51"; if the new bonds are desired registered in another name, "Federal Farm Mortgage Corporation for payment, the proceeds to be applied to payment for Treasury Bonds of 1949-51 in the name of ____________________"; if the new bonds are desired in coupon form, "Federal Farm Mortgage Corporation for payment, the proceeds to be applied to payment for Treasury Bonds of 1949-51 in coupon form to be delivered to __________".

(b) Where 2-3/4 percent bonds are surrendered.- If the new bonds are desired registered in the same name as the bonds surrendered, "Federal Farm Mortgage Corporation for purchase, the principal proceeds to be applied to payment for Treasury Bonds of 1949-51"; if the new bonds are desired registered in another name, "Federal Farm Mortgage Corporation for purchase, the principal proceeds to be applied to payment for Treasury Bonds of 1949-51 in the name of ______________"; if the new bonds are desired in coupon form, "Federal Farm Mortgage Corporation for purchase, the principal proceeds to be applied to payment for Treasury Bonds of 1949-51 in coupon form to be delivered to __________".

VI. 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.

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29-48
1/12/42

In view of recurring rumors that the Government was planning to confiscate savings accounts, Secretary Morgenthau today entered an emphatic denial that this was so.

"I wish to state most emphatically that there are no foundations whatever for such rumors," Mr. Morgenthau said. "The Federal Government does not have under consideration any proposal involving the confiscation of savings deposits of this country for any purpose.

"Furthermore," he added, "any one circulating rumors of this character is acting against the welfare of the nation."

TREASURY DEPARTMENT
Washington

FOR IMMEDIATE RELEASE,
Monday, January 12, 1942.

Press Service
No. 29-48

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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.

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TREASURY DEPARTMENT

Washington

FOR RELEASE, MORNING NEWSPAPERS,
Tuesday, January 13, 1942.
1/12/42

Press Service
29-49

Secretary of the Treasury Morgenthau announced last night that the subscription books for the current offering of 2 percent Treasury Bonds of 1949-51, open to the holders of Treasury Notes of Series A-1942, maturing March 15, 1942, the 3 percent Federal Farm Mortgage Corporation Bonds of 1942-47, called for redemption on January 15, 1942, the 2-3/4 percent Federal Farm Mortgage Corporation bonds of 1942-47, called for redemption on March 1, 1942, and the Reconstruction Finance Corporation notes of Series R, maturing January 15, 1942, will close at the close of business Tuesday, January 13, except for the receipt of subscriptions from holders of $15,000 or less of the two issues of Federal Farm Mortgage Corporation bonds. The subscription books will close at the close of business Wednesday, January 14, for the receipt of subscriptions of the latter class. The offer to apply the proceeds of payment of the 3 percent Federal Farm Mortgage Corporation bonds and the Reconstruction Finance Corporation notes, and the offer to purchase the 2-3/4 percent Federal Farm Mortgage Corporation bonds, in each case the principal proceeds of payment to be applied to payment for a like par amount of the new Treasury bonds, will also terminate at the time the books close for the receipt of subscriptions of the respective classes.

Many smaller holders of the bonds do not have as immediate access to their securities, and are not as conversant with the manner of entering subscriptions, as the larger holders, and for these reasons they are given an extra day in which to take advantage of the offering.

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

TREASURY DEPARTMENT
Washington

FOR RELEASE, MORNING NEWSPAPERS,
Tuesday, January 13, 1942.
1/12/42

Press Service
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TREASURY DEPARTMENT

Washington

FOR RELEASE, MORNING NEWSPAPERS,
Tuesday, January 13, 1942.
1/12/42

Press Service
29-50

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 January 14 and to mature April 15, 1942, which were offered on January 9, were opened at the Federal Reserve Banks on January 12.

The details of this issue are as follows:

Total applied for - $384,694,000
Total accepted - 150,047,000

Range of accepted bids: (Excepting one tender of $300,000)

High	- 100.		
Low	- 99.963	Equivalent rate approximately	0.146 percent
Average price	- 99.970	" " "	0.119 "

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TREASURY DEPARTMENT
Washington

FOR RELEASE, MORNING NEWSPAPERS,
Tuesday, January 13, 1942.
1/12/42

Press Service
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DIVIDEND PAYMENTS TO CREDITORS OF INSOLVENT NATIONAL BANKS AUTHORIZED DURING THE MONTH ENDED December 31, 1941

Name and Location of Bank	Nature of Dividend	Date Authorized	Number and Percentage of Dividend Authorized	Distribution of Funds by Dividend Authorized	Total Percentage Authorized Dividends to Date	Number of Claimants	Amount Claims Proved
North Capital Savings Bk Washington, D. C.	Final	12-15-41	4th 5.39%	$ 50,700	36.64%	5,857	940,600
Park Savings Bank Washington, D. C.	Final	12-19-41	3rd 4.18%	120,100	36.68%	11,845	2,872,500
The Will County NB of Joliet, Illinois	Final	12-31-41	5th 6.71%	154,500	72.71%	5,610	2,302,433
The First NB of Ypsilanti, Michigan	Final	12-17-41	6th 6.39%	134,700	71.39%	5,100	2,107,400
The First NB of Anadarko, Oklahoma	Regular	12-3-41	1st 55.00%	327,100	55.00%	1,474	594,800
The First NB of Beaver Falls, Penna.	Final	12-26-41	6th 5.33%	48,401	95.33%	5,896	908,097

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1-9-42

TREASURY DEPARTMENT
Comptroller of the Currency
Washington

FOR RELEASE, MORNING NEWSPAPERS
Wednesday, January 14, 1942.

Press Service
No. 29-51

During the month ended December 31, 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 $835,501 to 35,782 claimants who have proved claims aggregating $9,725,830, or an average payment of 8.59 percent. The minimum and maximum percentages of dividends authorized were 4.18 percent and 55.0 percent, while the smallest and largest payments involved in dividend authorizations during the month were $48,401 and $327,100, respectively. Of the six dividends authorized, one was a regular dividend payment, and five were final dividend payments. Dividend payments so authorized during the month ended December 31, 1941, were as follows:

1-9-42

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TREASURY DEPARTMENT
Washington

FOR IMMEDIATE RELEASE,
Tuesday, January 13, 1942

Press Service
No. 29-52

The Treasury Department, through its Foreign Funds Control division, today announced that it had ordered the immediate suspension of five top-flight executives of the General Aniline and Film Corporation, under the Executive Order freezing German assets in this country. Until further notice the Treasury will deny them access to the company's properties and personnel for any purpose.

The officials involved are Rudolph Hutz, $80,000-a-year Vice-President and Director of the Company; Hans Aickelin, Vice-President and Production Manager of the General Aniline Works Division of the Company; William vom Rath, Vice-President of the Company supervising the Ozalid Division; Leopold Eckler, Acting General Manager of the Agfa-Ansco Division of the Company; and F. W. von Meister, General Manager of the Ozalid Division of the Company.

All of these officials are naturalized but have definite German backgrounds and, prior to their coming to the United States, were identified in Germany with the I. G. Farbenindustrie. In the judgment of the officials of the Treasury Department, these individuals for years have personified the domination of the Company by the German Dye Trust.

The Company has been operating under a Treasury business license since last June, and its affairs have been under investigation by the Treasury. The Treasury announced that additional corrective action will be taken as the investigation proceeds and circumstances warrant.

E.H.F.h.

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Washington

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Tuesday, January 13, 1942.

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Commodity	Established Quota: Period & Country	Established Quota: Quantity	Unit of Quantity	Imports as of Dec. 31, 1941
Silver or black foxes, furs, and articles:				
Tails	12 months from December 1, 1941	5,000	Piece	(Import quota filled)
Paws, heads, or other separated parts	"	500	Pound	(Import quota filled)
Piece plates	"	550	Pound	None
Articles, other than piece plates	"	500	Units	8
Crude petroleum, topped crude petroleum, and fuel oil	Calendar year			
	Venezuela	1,913,049,600	Gallon	(Tariff rate quota filled)
	Netherlands	578,806,200	"	(Tariff rate quota filled)
	Colombia	86,956,800	"	(Tariff rate quota filled)
	Other Countries	138,587,400	"	(Tariff rate quota filled)
Molasses and sugar sirups containing soluble nonsugar solids equal to more than 6% of total soluble solids	Calendar year	1,500,000	Gallon	(Tariff rate quota filled)

(Prepared - Appeals and Protests (Quota Unit)
Bureau of Customs)

1/15/42

29-53

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 December 31, 1941, inclusive, as follows:

Commodity	Established Quota: Period & Country	Established Quota: Quantity	Unit of Quantity	Imports as of Dec. 31, 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 from Oct. 1, 1941 Canada	51,720	Head	(Tariff rate quota filled)
	Other countries	6,212	"	" "
Whole milk, fresh or sour	Calendar year	3,000,000	Gallon	6,360
Cream, fresh or sour	Calendar year	1,500,000	Gallon	1,288
Fish, fresh or frozen filleted, etc., cod, haddock, hake, pollock, cush and rosefish	Calendar year	15,000,000	Pound	9,989,853
White or Irish potatoes Certified seed	12 months from Sept. 15, 1941	90,000,000	Pound	9,693,466
Other	12 months from Sept. 15, 1941	60,000,000	Pound	1,017,144
Cuban filler tobacco, unstemmed or stemmed (other than cigarette leaf tobacco), and scrap tobacco	Calendar year	22,000,000	Pound (Unstemmed equivalent)	20,528,291
Red Cedar shingles	Calendar year	2,488,359	Square	(Duty-free quota filled)
Silver or black foxes, furs, and articles: Foxes valued under $250 ea. and whole furs and skins	Month of December 1941 Canada	17,500	Number	10,587
	Other than Canada	7,500	"	(Import quota filled)

TREASURY DEPARTMENT
Washington

FOR RELEASE, MORNING NEWSPAPERS,
Thursday, January 15, 1942.
1/14/42

Press Service
No. 29-53

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Cattle, 700 pounds or more each (other than dairy cows)	Quarter year from Oct. 1, 1941			
	Canada	51,720	Head	(Tariff rate quota filled)
	Other countries	6,212	"	" "
Whole milk, fresh or sour	Calendar year	3,000,000	Gallon	6,360
Cream, fresh or sour	Calendar year	1,500,000	Gallon	1,288
Fish, fresh or frozen filleted, etc., cod, haddock, hake, pollock, cush and rosefish	Calendar year	15,000,000	Pound	9,989,853
White or Irish potatoes Certified seed	12 months from Sept. 15, 1941	90,000,000	Pound	9,693,466
Other	12 months from Sept. 15, 1941	60,000,000	Pound	1,017,144
Cuban filler tobacco, unstemmed or stemmed (other than cigarette leaf tobacco), and scrap tobacco	Calendar year	22,000,000	Pound (Unstemmed equivalent)	20,528,291
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Silver or black foxes, furs, and articles: Foxes valued under $250 ea. and whole furs and skins	Month of December 1941			
	Canada	17,500	Number	10,587
	Other than Canada	7,500	"	(Import quota filled)

Commodity	Established Quota: Period & Country	Established Quota: Quantity	Unit of Quantity	Imports as of Dec. 31, 1941
Silver or black foxes, furs, and articles:				
Tails	12 months from December 1, 1941	5,000	Piece	(Import quota filled)
Paws, heads, or other separated parts	"	500	Pound	(Import quota filled)
Piece plates	"	550	Pound	None
Articles, other than piece plates	"	500	Units	8
Crude petroleum, topped crude petroleum, and fuel oil	Calendar year Venezuela	1,913,049,600	Gallon	(Tariff rate quota filled)
	Netherlands	578,806,200	"	(Tariff rate quota filled)
	Colombia	86,956,800	"	(Tariff rate quota filled)
	Other Countries	138,587,400	"	(Tariff rate quota filled)
Molasses and sugar sirups containing soluble nonsugar solids equal to more than 6% of total soluble solids	Calendar year	1,500,000	Gallon	(Tariff rate quota filled)

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1/15/42 29-54

PRESS RELEASE

The Bureau of Customs announced today preliminary figures showing the quantities of coffee authorized for entry for consumption as of January 3, 1942, 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 (Pounds)	Authorized for Entry For Consumption (Pounds)
Signatory Countries:		
Brazil	1,364,853,662	359,475,557
Colombia	462,698,802	124,370,827
Costa Rica	29,358,129	11,104,788
Cuba	11,795,051	1,545,858
Dominican Republic	17,626,703	12,062,653
Ecuador	22,044,457	15,693,328
El Salvador	94,298,370	4,653,679
Guatemala	78,611,627	20,049,424
Haiti	40,355,291	24,896,475
Honduras	3,208,883	671,909
Mexico	73,098,231	2,397,344
Nicaragua	31,311,581	623,014
Peru	3,668,676	2,587,782
Venezuela	36,442,699	6,761,513
Non-signatory Countries:		
British Empire, except Aden and Canada	17,213,035	12,811,036
Kingdom of the Netherlands and its possessions	19,156,274	8,934,907
Aden, Yemen, and Saudi Arabia	3,771,864	788,169
Other countries not signatories of the Inter-American Coffee Agreement	11,956,391	(Import quota filled)

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(Prepared - Appeals and Protests (Quota Unit) Bureau of Customs)

TREASURY DEPARTMENT
Washington

FOR RELEASE, MORNING NEWSPAPERS,
Thursday, January 15, 1942.
1/14/42

Press Service
No. 29-54

The Bureau of Customs announced today preliminary figures showing the quantities of coffee authorized for entry for consumption as of January 3, 1942, 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 (Pounds)	Authorized for Entry For Consumption (Pounds)
Signatory Countries:		
Brazil	1,364,853,662	359,475,557
Colombia	462,698,802	124,370,827
Costa Rica	29,358,129	11,104,788
Cuba	11,795,051	1,545,858
Dominican Republic	17,626,703	12,062,653
Ecuador	22,044,457	15,693,328
El Salvador	94,298,370	4,653,679
Guatemala	78,611,627	20,049,424
Haiti	40,355,291	24,896,475
Honduras	3,208,883	671,909
Mexico	73,098,231	2,397,344
Nicaragua	31,311,581	623,014
Peru	3,668,676	2,587,782
Venezuela	36,442,699	6,761,513
Non-signatory Countries:		
British Empire, except Aden and Canada	17,213,035	12,811,036
Kingdom of the Netherlands and its possessions	19,156,274	8,934,907
Aden, Yemen, and Saudi Arabia	3,771,864	788,169
Other countries not signatories of the Inter-American Coffee Agreement	11,956,391	(Import quota filled

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1/N/42 29-55

PRESS RELEASE

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

Country of Origin	Wheat: Established Quota	Wheat: Imports May 29, 1941 to Jan. 3, 1942	Wheat flour, semolina, crushed or cracked wheat, and similar wheat products: Established Quota	Wheat flour, semolina, crushed or cracked wheat, and similar wheat products: Imports May 29, 1941 to Jan. 3, 1942
	(Bushels)	(Bushels)	(Pounds)	(Pounds)
Canada	795,000	795,000	3,815,000	584,371
China	-	-	24,000	5,836
Hungary	-	-	13,000	-
Hong Kong	-	-	13,000	5,825
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	596,129

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(Prepared - Appeals and Protests (Quota Unit) Bureau of Customs)

When this Press Release has been mimeographed, please send 10 copies to Room 404, Wilkins Building, Bureau of Customs.

W. R. Henry

TREASURY DEPARTMENT
Washington

FOR RELEASE, MORNING NEWSPAPERS,
Thursday, January 15, 1942.
1/14/42

Press Service
No. 29-55

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

Country of Origin	Wheat		Wheat flour, semolina, crushed or cracked wheat, and similar wheat products	
	Established Quota	Imports May 29, 1941 to Jan. 3, 1942	Established Quota	Imports May 29, 1941 to Jan. 3, 1942
	(Bushels)	(Bushels)	(Pounds)	(Pounds)
Canada	795,000	795,000	3,815,000	584,371
China	-	-	24,000	5,836
Hungary	-	-	13,000	-
Hong Kong	-	-	13,000	5,825
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	596,129

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TREASURY DEPARTMENT
Washington

FOR IMMEDIATE RELEASE.
Wednesday, January 14, 1942

Press Service
No. 29-56

At the direction of the President, the Treasury Department acting in cooperation with the Department of the Interior today issued a general ruling under the freezing regulations imposing a strict control over Philippine securities and impounding all Philippine paper currency within the United States.

These measures, taken at the request of the Philippine Government, are designed to thwart any attempt by the Axis to dispose of looted Philippine assets in the United States. Simultaneously the Philippine Government took action to prevent looted assets being liquidated in markets outside the United States. It was pointed out that not only does this interfere with the Axis war effort but in addition it may contribute materially to minimizing Axis looting in the Philippines by removing the incentive for such action.

Under today's general ruling all Philippine paper currency within the United States must be deposited in blocked currency accounts in banks on or before February 1, 1942. Currency placed in such account may be removed only with permission of the Treasury Department under a freezing control license. On or before February 15, 1942, banks must report all Philippine currency in their possession. All dealings in such currency are prohibited. This is intended to destroy any possible "black market" in the United States for looted Philippine currency which might otherwise be smuggled into the country.

The general ruling also curbs all dealing in securities issued by, or the obligation of, either the Philippine Government or any corporation organized under Philippine law unless a "clearance certificate" known as Treasury Department Form TFEL-2 has been attached. Persons within the United States holding any such securities will be able to have the clearance certificates attached to their securities before February 1, 1942, with a minimum of inconvenience since the Federal Reserve Banks will automatically attach the certificates upon presentation of the securities accompanied by their description.

After February 1, 1942 the clearance certificates will be attached to Philippine securities only after the holder has satisfactorily explained his possession of the securities and the reasons a clearance certificate was not attached prior to February 1, 1942.

The Treasury Department called attention to the notice of the Philippine Government to all holders of Philippine securities and currency which was issued today. This notice directed all holders of such securities and currency in all countries except enemy countries to deposit their holdings with banks and forward a registration report through their bank to the New York office of the Philippine National Bank. The full text of such notice is as follows:

> "In order to protect bona fide holders of Philippine currency and securities from the effects which would otherwise result from the disposition of such securities and currency which may have been looted during the temporary occupation of parts of the Philippine Islands, the following notification is hereby given on behalf of the Government of the Commonwealth of the Philippines.
>
> "All holders of Philippine paper currency elsewhere than within the Philippine Islands are notified to deposit such currency on or before February 1, 1942 for registration and safekeeping in a reputable bank located outside, and organized under the laws of a country other than, an enemy country, or territory occupied or controlled by an enemy. Depositors of such currency should obtain an appropriate receipt from such bank indentifying the currency by kind, denomination and serial number. Banks receiving such currency for such deposit or holding such currency for their own account are hereby notified to hold it in safekeeping pending further instruction. Each such bank should immediately forward to the New York

agency of the Philippine National Bank, 25 Broadway, New York, New York, a report in three counterparts, certifying the names and addresses of the depositors of such currency, the date of deposit, the amount so deposited by each depositor and the description (including serial number) of the currency so deposited. Such reports should be placed in the mail on or before February 15, 1942. Each counterpart should, if feasible, be dispatched by separate means.

"All holders, outside the United States and elsewhere than within the Philippine Islands, of securities issued by, or the obligation of, either the Government of the Commonwealth of the Philippines, including political subdivisions thereof, or any corporation or other organization organized under the laws of that government are notified to follow a similar procedure. Banks receiving such securities for registration and safekeeping should identify them as completely as possible in the receipts given to depositors and in their reports which are forwarded to the New York agency of the Philippine National Bank. Such reports should include the name and address of the depositor, date of deposit, and the description should include the name of the issuing party, the issue, the total number of securities, the serial or certificate numbers, and the name of the registered owner, if any, and in appropriate cases, the denomination.

"The Government of the Commonwealth of the Philippines has requested the United States Treasury Department and the Department of the Interior to make appropriate provision for the registration of Philippine government and corporate securities located within the United States, and to adopt such regulatory measures as will assist in carrying out the purposes of this notification with respect to both currency and securities. Compliance with the provisions of General Ruling No. 10

issued by the United States Treasury Department, under Executive Order No. 8389, as amended, shall be deemed to be compliance with the requirements of this notice.

"All Philippine securities and currency not registered pursuant to this notice will be presumed by the Government of the Commonwealth of the Philippines, in the absence of clear proof to the contrary, to have come under the control of the enemy.

J. M. Elizalde
Resident Commissioner of the Philippines
to the United States."

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TREASURY DEPARTMENT
Office of the Secretary
January 14, 1942

GENERAL RULING NO. 10
UNDER EXECUTIVE ORDER NO. 8389, AS AMENDED, AND REGULATIONS ISSUED PURSUANT THERETO, RELATING TO TRANSACTIONS IN FOREIGN EXCHANGE, ETC.

(1) The acquisition, disposition or transfer of, or other dealing in, or with respect to, any of the following is hereby prohibited except as authorized by license expressly referring to this general ruling:

(a) Any Philippine paper currency;

(b) Any security issued by, or the obligation of, either the Government of the Commonwealth of the Philippines, including political subdivisions thereof, or any corporation or other organization organized under the laws of the Philippine Islands, unless Form TFEL-2 has been previously attached to such security by, or under the direction of, the Treasury Department.

Form TFEL-2 will be attached to any security referred to herein if presented to any Federal Reserve Bank on or before February 1, 1942 accompanied by a description thereof on Form TFR-10. Subsequent to February 1, 1942, Form TFEL-2 will be attached to such securities only in the discretion of the Secretary of the Treasury and only upon the filing of appropriate application with a Federal Reserve Bank tracing the ownership of such security since January 1, 1942 and satisfactorily explaining the reasons the security was not presented to a Federal Reserve Bank on or before February 1, 1942, for the attachment of Form TFEL-2. Such form will be attached to stamped securities of the type referred to in section 2A(1) of the Order only pursuant to existing procedure relating to stamped securities.

(2) Except as authorized by license expressly referring to this general ruling:

(a) All Philippine paper currency held within the United States is hereby required to be deposited on or before February 1, 1942, in a blocked currency account with either a domestic bank or with the New York office of the Philippine National Bank.

(b) The bank of deposit shall hold such currency for the account, or pursuant to the instructions, of the depositor.

(c) On or before February 15, 1942, every bank holding any blocked currency accounts shall file a report on Form TFR-110 in triplicate with the appropriate Federal Reserve Bank.

As used in this general ruling and in any other rulings, licenses, instructions, etc., the term "blocked currency account" shall mean an account from which no payments, transfers, or withdrawals may be made, and no other transaction or dealing may be effected with respect thereto, except pursuant to a license expressly referring to such account.

(3) Philippine paper currency which prior to January 1, 1942 was of recognized special value to collectors of rare and unusual currency, or which is held as part of any collection of rare and unusual currency, is hereby excluded from the provisions of this general ruling.

By direction of the President.

E. H. Foley, Jr.
Acting Secretary of the Treasury.

TREASURY DEPARTMENT
Office of the Secretary
January 14, 1942

GENERAL LICENSE NO. 83
UNDER EXECUTIVE ORDER NO. 8389, APRIL 10, 1940, AS AMENDED, AND REGULATIONS ISSUED PURSUANT THERETO, RELATING TO TRANSACTIONS IN FOREIGN EXCHANGE, ETC.*

A general license is hereby granted authorizing the detachment of coupons from securities of the type referred to in General Ruling No. 10, the presentation of such coupons for collection, and the performance of such other acts and effecting of such other transactions as may be necessarily incident to such collection, notwithstanding the fact that Treasury Department Form TFEL-2 may not have been previously attached to the securities from which such coupons are detached.

This general license shall not be deemed to authorize any transaction prohibited by reason of any provision (or ruling or regulation thereunder) of the Order other than General Ruling No. 10.

This license shall expire at the close of business on February 1, 1942.

E. H. Foley, Jr.
Acting Secretary of the Treasury.

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* Part 131; Sec. 5(b), 40 Stat. 415 and 966; Sec. 2, 48 Stat. 1; 54 Stat. 179; Public No. 354, 77th Congress; Ex. Order 8389, April 10, 1940, as amended by Ex. Order 8785, June 14, 1941, Ex. Order 8832, July 26, 1941, Ex. Order 8963, December 9, 1941, and Ex. Order 8998, December 26, 1941; Regulations, April 10, 1940, as amended June 14, 1941, and July 26, 1941.

TREASURY DEPARTMENT
Office of the Secretary
January 14, 1942.

AMENDMENT OF GENERAL LICENSE NO. 68A UNDER EXECUTIVE ORDER NO. 8389, APRIL 10, 1940, AS AMENDED, AND REGULATIONS ISSUED PURSUANT THERETO, RELATING TO TRANSACTIONS IN FOREIGN EXCHANGE, ETC.*

Paragraphs (3) and (4) of General License No. 68A are hereby amended to read as follows:

"(3) A report on Series J of Form TFR-300 shall be filed with the appropriate Federal Reserve Bank on or before February 15, 1942, with respect to the property interests of every person licensed herein as a generally licensed national if the total value of the property interests to be reported is $1,000 or more.

"(4) Every business enterprise licensed herein as a generally licensed national shall also file with the appropriate Federal Reserve Bank on or before February 15, 1942, an affidavit setting forth the information required by Form TFBE-1, if the total value of all property interests of such business enterprise is in excess of $5,000."

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

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* Part 131; - Sec.5(b), 40 Stat. 415 and 966; Sec. 2, 48 Stat. 1; 54 Stat. 179; Public No. 354, 77th Congress; Ex. Order 8389, April 10, 1940, as amended by Ex. Order 8785, June 14, 1941, Ex. Order 8832, July 26, 1941, Ex. Order 8963, December 9, 1941, and Ex. Order 8998, December 26, 1941; Regulations, April 10, 1940, as amended June 14, 1941, and July 26, 1941.

No information has come to the Department of any significant amount of such valuables falling into enemy hands.

Secretary Morgenthau pointed out that High Commissioner Sayre had been assisted in executing this program by Treasury Department representatives who had been detailed from Washington last July to assist the High Commissioner in administering the freezing control in the Philippines. The Secretary commended the courage and ability of those people in carrying out this program.

The Treasury today, acting in cooperation with the Department of the Interior and at the direction of the President, issued a general ruling under the freezing regulations imposing a strict control over Philippine securities and impounding Philippine paper currency within the United States. These measures, together with those taken simultaneously by the Philippine Government, are designed to choke off the market for any assets which the Japanese may subsequently discover in their looting operations in the Philippines.

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TREASURY DEPARTMENT

Washington

FOR IMMEDIATE RELEASE
Wednesday, January 14, 1942

Press Service
No. 29-57

Secretary Morgenthau disclosed today that prompt action by American officials in the Philippines prevented many millions of dollars worth of securities, coin, currency, bullion, jewelry and other property from falling into the hands of the Japanese. This is the first application of the "scorched earth policy" which any country has as yet made to this class of valuables.

In anticipation of the temporary occupation of Manila and other parts of the Philippines and remembering the experience of unprepared European countries that permitted hundreds of millions of dollars of valuables to fall into the hands of Germany, the Secretary of the Treasury, in cooperation with the Secretary of the Interior and at the direction of the President, vested in the U. S. High Commissioner the sweeping powers of Title III of the First War Powers Act of 1941 and authorized him to take all necessary steps to prevent bullion, currency, coin, checks, securities, and similar valuables from falling into enemy hands. The High Commissioner was authorized to destroy any of these assets or otherwise dispose of them rather than to permit the Japanese to acquire them.

Although it is too early to state the amount of valuables within the Philippines which were turned over to or impounded by the High Commissioner, it is certain that the amount runs into many millions.

TREASURY DEPARTMENT
Washington

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Wednesday, January 14, 1942.

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specific cases.

"It is the aim of this Division to aid the small business man wherever possible," Mr. Mack said. "When he is not equipped to bid on prime contracts business, we will point the way for him to bid on subcontracts. To this end, I have established a ~~Small Business~~ Section in the Division to assist the 'little man' in his problems.

"While it is the purpose of the Division to help the small manufacturer or dealer, he must be equipped to produce the material to be purchased. And the orders will be there."

#

O.K.'d by Director Mack

~~January 9, 1942~~

29-58

FOR A.M. Thursday, Jan 15, 1942 RELEASE ~~WHEN NOTIFIED BY MR. SCHOOLER:~~

Widest possible use of the facilities of industries whose structures have been disturbed by the war effort will be made by the Treasury's Procurement Division in an intensified supply program, Director Clifton E. Mack said today.

The changes in the Division's procedures will result from the full, wartime purchasing powers granted yesterday ~~today~~ in the extension of Executive Order No. 9001, which provides all-inclusive contractual authority similar to that already given the War and Navy Departments and the Maritime Commission.

Under the new authority, the Division is empowered with the widest latitude to negotiate contracts without having to follow peacetime procedure of advertising or competitive bidding. The new order will enable the Division to further decrease the time necessary in buying supplies, a process which had been speeded in the past few months to permit almost immediate contracting for industrial supplies urgently required.

Buying strategic and critical materials for stockpiles and industrial materials for Lend-Lease and Defense Housing purposes as well as for the civilian needs of the Government, the Division will be aided in many ways by the new order.

Assistance to the smaller business man and more business for him were held out by the Director as results of this extension, because of the flexibility of action permitted, and because it will allow the Division to contract in the various manners needed in

TREASURY DEPARTMENT
Washington

FOR RELEASE, MORNING NEWSPAPERS, Thursday, January 15, 1942.
1/14/42

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No. 29-58

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

Name and Location of Bank	Date of Failure	Total Disbursements to Creditors Including Offsets Allowed	Percent Dividends Declared to All Claimants	Capital Stock at Date of Failure	Cash, Assets, Uncollected Stock Assessments, etc. Returned to Shareholders
Potomac Savings Bank of 1/ Georgetown, Washington, D.C.	1-18-34	$ 2,691,702	81.77%	$ 140,000	- 0 -
Hammond NB & Tr.Co Hammond, Indiana	1-18-32	2,472,781	55.3%	400,000	- 0 -
Guardian NB of Commerce Detroit, Michigan 1/	5-11-33	106,389,461	89.5% 2/	10,000,060	- 0 -
First National Bank Preston, Minnesota	1-6-39	271,153	77.45%	55,000	- 0 -
Texas National Bank Fort Worth, Texas	2-4-30	5,545,860	53.5%	500,000	- 0 -
First National Bank Clintonville, Wisc. 1/	8-16-33	1,455,558	88.6%	100,000	- 0 -

1/ Formerly in Conservatorship

2/ 68 percent paid assenting creditors and 89.5 percent paid nonassenting creditors in accordance with agreements.

1-14-42

TREASURY DEPARTMENT
Comptroller of the Currency
Washington

FOR RELEASE, MORNING NEWSPAPERS
Friday, January 16, 1942

Press Service
29-59

During the month of December, 1941, the liquidation of six 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 six receiverships, amounted to $118,826,515, while dividends paid to unsecured creditors amounted to an average of 87.43 percent of their claims. Total costs of liquidation of these receiverships averaged 3.45 percent of total collections from all sources including offsets allowed.

Dividend distributions to all creditors of all active receiverships during the month of December, amounted to $622,995. Data as to results of liquidation of the receiverships finally closed during the month are as follows:

1-14-42

TREASURY DEPARTMENT
Comptroller of the Currency
Washington

FOR RELEASE, MORNING NEWSPAPERS, Friday, January 16, 1942.
1/15/42

Press Service
No. 29-59

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DURING THE MONTH OF DECEMBER, 1941

Name and Location of Bank	Date of Failure	Total Disbursements to Creditors Including Offsets Allowed	Percent Dividends Declared to All Claimants	Capital Stock at Date of Failure	Cash, Assets, Uncollected Stock Assessments, etc. Returned to Shareholders
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1/ Formerly in Conservatorship

2/ 68 percent paid assenting creditors and 89.5 percent paid nonassenting creditors in accordance with agreements.

1/16/42 29-60

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 December 31, 1941, inclusive, as follows:

Products of Philippine Islands	Established Quota: Period	Established Quota: Quantity	Unit of Quantity	Imports as of Dec. 31, 1941
Coconut oil	Calendar year	426,152,321 2/	Pound	407,640,295
Refined sugars	Calendar year	112,000,000))1/	Pound	111,795,039
Sugars other than refined	Calendar year	1,792,000,000)	Pound	1,546,013,673
Cordage	Period - May 1 to Dec.31,1941	4,000,000	Pound	3,752,637
Buttons of Pearl or shell	Calendar year	808,544 2/	Gross	802,245
Cigars	Calendar year	190,246,573 2/	Number	189,053,001
Scrap tobacco and stemmed and unstemmed filler tobacco	Calendar year	4,280,544 2/	Pound	4,183,743

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/ Quota adjusted pursuant to Public No. 367, 77th Congress

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(Prepared - Appeals and Protests (Quota Unit) Bureau of Customs)

TREASURY DEPARTMENT
Washington

FOR RELEASE, MORNING NEWSPAPERS,
Friday, January 16, 1942.
1/15/42

Press Service
No. 29-60

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 December 31, 1941, inclusive, as follows:

Products of Philippine Islands	Established Quota: Period	Established Quota: Quantity	Unit of Quantity	Imports as of Dec.31, 1941
Coconut oil	Calendar year	426,152,321 2/	Pound	407,640,295
Refined sugars	Calendar year	112,000,000))1/	Pound	111,795,039
Sugars other than refined	Calendar year	1,792,000,000)	Pound	1,546,013,673
Cordage	Period - May 1 to Dec.31,1941	4,000,000	Pound	3,752,637
Buttons of Pearl or shell	Calendar year	808,544 2/	Gross	802,245
Cigars	Calendar year	190,246,573 2/	Number	189,053,001
Scrap tobacco and stemmed and unstemmed filler tobacco	Calendar year	4,280,544 2/	Pound	4,183,743

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/ Quota adjusted pursuant to Public No. 367, 77th Congress.

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TREASURY DEPARTMENT
Washington

FOR IMMEDIATE RELEASE,
~~Monday, July 21, 1941~~.
Thursday, January 15, 1942.

Press Service
~~No. 26-65~~
No. 29-61

Market transactions in Government securities for Treasury investment accounts in ~~June~~ December, 1941, resulted in net purchases of $~~447,000~~ 69,004,000, Secretary Morgenthau announced today.

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GP.D.

BUREAU OF ACCOUNTS
OFFICE OF THE COMMISSIONER

TREASURY DEPARTMENT
FISCAL SERVICE
WASHINGTON

29-61

January 7, 1942.

Schwarz

TO MR. ~~BELL~~:

During the month of December 1941, the following market transactions took place in direct and guaranteed securities of the Government:

Purchases	$60,004,000
Sales	-
Net purchases ...	$60,004,000

TREASURY DEPARTMENT
Washington

FOR IMMEDIATE RELEASE,
Thursday, January 15, 1942.

Press Service
No. 29-61

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for Finnish account; steel, molybdenite and machinery valued at $562,000, held for Italian account; copper wire bars valued at $104,000, held for Hungarian account; steel products valued at $435,000, held for ~~Dutch account~~ account of persons in Holland; vital steel shipbuilding materials valued at $610,000, held for Danish account.

In addition to these large items the census included hundreds of small orders valued at upwards of $1,000. Assembling of this information concerning all small orders of war materials held for foreign accounts into one compact list will enable the War Production Board to direct not only the large quantities but the smaller ones as well into the war effort.

The compilation of this list climaxed a concentrated Treasury Department effort to sweep every corner of the nation for caches of foreign-owned war materials which might benefit the Allied war effort. Even before the Japanese attacked the United States, supplies of strategic materials valued at many millions were found through the administration of Foreign Funds Control, and these supplies have long since been directed into the war effort.

The vast sum includes not only materials of war, but also strategic materials for use in the nation's domestic economy which is now more than ever feeling the inroads of war industry. The materials include not only those which war manufacturers are now seeking but also foreign-held materials which may alleviate civilian shortages in the coming months of war.

The complete list culminates three months of work on the most complete census of foreign-owned property ever attempted in the United States. All property in the United States in which a foreign country or national had an interest was reported on Form TFR-300. Although some complaints were received because of the burden imposed in filling out the lengthy report, the Treasury's foresight during 1941 is paying vital dividends now, officials said.

The Treasury Department has already been able to turn over its extensive list to those agencies which have authority to direct these materials into the war effort. This was accomplished less than a month after the attack on Pearl Harbor.

More than ~~Over~~ 525,000 reports have so far been filed, and the list of foreign-owned property compiled for SPAB will reach an estimated 700 pages before it is completed. Already nearly 400 pages have been compiled.

Some of the materials included in the second list sent to Vice President Wallace were a stock of toluol, used in the manufacture of explosives, ~~(T.N.T.)~~ valued at $67,000; trucks, tires, rubber and gasoline valued at $165,000, held

TREASURY DEPARTMENT
Washington

FOR IMMEDIATE RELEASE
1/15/42

Press Service
No. 29-62

America's war effort gained momentum here today when the Treasury Department turned over to the ~~Supplies~~ Supply Priorities and Allocation Board a second inventory of foreign-owned materials and equipment available in the United States to supplement the $200,000,000 list released January 2, bringing the total inventory amount to almost $400,000,000, much of which is needed for war production.

"When the final figures on this census become available, the Division of Foreign Funds Control of the Treasury Department will have placed at the disposal of the War Production Board a list of foreign-held materials and equipment valued at more than $700,000,000," Secretary Morgenthau said.

This ~~gigantic~~ large sum will represent the value of all foreign-held materials and equipment in the United States which the Treasury believes will be of value to the nation in its defense program. Millions of dollars worth of vital defense materials which might otherwise have rusted or rotted in warehouses from coast to coast will be placed at the disposal of American manufacturers.

"These materials, except for the Treasury Department's census, might never have been made available to the nation's war effort," the Secretary said. "~~Much~~ Much of this property was simply sitting around in warehouses, unnoticed by the owner or the warehouseman. Its significance to the defense effort was not appreciated." ~~the Secretary said.~~

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Thursday, January 15, 1942.

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~~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 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 January 21, 1942.

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

~~XXDPRAX~~

TREASURY DEPARTMENT

Washington

FOR RELEASE, MORNING NEWSPAPERS,
Friday, January 16, 1942.
~~(1)~~

The Secretary of the Treasury, by this public notice, invites tenders for $150,000,000 ~~(2)~~, or thereabouts, of 91 ~~(3)~~-day Treasury bills, to be issued on a discount basis under competitive bidding. The bills of this series will be dated January 21, 1942 ~~(4)~~, and will mature April 22, 1942 ~~(5)~~, when the face amount will be payable without interest. They will be issued in bearer form only, and in denominations of $1,000, $5,000, $10,000, $100,000, $500,000, and $1,000,000 (maturity value).

Tenders will be received at Federal Reserve Banks and Branches up to the closing hour, two o'clock p. m., Eastern Standard time, Monday, January 19, 1942 ~~(6)~~. Tenders will not be received at the Treasury Department, Washington. Each tender must be for an even multiple of $1,000, and the price offered must be expressed on the basis of 100, with not more than three decimals, e. g., 99.925. Fractions may not be used. It is urged that tenders be made on the printed forms and forwarded in the special envelopes which will be supplied by Federal Reserve Banks or Branches on application therefor.

Tenders will be received without deposit from incorporated banks and trust companies and from responsible and recognized dealers in investment securities. Tenders from others must be accompanied by payment of 10 percent of the face amount of Treasury bills applied for, unless the tenders are accompanied by an express guaranty of payment by an incorporated bank or trust company.

Immediately after the closing hour, tenders will be opened at the Federal

29-63

Mr Bell

TREASURY DEPARTMENT
Washington

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

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TREASURY DEPARTMENT
~~Bureau of Internal Revenue~~
Washington, D. C.

For Immediate Release,
Thursday, January 15, 1942.

~~Press Release No. 158~~
29-64

Commissioner of Internal Revenue Guy T. Helvering announced today that the motor vehicle use tax stamps are now on sale at all post offices and offices of collectors of internal revenue. The cooperation of the public in applying for their stamps at the earliest possible date ~~is~~ was requested by the Commissioner. The cost of the stamp is $2.09 and it is to be affixed to the windshield unless prohibited in any case by State traffic regulations. Vehicles without windshields should have stamps affixed at some appropriate place, Internal Revenue officials said.

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TREASURY DEPARTMENT
Washington

FOR IMMEDIATE RELEASE,
Thursday, January 15, 1942.

Press Service
No. 29-64

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TREASURY DEPARTMENT
Washington

FOR RELEASE, AFTERNOON NEWSPAPERS,
Monday, January 26, 1942.

Press Service
No. 29-65

(The following address by Julian T. Baber, United States Secret Service, Washington, D. C., before the convention of the Cooperative Food Distributors of America, Sherman Hotel, Chicago, Illinois, is scheduled for delivery at 11:30 a. m., Monday, January 26, 1942.)

BEWARE OF COUNTERFEITERS ESPECIALLY NOW

During these ominous days, when our democratic way of life is imperiled by evil forces across the seas, our chief concern is an all-out united effort to eliminate the threat to civilization by our ruthless enemies. It is unnecessary to remind you of the grave danger we face as we oppose the Axis triumvirate. At the same time, it may not be inappropriate to consider for a few moments another enemy who marches in our midst without benefit of 5th column, an enemy who recruits his regiments from the underworld for sly attacks which menace constantly the integrity of our monetary system.

All of us, I am sure, are convinced that the finest engravers in the world design our paper money, and that the finished product of the Bureau of Engraving and Printing surpasses in excellence the currency output of all other governments. This satisfaction , however, should not cause us to overlook the fact that certain persons with twisted minds envisage a road to rapid wealth by floating unauthorized issues intended to defraud our citizens and our government.

Unlike Hitler and Hirohito, who force printing press money on subjugated peoples, they do not wait for war to force their assaults on the public.

Belonging to the nether strata, their connections extend throughout the country, and even into foreign lands. Some of them are so skillful they often lead the Secret Service over long and tortuous trails ending ultimately at the doors of a Federal penitentiary. Wholly without conscience, they preconceive their every act, and whatever success they achieve is measured by the deliberate manner in which they engineer their unworthy activities.

In the old days dating back to the Civil War, counterfeits were printed from steel plates engraved by master craftsmen whose handiwork flashed a glint of such realism that a wave of hysteria swept banking circles, tellers and other bank employees being helpless in their attempts to detect the bogus bills.

It is an interesting commentary that only two hand-engraved counterfeits have appeared in the past 20 years, both being the handiwork of the same man. The first of these unique productions showed in 1931 in New York City and circulated widely in the larger Eastern cities. Since it was fairly deceptive, we were puzzled for a while as we formulated plans for its suppression. Inasmuch as engravers apply to their handiwork unwittingly the label of their own individuality, our men consulted scores of legitimate engravers and printers in the New York area, exhibiting specimens of the counterfeit, hoping to find someone able to identify the counterfeiter's technique. Finally, in one shop, an engraver evinced more than ordinary interest and remarked: "That certainly looks like Billy Jones' work." He pointed out his reasons with adequate explanation. Agents then secured specimens of Jones' engraving from commercial shops in which he formerly worked, finding in them amazing similarity to certain characteristics in the counterfeit. Jones was regarded as an accomplished craftsman, but his fondness for liquor removed him from the ranks of reliable workmen. In due time he gradually lost favor with the profession and began to consort with shady characters. We arrested him soon afterward in the act of retouching the plates from which the counterfeit was printed. Investigation revealed he was used as a pawn by a group of Italian gangsters who picked him up from the gutter and engaged him to embark upon a counterfeiting career. His fellow conspirators were also arrested and sent to prison by the Secret Service. Jones also went to prison. With the arrest of this gang, this engraved counterfeit faded out of the picture almost immediately.

A hand-engraved $5 Silver Certificate began to circulate in Providence, R. I., about two years ago. To veteran agents, it radiated the personality of Billy Jones, seeming to flash his actual fingerprints. It so happened Jones lived in Providence at the time. He now resides in a Federal penitentiary under 10-year sentence, because we arrested him a few days after this counterfeit appeared and seized his equipment in his home.

A new order has developed in the graphic arts field in recent years with the perfection of modern engraving and printing processes. It is now unnecessary that a counterfeiter shall be a hand-engraver, for the photo-engraving industry provides a suitable substitute. However, in embracing this method, the counterfeiter finds a stumbling block which renders his work ineffective in accurate reproduction of the portraits on our currency, the latest duplicating devices being incapable of transferring to metal plates the delicately cut engraved lines and shadow values which distinguish genuine paper money, particularly in the portraits. The facial features are coarse and the eyes generally lack expression and vitality. For this reason, faces on counterfeit notes are obviously strange and "unfriendly", echoing the base character of their unworthy sires.

The average bank teller sees daily the portraits of Washington, Jefferson, Lincoln, Hamilton, Jackson, and perhaps Grant and Franklin, hundreds of times. They pass before him in rapid review and it is impossible for him to stop and examine minutely the portrait on each note. He must accept or reject the notes instantly. An experienced teller spots instinctively the strange or "unfriendly" face on a counterfeit note as quickly as he identifies the face of a stranger before his window. Through long years of training, he acquires a sort of sixth sense which enables him to distinguish between good and bad engraving and printing.

But what about the butcher, the baker, the candlestick maker?" Why are they susceptible to the wiles of the counterfeiter? When you realize that the general public is ignorant of the quality and character of our legal tender, you may understand why the average annual public loss over a 4-year period, 1933-1937, amounted to $771,000. This fraud in 1935 reached the astounding figure of approximately one and one quarter million dollars, when counterfeiting in this country climbed to an all-time high, exponents of this gigantic swindle preying upon the ignorance of an unsuspecting people.

Few persons know our currency is printed from steel plates engraved by hand. Except for the serial numbers and Treasury seal, every line, every dot, every dash on each note stands up clearly and distinctly, the composite design representing a challenge to the finest steel engraved subject in any art salon. These notes are printed on high quality distinctive paper impregnated with tiny red and blue fibers difficult to discern at first glance. These fibers are intended to increase the paper's tensile strength and durability, and contrary to popular belief they are not placed in the paper as a protective feature. The lettering on your engraved business or personal card shows an upraised surface. Every note printed by your government is made similarly and each specimen is a gem of the engraving art.

It seems to be a common habit to identify paper money by the large denominational numerals in each corner; the color tone, artistic workmanship, and general appearance fail to excite interest in one way or another. Most people are prone to accept money without any of these considerations.

I am reminded of Tony Spinelli, a New Orleans grocer, who caters to a clientele which demands the best of everything the Old French market affords. Tony visits the wholesale dealers daily before sun-up to replenish his stock, shopping at various booths in an honest effort to obtain the choicest items, fully aware his customers will inspect his offerings for freshness and quality. One day, when his strawberries attracted more than usual attention, a stranger purchased six baskets with a $20 note. Now Tony knows his trade personally, but occasionally a stranger calls, and this strawberry sale failed to impress him until a few minutes later, when he dispatched a clerk to a nearby bank with the $20 note to be changed for silver. When the salesman returned with the note labeled "Counterfeit", Tony rent the air with a series of choice epithets. Like many other persons, Tony was unaware that counterfeits are passed by strangers in 99 out of 100 cases. In our educational campaign, we stress the warning that nearly all counterfeiters are strangers, but that all strangers , of course, are not counterfeiters. Since his unfortunate experience, I am sure Tony is exercising as much care in handling his money, in particular money submitted by unknown persons, as he displays in selecting his fruits and vegetables. He doubtless scans his notes a second time to reassure himself that none of his currency bears the tell-tale distinguishing marks of the "phony" bill.

When Frank Sernak came to this country many years ago from Poland, he established himself in the mercantile business in Coalton, a little mining community in West Virginia, where his customers for the most part consisted of Hungarians and Poles employed in the bituminous field. Sernak's weak eyes were framed by spectacles carrying heavy lenses, A poorly dressed man called early one Saturday evening, when business was brisk - it was payday, incidentally - and made a few purchases with a $20 note which Sernak accepted in perfunctory manner. Walking away nonchalantly, the stranger entered a widow's shop two doors distant, carrying a reed basket on his left arm, He examined a tray of neckties on the counter. A little girl, probably 15 years of age, solicited his requirements. "I'll take this one", he indicated, as he handed the tie and a $20 note to the youthful clerk. The tie was priced at $2. The girl marveled at his extravagant taste as she wrapped the package neatly and handed it to her customer with the proper change. She was delighted to have made so large a sale in the absence of her employer.

The stranger, with basket over his arm, resumed his shopping tour by calling at Max Hertzburg's butcher shop at a time when the owner was at dinner. Hertzberg's two sons were waiting on the trade, Loitering about until he was approached by the younger of the clerks, a lad of 16, the stranger inquired : "Can you change a twenty?". Receiving an affirmative response, he made several purchases and departed with a supply of steak, bacon, and butter and $17.50 in cash. He then strolled down the dimly lit street until he reached an alley in which he abandoned basket and contents. When he emerged, he turned toward the railroad station, elated over his success in disposing of the counterfeits so easily. Five minutes later, as the train departed, he settled back in his seat in the smoker, puffing a stogie, and began to formulate his plans for another raid on an unsuspecting community.

Following their custom, the Coalton merchants visited the town's only bank Monday morning to deposit their week-end collections. Always the first in line, Sernak stood before the cashier's window watching the banker check his stack of notes which he flipped deftly through trained fingers. All at once the cashier stopped to scan more carefully a $20 note. He held it to the light and finally studied it under a small magnifying glass. "Sorry, Mr. Sernak", he exclaimed, "you have a phony bill here. The old man was stunned momentarily, but his defective eyes could now discern the note's spurious quality as he examined the counterfeit, As Sernak walked away, the widow came in with her meager deposit. The cashier resolved to inspect with unusual care the funds of other customers, convinced that where there is smoke there must also be fire. He picked out quite easily in the widow's money the $20 note with which the stranger purchased the expensive necktie, When she realized that she, too, had been swindled out of $18 - more than one week's profit - she turned aside disconsolately, tears streaming down her cheeks, muttering words of condemnation against the counterfeiter. Hertzburg was among the last of the bank's customers to appear. He stood silently at the window as the cashier withdrew from his stack of notes the $20 bill which the younger of his two sons accepted from the basket-carrying stranger.

It was again the old, old story of failure to examine money carefully. The counterfeiter's shrewd criminal mind directed him to execute his maneuvers on a Saturday night with full realization his victims could not bank their money until Monday. He chose Sernak because of the merchant's failing eyesight. He selected the widow's store because the only clerk on duty was a little slip of a girl, and in the butcher shop he waited until he could be served by the younger of the two clerks. If his victims had given the notes more than a casual glance, they would have observed that the Jackson portrait appeared to be smudgy and too dark, and the border lathework and lettering were reproduced in amateur style. The serial numbers and Treasury seal were printed carelessly in an off-color shade of green in common with the back of the note. The paper was of such inferior grade that this feature alone should have aroused suspicion.

Following his discovery, the banker notified the nearest Secret Service office immediately. Steps were then taken by the agent-in-charge to issue a descriptive warning notice for distribution t banks and police officers in nearby cities and towns. Two weeks later, in a town less than 100 miles from Coalton, a grocer who received a warning notice from his bank, did not like the looks of a $20 note submitted by an unknown customer. He rushed to the front door, locking it securely, and telephoned to police headquarters. The stranger was so amazed by this turn of events he made no attempt to escape. Officers arrested him a few minutes later and found in his possession four counterfeit $20 notes.

Genuine notes are issued in eleven denominations, each carrying a standard denominational portrait as follows: $1, Washington; $2, Jefferson; $5, Lincoln; $10, Hamilton; $20, Jackson; $50, Grant; $100, Franklin; $500, McKinley; $1000, Cleveland; $5000, Madison; $10,000, Chase. Irrespective of other identifying characteristics, a note should be recognized only by the portrait it bears. If one remembers the portraits on genuine notes, he will not be deceived by the note-raiser who tampers with genuine currency , erasing the corner numerals and denominational lettering and substituting in paint or ink the artistic flourishes necessary to increase, for his purposes, the original value of the note. He may even tear off the corners of genuine $5, $10, or $20 notes and paste them over the corners of notes of smaller denomination. A $20 note carrying the portrait of Lincoln.must, therefore, be a $5 note altered to represent $20, for Lincoln's portrait appears only on a $5 bill.

Those misguided persons who turn to coin counterfeiting are usually possessed of limited means. With a small outlay of cash, they are able to purchase plaster of paris, babbitt metal, lead, antimony, tin, and zinc. Little skill is required to fashion a mold and pour molten metal. Counterfeit coins are generally light in weight and produce a dull sound when dropped on a hard surface. They tarnish quickly and have a "greasy feel" when rubbed between one's finger tips. Molded coins fail to reproduce accurately the parallel crevice lines on the rim edge. This characteristic is often identified in error as the milling instead of reeding. A drop of nitric acid and nitrate of silver applied to a counterfeit coin of base metal will produce a black spot.

A few years ago one of our men was reminded by his wife on a Saturday night that the cupboard was bare of maple syrup, and that the customary flannel cakes for Sunday morning breakfast would be omitted unless he cared to visit the neighborhood grocery and secure a can of the necessary trimmings. Not desiring to be deprived of his favorite breakfast dish, he hurried round the corner to a nationally known chain store and purchased the syrup, paying with a $1 bill which happened to be the only cash in his possession at the time, and receiving in change 75¢ in two coins.

On his return home, his father-in-law advised him of paying the newsboy who called in the agent's absence to collect for monthly delivery of the afternoon paper. The agent reached into his pocket and reimbursed him with the 50¢ coin which came from the grocery store. He then turned to the newspaper and seated himself comfortably in his chair, only to be distracted a few moments later by a discordant musical note. Looking up, he observed his father-in-law seated near the radio balancing a coin on one finger and tapping it with his knife.

"Let me see that", said the agent, "and where did you get it?"
"You gave it to me a few minutes ago" was the rejoinder. "That's a good one on me , replied the agent, "I know where it came from and I am going to see about it immediately." With this, the agent dashed out of the door and sped to the grocery store, arriving shortly after 9 p. m. A large card labeled CLOSED was suspended in full view on the door. A few late customers were inside completing their marketing. After trying the door knob, the agent rapped sharply on the door and gained the manager's attention. The manager pointed to the sign and turned away. The agent knocked again. The manager again indicated that business was ended for the day. In response to further

knocking, however, he came forward and opened the door, which was held by a small chain allowing it to swing back about 12 inches.

"I am sorry, sir", said the manager, "but the store is closed for the day; we are not permitted to admit customers after 9 p. m."

"I know that", the agent replied, "but I merely want to speak with you a moment. I was in your store about 30 minutes ago and purchased a can of maple syrup with a $1 bill, and one of your clerks gave me a 25¢ coin and a 50¢ coin in change. The 50¢ coin is counterfeit and I am calling on you for re-imbursement."

The manager peered through the narrow space separating him from the agent, who had not then identified himself, and repeated in part the agent's statement. "You say you were in here half an hour ago and one of my men gave you this coin in change in your purchase of a can of syrup." He toned the remark in such manner as to suggest clearly he did not believe the claim.

"How do I know you obtained the coin here?" he queried. The agent then exhibited his credentials and explained he possessed no small change when he patronized the store and there could be no mistake as to the source of the counterfeit.

"Well," said the manager, "since you claim you obtained the coin here, I guess I shall have to make it good out of my own pocket." With this, he extracted a 50¢ coin from his purse and handed it to the agent who by this time was beginning to lose patience and poise., particularly because he was held at bay by the chain which limited the door opening to about one foot.

"By the way, which one of my clerks waited on you? asked the manager. This cuery placed the agent squarely on the spot. He purchased the syrup hurriedly and was unable to identify the salesman, although he was aware the clerk was a young man. Among the dozen or more clerks, there were two young men. After surveying the store employees, the agent pointed to two and said: "He was either this man or the other one."

"Jones, c me over here" commanded the manager. Jones responded. "Did you wait on this man 30 minutes ago?" After a brief pause, the clerk said "No sir, I have never seen him before." Obeying a nod, the other young salesman stepped forward. "Brown, did you sell this man a can of syrup about 30 minutes ago and give him this counterfeit coin in change? the manager inquired. "No, sir, I did not wait on him" was the response. This repudiation did not increase the agent's stature in the presence of the manager . Acknowledgment by either salesman meant in all likelihood that the manager would collect from the one admitting the syrup transaction.

After accepting reimbursement from the manager, the agent advised him of the necessity of surrendering the counterfeit which he could not retain knowing it to be worthless. "Oh no", the manager exclaimed, "I have made good the bad coin and intend to keep this one." His haughty attitude seemed to increase when the agent reminded him again of the provisions of the law relating to possession of counterfeit money by unauthorized persons.

"All right, sir", said the agent, "you refuse to surrender the counterfeit coin, but let me tell you this; if that coin is not available Monday morning, when I make formal demand for it, it shall be my duty to escort you to the office of the U. S. Commissioner and file a complaint charging you with failure to surrender counterfeit money."

The agent began to think quickly. He didn't desire to be humiliated further by his failure to take up the coin through diplomatic process, and he also desired to avoid a scene by summoning a policeman to assist him in his perplexity.

"By the way", he said suddenly, "let me initial that coin." Taken off his guard, the manager handed over the coin and the agent walked away jubilant over the success of his ruse.

The agent involved in this true story knows his money. He should be an expert after 20 years of experience in the business of detecting and suppressing counterfeiting, but in this instance he dropped his guard chiefly because the salesman handed the change to him directly. There was no opportunity to hear the impact of base metal against a hard surface such as the store counter provided. The "greasy feel" of the coin should have attracted his attention, but the agent ignored this fairly reliable test and, in consequence he became a victim of an experience he will not soon forget.

I rather enjoy telling this story, because your speaker is the agent who dropped his guard.

Aroused by the tremendous loss sustained by the public at the hands of the counterfeiter, Chief Frank J. Wilson, who assumed leadership of the Secret Service in 1937, decided upon a bold approach to the problem by adopting new methods in fighting counterfeiting through education instead of prosecution. As an experiment, he sent a picked squad of agents to New York City to conduct an educational campaign intended to familiarize the retail business man and his associates with the identifying characteristics of genuine money and the defects apparent in counterfeit money. These agents were so engaged for nearly four months. They lectured before 2160 meetings attended by 93,909 persons, including merchants, small shopkeepers, bank employees, police and postal officials. Radio talks were made and short movie subjects dealing with the campaign were projected in line with this educational activity. Nearly one million warning notices describing counterfeit notes were distributed through the mail and more than 100,000 clerks and salesmen were instructed orally. Before the campaign was completed, traffic in counterfeit money in the New York area began to show a noticeable decrease and marked reduction was also observed in other sections of the country.

The success of the campaign exceeded all expectations, with the result that it was decided to conduct a similar program on a nationwide scale the following year, featuring a sound motion picture "KNOW YOUR MONEY" and a 32-page illustrated booklet of the same name containing helpful information for the layman in detecting counterfeits. This film has been exhibited to date before more than 6,500,000 persons, including more than 4000,000 school children. The booklet has been acclaimed by thousands of public school officials as an educational instrument filling a long-felt want. Many high schools have accepted it as a textbook for study in civics and economics classes. The film and booklet have been major factors in the remarkable reduction in counterfeiting activity during the past three years. The wholesale and retail grocer have cooperated splendidly with the Secret Service in this educational campaign. Your very capable executive vice-president, Mr. Lazo, has already forwarded to you a pamphlet entitled "KNOW YOUR MONEY". Many of you, I am sure, have attended meetings before which our agents have lectured on this subject and exhibited the film. We desire to acknowledge at this time our appreciation of the cooperation by many national advertisers who are distributing counter displays imprinted on the back with "KNOW YOUR MONEY" information for the protection and information of your clerks and other employees. We will be grateful if you, as an organization, will urge other advertisers to adopt this procedure for the benefit of your employees and also for your own protection against the counterfeiter.

In closing, may I cite again the average annual loss of $771,000 from counterfeit notes for a four-year period, 1933-1937, and point to the public loss of $91,097 during the fiscal year ended June 30, 1941, representing a decrease of $54,547 over the previous fiscal year. The retail grocer's enthusiastic support of our educational program has been a potent force in this remarkable showing, and we ask your continued assistance in our common responsibility of preserving the integrity of our currency and coinage as we carry on.

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occupied countries, officials explained. Germany had made it a practice to issue a great variety of stamp series both for itself and the countries which it has crushed.

The stamp racket was described as running in cycles. First the occupied country's regular stamps are overprinted, circulated and sent to the Western Hemisphere for distribution to dealers and ultimate consumption by enthusiastic American collectors. Secondly, an occupation stamp is introduced and sent through the same channels used in dispensing overprinted stamps. Finally, a series of new German stamps for that country is issued, and within a few weeks those stamps begin to fatten the albums of stamp collectors and dealers in America.

Each issue is exploited to the fullest possible extent. Whenever Nazi authorities note a drop-off in the number of stamps sold through the underground channels to American collectors they crank up the presses and grind out another series in order to keep the vital flow of American exchange coming into the hands of Nazi agents in the Western Hemisphere.

These stamps are purchased from Nazi agents by astute stamp dealers who operate in neutral markets and act as distributing agents for such stamps to dealers and collectors throughout the world.

The swift movement of stamps from the occupied nations to America is shown by the circulars ~~stamp catalogs~~ of United States dealers who carry all the latest Axis stamp issues. The Treasury has appealed to these groups in particular to cut off the profitable Axis stamp racket because they are placed in a key spot in the ordinary stamp transaction.

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~~1-16-42~~
~~9:15~~ a.m.

TREASURY DEPARTMENT
Washington

FOR IMMEDIATE RELEASE
Friday, January 16, 1942.

Press Service
No. 29-66

The Treasury Department announced today it has destroyed a $20,000,000 Nazi ~~P~~ostage stamp racket by banning the importation of postage stamps from Axis or Axis-occupied nations.

Freezing control officials stated that the Axis, more desperate than ever for the coveted American dollars which are necessary to carry on a program of sabotage and treachery, has made a practice of printing many new stamp series for the occupied nations. The stamps would be forwarded to American stamp collectors who would in turn pay American dollars for them. The sum of money obtained by this racket is said to have reached $20,000,000.

The traffic was terminated by instructions to Collectors of Customs to block the importation of stamps in which Axis and Axis-occupied countries or their nationals have an interest.

At the same time the Treasury publicly appealed to patriotic stamp collectors and dealers for cooperation in this program. The Treasury also emphasized the penalty provisions which may be invoked in any case of willful violation of the freezing regulations on the stamp traffic.

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January 15, 1942.

MEMORANDUM FOR THE FILE:

Mr. Arthur Watson, assistant collector of customs at Tampa, Florida, called me by telephone at 3:15 today, at which time he stated that his officers in Miami, Florida, were encountering a great deal of difficulty in enforcing the licensing provisions of the Trading with the Enemy Act (T. D. 50525). Mr. Watson stated that there are more people leaving Miami for foreign countries by air than any other port in the U. S., and that a majority of the individuals leaving that port arrive a few minutes before the plane is to leave, with enormous quantities of blue prints, documents, plans, specifications, and various types of technical communications destined for Central and South American countries. A large number of the communications contained are in foreign language. Due to the highly technical data contained in the baggage of these passengers, it is impossible to examine it ~~them~~ properly with a view of permitting ~~them~~ it to go forward with the passengers. In many instances he is detaining these documents over the strong protests of their owners.

Mr. Watson suggested that some steps be taken in Washington to educate the traveling public ~~of~~ regarding the necessity of getting these forms of tangible communications in the hands of customs officers in ample time to have them examined prior to the time the traveler desires to leave the United States. He states that he is getting good cooperation from the airplane companies in Florida who sell tickets in that district. However, a large number of people purchase their tickets in other states and have no knowledge of customs requirements until a short time before they expect to leave the United States.

36) Trading Enemy Act

Don't carry
if you would
get examined
in advance

It was pointed out that the regulations issued under the Act included written and typewritten documents, that time is required for the translation of statements in foreign languages and that exposed film, developed or undeveloped, must be examined by the Customs officers before licenses can be issued.

~~Airplane passengers whose trips originate at inland points were especially asked to allow time in making their connections for the examination of material they feel it is essential for them to carry with them.~~

approved by KEG over telephone 1/16/42 5:25 pm

1/16/42

29-67

For Sunday am's

Co-operation of the traveling public was asked by the Treasury Department today in connection with the enforcement of section 3(c) of the Trading with the Enemy Act, which prohibits except under license the carrying of any form of tangible communication into or out of the United States.

To avoid delays in making connections and possible embarrassing incidents, Treasury officials gave the following advice to travelers:

1. Refrain from carrying with you ~~[illegible]~~ on foreign trips any ~~unnecessary~~ documents unless they are absolutely essential.

2. When you ~~consider~~ find it absolutely necessary to carry maps, plans, blue prints, specifications or similar documents with you, present them as long in advance of departure time as is possible to the office of the Collector of ~~[illegible]~~ Customs, where it will be determined whether the communication may be licensed.

more

TREASURY DEPARTMENT
Washington

FOR RELEASE, MORNING NEWSPAPERS,
Sunday, January 18, 1942.
1/16/42

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interests in the United States by every conceivable device, and consequently few such enterprises are now directly owned by Axis nationals. Crafty Germans ~~attempt~~ have attempted to utilize "dummy" corporations and agents in neutral countries to control their businesses here, and in other cases family ties have given the Germans control of corporations which, on the surface, are owned entirely by American citizens.

In New York a publishing house which had printed Bundist newspapers and magazines during the months leading up to active American participation in the war, found Treasury agents on the spot within a few hours after the first war news flashed over the wires.

Full cooperation in these precautions has been maintained at all times with other Government agencies, such as the ~~[illegible]~~ Federal Bureau of Investigation, Naval Intelligence and Military Intelligence.

Treasury guards have patrolled the premises of the closed and supervised business establishments in order to prevent destruction or removal of valuables, papers and records.

Treasury supervisory staffs, including lawyers, investigators, bank examiners, accountants, chemists and other administrative people have been placed in ~~charge of~~ ~~the operations~~ ~~98 strategic defense~~ the plants. ~~known to have Axis connections.~~ These men read the correspondence, check the personnel to ~~recognize~~ determine Axis ~~sympathizers~~ connections, and pass on all transactions, of the concerns they supervise. In some cases the checks are countersigned by the Treasury representatives.

Many of these 98 concerns manufacture such ~~important~~ useful war materials as films for taking war photographs, drugs for the treatment of the sick and wounded, insulation for radio sets and plastics. One of the factories manufactures presses for fabricating metal, particularly aluminum, one of the most vital of all war materials.

Wily Axis businessmen learned much, Treasury officials said, from their experience in World War I when property in the United States owned by alien enemies was seized by the U. S. Alien Property Custodian. In the 20-year interval between the two wars, Axis nationals have camouflaged their

Among the firms padlocked were exporting houses which had attempted to hold South American markets for German manufacturers, who, since the outbreak of war in 1939, had been unable to continue supplying South American customers with merchandise from Germany. These brokers were buying American goods for delivery in South America in fulfillment of German contracts.

In this way the customers in South America were kept satisfied and the German manufacturers hoped to regain this market after the war. ~~when the Nazi New Order was established throughout the world~~. South American buyers, no longer able to deal through pro-German brokers, now will buy from legitimate American brokers, it is believed.

The Treasury also closed large steamship companies, such as the German dominated Hamburg-American line and the Japanese Nippon Yusen Kaisha, known more commonly as NYK. Six foreign banks, including the huge Italian Banco di Napoli and the Japanese Yokohama Specie Bank, were shut down. By wiping out these centerpoints of foreign finance the Treasury has obliterated the possibility of their use for hostile Axis financial transactions. All remaining money conduits are tightly blocked.

Four of the Big Five families which dominate the Japanese economy -- Mitsui, Mitsubishi, Sumitomo and Okura -- found their subsidiary concerns in the United States under lock and key and patrolled by Treasury guards the morning following the Pearl Harbor attack.

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TREASURY DEPARTMENT
Washington

FOR ~~IMMEDIATE RELEASE~~ Sunday a.m.'s
1/18/42

Press Service
No. 29-68

The Foreign Funds Control Division of the Treasury Department has padlocked more than 100 German, Japanese and Italian business houses and subjected 98 other business concerns to strict supervision since the United States was ~~treacherously~~ attacked in the Far East.

The Treasury's action short-circuited possible Axis sabotage on the American industrial front by erasing focal points of enemy espionage and other subversive activity on the American continent. Banks, steamship companies, import-export firms, news agencies, trade associations and brokerage houses, through which the Axis had sought to maintain its trade and financial influence in this hemisphere, were among the enterprises which the ~~Treasury~~ Department's agents knew to be potential sources of trouble.

Continued ~~The~~ operation of ~~these~~ ninety-eight ~~manufacturers with Axis connections~~ business enterprises many of which have important Axis connections is being strictly supervised by the Treasury to insure the regular flow of the vital war materials which they manufacture.

The Treasury was able to take instantaneous action to avoid any letup in production because it had controlled alien manufacturers for several months prior to December 7, and the data necessary for action was ready at hand the moment the Japanese loosed bombs on Pearl Harbor. Even before ~~the Nipponese blitzkrieg began~~ Pearl Harbor, the closed and supervised concerns were operating under special Treasury license and the ~~Treasury~~ Foreign Funds Control was already scrutinizing minutely all transactions those business enterprises undertook.

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The securities clearing organizations and qualified member firms or corporations of securities and investment associations which wish to qualify may do so through the Federal Reserve Bank in the Reserve Districts where they are located. In a general way the basic requirements for qualification as an issuing agent for a member firm or corporation is to be in good standing in its association or exchange, and to deposit under suitable regulations with the Federal Reserve Bank the sum of $25,000 or the equivalent in approved securities.

Whether or not a member firm or corporation acts as an issuing agent will not in any way affect its continuing to give information and to help with the sales of all series of Defense Savings Bonds, officials of the organizations said.

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Cleared by Morris
+ Ziegenfuss

DWB
G.B.

For Release Morning Newspapers
Monday, January 19, 1942

29-69

The Treasury announced today that, as a result of the offer by officials of various securities and investment organizations to aid in providing a larger number of issuing agents for Series E Defense Savings Bonds, arrangements have been completed so that clearing corporations of recognized securities exchanges and properly qualified members of the recognized securities and investment organizations may now be designated as such issuing agents.

The parent organizations which have been most active in this matter are the New York Stock Exchange, the Investment Bankers Association of America, the National Association of Securities Dealers, Inc., the Association of Stock Exchange Firms, and ~~a~~ the group~~s~~ of recognized dealers in United States securities.

The following officials of these organizations conducted the negotiations with the Treasury Department: John S. Fleek, President of the Investment Bankers Association of America; Wallace H. Fulton, Executive Director of the National Association of Securities Dealers, Inc.; James F. Burns, Jr., President of the Association of Stock Exchange Firms; Emil Schram, President of the New York Stock Exchange; and Dominic W. Rich, representing the group~~s~~ of recognized dealers in United States Government securities.

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Sunday a.m.s 1/17/42

29-70

The Treasury announced today that, effective January 26, 1942, it ~~would~~ will require ~~an~~ additional five hours' work ~~weekly~~ each week from its clerical employees, stepping up the present schedule of 39 hours per week, exclusive of the luncheon period, to a 44-hour basis.

As a result, one additional hour of duty will be required from Monday through Friday, with the prevailing four hours of duty on Saturday ~~being~~ left undisturbed.

The new order affects all clerical, professional, and sub-professional employees of the Treasury Department, in both the departmental and field services, but in view of the fact that the Bureau of Engraving and Printing, and the U. S. Mint and other institutions of the Mint Service, are already operating to a ~~great~~ large extent on three 8-hour shifts each day, the new order will not apply to these plants.

In many cases the new schedules will be put into effect merely by extending, by one hour, the time for closing. This will be true at the main Treasury Building, where 2,368 employees will begin their day at 9:00 A.M., as at present, and remain until 5:30 P.M., with a half-hour luncheon period. In nearly every other case, an additional half-hour will be tacked on each end of the present work day.

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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 that no such concept be accepted and no such evil befall us.

-oOo-

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 <u>you</u> 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.

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 community 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 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.

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.

with funds borrowed from banks, and their sale was often accompanied by all conceivable devices of high-pressure salesmanship. The result was, first, that the Liberty Loans failed to a great extent to enlist true savings, and second, that too many bonds were thrown on the market at a loss to the buyers after the emergency. We feel that the present method is sounder, in that we limit subscriptions to $5000 maturity value a year in the case of the E Bonds, and that we do not sell these bonds to banks at all. Even though we may continue to employ as a supplementary device more traditional financing methods, the widest possible distribution of Savings Bonds is urgently necessary for at least three reasons.

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 6 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 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 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 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 against inflation. Investment in 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 interest on them. Moreover, many Liberty Bonds were purchased

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 $12 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 precedent 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 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 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 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 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 28 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.

Noted
H. M. Cochran

Mr. Cochran

TREASURY DEPARTMENT
Washington

FOR RELEASE, MORNING NEWSPAPERS,
Tuesday, January 20, 1942

Press Service
No. ~~28-39~~
29-71

~~(The following address by Herbert E. Gaston, Assistant Secretary of the Treasury, before the annual meeting of the Manufacturers Association of Connecticut at the New Haven Lawn Club, New Haven, Connecticut, is scheduled for 1 p. m., Eastern Standard Time, Wednesday, November 12, 1941, and is for release upon delivery at that time.)~~

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

In this hour when the best of your energies, your brains and your skill are being devoted to building and to testing the machines and the materials needed to make secure our heritage of freedom, our political and economic institutions are themselves on the proving ground. While we are testing ships and guns, tanks and planes, we are testing also our ability as a nation and a people to coordinate our effort toward a great goal, our ability to produce, our ability to organize to prevent economic anarchy or disaster.

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 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 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

They are willing to pay what must be paid -- and to forego all ~~those~~ things needed for our armed forces. Without much flag waving but with a grim, realistic appraisal of the job that lies ahead, they await the leadership of the Administration and of the Congress to tell them what they must do to save America. That they will do.

We are going to win this war. We can't win it quickly; we can't win it easily, but win it we shall. We have the resources, the men and the machines. Of far greater importance, we have the determination. For we all realize that we are fighting for more than a few islands in the Pacific, for more than free access to rubber, tin, and hemp. For more than free markets for our goods, or the maintenance of our standard of living. Our stake is freedom itself -- individual equality and opportunity, the right of the human soul to expand and develop -- the dignity of man.

Then when we have won this war, -- God grant that under America's unselfish leadership the world may be led along the path of permanent peace. That is our task. That is America's destiny. To that, this nation is pledged. To that, we dedicate ourselves.

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 fear of uncertainty, by the helplessness and the hopelessness that come 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?

The willingness of the American people to submit to substantially higher taxes is attested on all sides. 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. 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 freedom from want and freedom from fear are beyond evaluation.

latter. This we shall do by increased taxation ~~and~~ through the sale of Defense Bonds.

Now I realize that no one ~~really~~ enjoys paying increased taxes. But what is the alternative? During the last twelve months the cost of living has risen more than 10 percent. For the great majority of the workers of this country that was exactly the same as though there had been a gross payroll tax of 10 percent. Yet the huge sum such a tax would have yielded has vanished in the thin air of inflation -- it has not bought one tank, one truck, or one revolver. Though cruelly hurting the wage earner it has not netted the Treasury one dollar, for the higher prices have materially increased the cost of all those things the Government must buy.

Having Uncle Sam as a partner in sharing the salary check or 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 taxpayer can budget his resources and plan his spending with a reasonable degree of certainty. But he is defenseless

To approach -- but not to reach -- that point should be the major objective of the Congress in the next revenue bill.

But there are other collateral objectives. This revenue bill should seek to preserve morale by distributing the tax burden equitably and with every regard for the ability to pay. It should wherever possible and wherever needed encourage the diversion of materials, equipment and skilled labor from civilian to war production. And above all, it must be so devised that it will serve as a formidable weapon to combat inflation.

I am inclined to doubt that the average person in this country is yet aware of the imminent threat of inflation or the havoc it creates. Caused by an increase in the national purchasing power at the very time when our war effort requires us to reduce the production of goods for civilian consumption, it must inevitably start the cost of living in an upward spiral unless we can increase the production of civilian goods, or absorb some of the people's excess purchasing power. Since we cannot do the former without harm to our war effort we must do the approach the largest national income any country in the world has ever achieved, it would be folly indeed not to take a larger share of that income to pay our bills.

The American people know what is at stake today, and they know that no price can be too high for those precious freedoms we are defending. They know that if we are to preserve our American system we shall pay for every last gun and plane 100 cents on the dollar. They know, too, that every dollar paid in taxes this year saves at least another dollar in interest charges over the next 50 years, -- for they learned in the last war that interest costs will in time equal the original expenditures. So, too, do they know that taxes are the only source of revenue of our Government, -- the only means of paying for what we buy or of repaying the money we borrow.

Obviously in taxes there is a point beyond which taxes we cannot go without deadening individual initiative, dulling corporate management, encouraging extravagence and inefficiency and thus not only retarding our war effort but killing the goose that lays the golden egg.

For the fiscal year 1943 -- the year during which we anticipate existing taxes to yield ALMOST $18 billion -- we expect to spend on the war alone $56 billion. This will exceed the total Federal expenditures for all purposes during the six years from 1935 through 1940. The need to pay as we go for a larger proportion of this expenditure resulted in the President's recommendation ~~of the President~~ that additional taxes and Social Security contributions be levied to yield $9 billion more a year. Better than words do these figures describe the task awaiting the Congress. During this period, our tax policy must become the servant of our war effort.

The role of tax policy during this period is to become the servant of the war effort. This war is being fought with men and machines, with airplanes and ships, with guns and tanks, -- not with dollars, not with taxes. A good fiscal policy alone cannot win this war, no matter how many dollars it brings into the Treasury. A poor fiscal policy, however, can lose this war, or cause want and misery after the victory.

The primary purpose of new taxes is to raise revenue, to meet a larger proportion of our current expenditures with current receipts, and thus to reduce the amount of borrowing that would otherwise be required. As we

Finance Committees and the Congress. Truly do they vindicate Democracy.

The magnitude of the task these two Committees and the Congress now face is unparallelled. That you may view it in its proper proportions may I give you some recent fiscal history:

In the year 1940, 7,600,000 income tax returns were filed.

In the year 1941, 15,200,000 income tax returns were filed.

In the year 1942, 22,000,000 income tax returns will be filed.

In the fiscal year 1940, the total gross tax yield was $5,303,000,000.

In the fiscal year 1941, the total gross tax yield was $7,361,000,000.

In the fiscal year 1942, the total gross tax yield is expected to reach $12,200,000,000.

In the fiscal year 1943, on the basis of present law, we anticipate a yield of $17,261,000,000.

Thus from 1940 to 1943 not only have our tax receipts been trebled, but the number of individual income tax filers has also been trebled. But are these collections adequate for the task we now face? Unfortunately they are not.

batteries of newsreel cameras and scores of reporters. While the cameras grind and the journalists scribble out tomorrow's headlines, it is quite natural that the non-administration members should go after the witnesses on a partisan basis, -- though no more partisan than the manner in which the administration members rush to the defense of their administration. All of which is just as it should be in a democracy, and all of which is for the good of the people of the U.S.

After The public hearings end, ~~and~~ then the Committees go of the Amer. Senate into Executive Sessions. Coats come off, sleeves are rolled up and the Committee members get down to work, not as 15 Democrats and 10 Republicans, but as 25 sincere, conscientious public servants representing the 130,000,000 people of America. I have yet to see but one partisan vote by either committee. I have never known any group in private industry to work as intensely or as long hours as these two committees.

These executive sessions last for weeks and even temporary absence is a rarity. I can testify personally to the amount of home work the committee members do at night, ~~because of~~ from the number of calls I get through outside the evening, asking for additional information on some subject discussed during the day.

Surely the American taxpayer is safe in the hands of the House Ways and Means ~~Committ~~ and the Senate

Under the Constitution Federal Taxes can originate in one place and in one place only, -- the House of Representatives. only As the Department charged with the administration and collection of taxes, the Treasury is called ~~upon~~ to consult with and to advise the Congress. When requested, the Treasury makes recommendations. On important issues the Treasury presses its views. But the Treasury never, never writes a tax bill. The Congress does that.

It might be well at this time, when the democratic processes are under fire for me to tell you a bit about how this works out. I doubt very much if the average American citizen has any appreciation of how long and how hard the Congress works on our tax problems.

A tax bill -- let us say the tax bill for 1942 -- originates in the House Ways and Means Committee, First of all ~~when~~ the Secretary of the Treasury and his fiscal assistants are invited to appear at a public hearing to submit such proposals and observations as they deem worthy of Congressional consideration. These hearings, -- and the later hearings before the Senate Finance Committee, are largely attended and widely publicized. Usually at the opening session there are heritage. Much is at stake, for you represent the values of living Democracy.

I have been asked to speak tonight on the role of Federal Taxation in this time of war. I doubt if in any field of legislation Democracy is better exemplified than in taxation. In some quarters there appears to be a feeling that Federal taxes are a vile type of oppression, brewed by the Treasury alchemists during the dark of the moon, and forced through Congress upon a reluctant populace. Having chaperoned five tax bills through the Congress, I can tell you that nothing could be further from the truth.

Long before this Republic was born we had set ideas about taxation without representation. Though such a threat has long since disappeared, the hostility to it remains, and today in America taxes are imposed upon the people by the people themselves, who acting through their own representatives determine what burden they shall assume for the national good. Probably in no phase of any type of Government in the world today does Government depend more directly upon the consent of the governed than in the field of American Federal taxes.

through restrictions they impose upon themselves! In the deliberations of the General Assembly, the members are free and equal agents; free to think, speak, act and vote as they choose -- answerable only to their constituents and to their own consciences. We who have so long taken this for granted are apt to forget how much this means to us, until we stop to remember the liberty lost and the freedom strangles ? in the last three years in Austria, Czechoslovakia, Poland, Denmark, Norway, Luxembourg, Holland, Belgium, France, Bulgaria, Yugoslavia, Albania and Greece.

Surely now is the time for America's torch of liberty and freedom to burn brightly to show to the oppressed peoples of the world the path back to Freedom, Democracy, and enlightened civilization. This is the time for Democracy and for you, its representatives, to do even better than your best. You succeed men who have set a standard for you and I wish to congratulate Governor Price and his associates upon their fine administration, and I wish to extend to Governon-Elect Darden and to you his colleagues, best wishes for an administration worthy of Virginia's rich years as a member of ~~the Virginia Senate~~, the National House of Representatives, as Secretary of the Treasury, and as a member of the United States Senate, he has devoted himself to the service of his country. His accomplishments challenge the records of his contemporaries. As the father of the Federal Reserve System, he brought stability to commerce and to private banking, and won for the nation fiscal security. He's a thinker, and he's a fighter too. As such he is respected, appreciated and loved throughout the land. Though he was born in Lynchburg, and has always been elected by Virginians, I say he belongs to all America. He is America's Senator at Large, -- Carter Glass.

It is a great privilege for me to be here with you tonight on this particular occasion. Here with us are gathered the recently elected members of the General Assembly, who ~~on Wednesday~~, as free representatives of a free people, ~~will~~ meet to construct the framework of restrictions within which the men and women of Virginia can conduct themselves in war time and still be free. In how very few places in the world are people now allowed to regulate and to restrain themselves outstanding leader in the House of Representatives, never fails to exert his very considerable influence toward the accomplishment of those objectives which wisdom and vision indicate are for the good of the nation. Congressman Robertson, a leading member of the House Ways and Means Committee, has proved invaluable in helping to solve some of the Government's most trying problems.

To the United States Senate Virginia has sent two statesmen, Harry Byrd has set a standard for frankness, intellectual honesty and courage that is so needed in these trying days. His early experience in the Virginia Senate, his four years as Governor of this Commonwealth, and his nine years as a member of the United States Senate, have given to his inquiring mind opportunities for intimate knowledge of the detailed affairs of Government. His acceptance of those opportunities has made him one of the Senate's ablest members.

Virginia claims another member of the Senate, but although he has always ably represented the interests of his own Commonwealth and of his own constituents, I challenge Virginia's claim upon him. For the last 40

Sullivan

Richmond Speech

29-71

I am most grateful for the opportunity given me to meet tonight with this distinguished group of the leaders of Virginia. A visit to Virginia, the home of the Presidents and the stage upon which much of America's most vital early drama was enacted, is always stimulating. During such a period as the present -- when freedom throughout the world is in dire jeopardy -- the memories of what Virginia has been and what Virginians have wrought are truly inspiring.

But the contribution of this Commonwealth is not restricted to the past, for today ~~x~~ the sons of Virginia are adding new glories to your history, and in the councils of the Federal Government they maintain the prestige your representatives have always enjoyed. In Washington, Congressmen Bland, Harris, Satterfield, Drewry, Burch, Smith and Flannagan have again and again demonstrated their worthiness to carry on your great traditions. Congressman Woodrum, an

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TREASURY DEPARTMENT
Washington

FOR RELEASE, MORNING NEWSPAPERS
Tuesday, January 20, 1942.

Press Service
No. 29-71

(The following address by Assistant Secretary of the Treasury John L. Sullivan before the biennial dinner for the incoming General Assembly of Virginia at the John Marshall Hotel, Richmond, Virginia, is scheduled for 8 p.m., Eastern Standard Time, Monday, January 19, 1942, and is for release upon delivery at that time.)

It is a great privilege for me to be here with you tonight on this particular occasion. Here with us are gathered the recently elected members of the General Assembly, who on Wednesday, as free representatives of free people, will meet to construct the framework of restrictions within which the men and women of Virginia can conduct themselves in war time and still be free. In how very few places in the world are people now allowed to regulate and to restrain themselves through restrictions they impose upon themselves! In the deliberations of the General Assembly, the members are free and equal agents; free to think, speak, act and vote as they choose--answerable only to their constituents and to their own consciences. We who have so long taken this for granted are apt to forget how much this means to us, until we stop to remember the liberty lost and the freedom strangled in the last three years in Austria, Czechoslovakia, Poland, Denmark, Norway, Luxembourg, Holland, Belgium, France, Bulgaria, Yugoslavia, Albania and Greece.

Surely now is the time for America's torch of liberty and freedom to burn brightly to show to the oppressed peoples of the world the path back to Freedom, Democracy, and enlightened civilization. This is the time for Democracy and for you, its representatives, to do even better than your best. You succeed men who have set a standard for you. I wish to congratulate Governor Price and his associates upon their fine administration, and I extend to Governor-Elect Darden and to you his colleagues best wishes for an administration worthy of Virginia's rich heritage. Much is at stake, for you represent the values of living Democracy.

I have been asked to speak tonight on the role of Federal Taxation in this time of war. I doubt if in any field of legislation Democracy is better exemplified than in taxation. In some quarters there appears to be a feeling that Federal taxes are a vile type of oppression, brewed by the Treasury alchemists during the dark of the moon, and forced through Congress upon a reluctant populace. Having chaperoned five tax bills through the Congress, I can tell you that nothing could be further from the truth.

Long before this Republic was born we had set ideas about taxation without representation. Though such a threat has long since disappeared, the hostility to it remains, and today in America taxes are imposed upon the people by the people themselves, who acting through their own representatives determine what burden they shall assume for the national good. Probably in no phase of any type of Government in the world today does Government depend more directly upon the consent of the governed than in the field of American Federal taxes. Under the Constitution Federal Taxes can originate in one place and in one place only,--the House of Representatives. As the Department charged with the administration and collection of taxes, the Treasury is called upon to consult with and to advise the Congress. When requested, the Treasury makes recommendations. On important issues the Treasury presses its views. But the Treasury never, never writes a tax bill. The Congress does that.

It might be well at this time, when the democratic processes are under fire for me to tell you a bit about how this works out. I doubt very much if the average American citizen has any appreciation of how long and how hard the Congress works on our tax problems.

A tax bill originates in the House Ways and Means Committee, when the Secretary of the Treasury and his fiscal assistants are invited to appear at a public hearing to submit such proposals and observations as they deem worthy of Congressional consideration. These hearings,--and the later hearings before the Senate Finance Committee, are largely attended and widely publicized. Usually at the opening session there are batteries of newsreel cameras and scores of reporters. While the cameras grind and the journalists scribble out tomorrow's headlines, it is quite natural that the non-administration members should go after the witnesses on a partisan basis,--though no more partisan than the manner in which the administration members rush to the defense of their administration.

The public hearings end, and the Committees go into Executive Sessions. Coats come off, sleeves are rolled up and the Committee members get down to work, not as fifteen Democrats and ten Republicans, but as twenty-five sincere, conscientious public servants. I have yet to see but one partisan vote by either committee. I have never known any group in private industry to work as intensely or as long hours as these two committees. These executive sessions last for weeks and even temporary absence is a rarity. I can testify to the home work the committee members do at night because of the number of calls I get through the evening, asking for additional information on some subject discussed during the day.

Surely the American taxpayer is safe in the hands of the House Ways and Means and the Senate Finance Committees and the Congress. Truly do they vindicate Democracy.

The magnitude of the task these two Committees and the Congress now face is unparallelled. That you may view it in its proper proportions may I give you some recent fiscal history:

In the year 1940, 7,600,000 income tax returns were filed.
In the year 1941, 15,200,000 income tax returns were filed.
In the year 1942, 22,000,000 income tax returns will be filed.

In the fiscal year 1940 the total gross tax yield was	$ 5,303,000,000.
In the fiscal year 1941 the total gross tax yield was	$ 7,361,000,000.
In the fiscal year 1942 the total gross tax yield is expected to reach	$12,200,000,000.
In the fiscal year 1943 on the basis of present law we anticipate a yield of	$17,261,000,000.

Thus from 1940 to 1943 not only have our tax receipts been trebled but the number of individual income tax filers has also been trebled. But are these collections adequate for the task we now face? Unfortunately they are not.

For the fiscal year 1943--the year during which we anticipate existing taxes to yield $18 billion--we expect to spend on the war alone $56 billion. This will exceed the total Federal expenditures for all purposes during the six years from 1935 through 1940. The need to pay as we go for a larger proportion of this expenditure resulted in the recommendation of the President that additional taxes and Social Security contributions be levied to yield $9 billion more a year. Better than words do these figures describe the task awaiting the Congress.

The role of tax policy during this period is to become the servant of the war effort. This war is being fought with men and machines, with airplanes and ships, with guns and tanks,-- not with dollars, not with taxes. A good fiscal policy alone cannot win this war no matter how many dollars it brings into the Treasury. A poor fiscal policy, however, can lose this war, or cause want and misery after the victory.

The primary purpose of new taxes is to raise revenue, to meet a larger proportion of our current expenditures with current receipts, and thus to reduce the amount of borrowing that would otherwise be required. As we approach the largest national income any country in the world has ever achieved it would be folly indeed not to take a larger share of that income to pay our bills.

The American people know what is at stake today, and they know that no price can be too high for those precious freedoms we are defending. They know that if we are to preserve our American system we shall pay for every last gun and plane 100 cents on the dollar. They know, too, that every dollar paid in taxes this year saves at least another dollar in interest charges over the next 30 years--for they learned in the last war that interest costs will in time equal the original expenditures. So too do they know that taxes are the only source of revenue of our government--the only means of paying for what we buy or of repaying the money we borrow.

Obviously in taxes there is a point beyond which we cannot go without deadening individual initiative, dulling corporate management, encouraging extravagance and inefficiency and thus not only retarding our war effort but killing the goose that lays the golden egg. To approach--but not to reach--that point should be the major objective of the Congress in the next revenue bill.

But there are other collateral objectives. This revenue bill should seek to preserve morale by distributing the tax burden equitably and with every regard for the ability to pay. It should wherever possible and wherever needed encourage the diversion of materials, equipment and skilled labor from civilian to war production. And above all it must be so devised that it will serve as a formidable weapon to combat inflation.

I am inclined to doubt that the average person in this country is yet aware of the imminent threat of inflation or the havoc it creates. Caused by an increase in the national purchasing power at the very time when our war effort requires us to reduce the production of goods for civilian consumption, it must inevitably start the cost of living in an upward spiral unless we can increase the production of civilian goods, or absorb some of the people's excess purchasing power. Since we cannot do the former without harm to our war effort we must do the latter. This we shall do by increased taxation and through the sale of Defense Bonds.

Now I realize that no one really enjoys paying increased taxes. But what is the alternative? During the last twelve months the cost of living has risen more than ten percent. For the great majority of the workers of this country that was exactly the same as though there had been a gross payroll tax of ten percent. Yet the huge sum such a tax would have yielded has vanished in the thin air of inflation--it has not bought one tank, one truck, or one revolver. Though cruelly hurting the wage earner it has not netted the Treasury one dollar, for the higher prices have materially increased the cost of all those things the Government must buy.

Having Uncle Sam as a partner in sharing the salary check or 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 taxpayer 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 fear of uncertainty, by the helplessness and 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 malignant growth?

The willingness of the American people to submit to substantially higher taxes is attested on all sides. 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. 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 freedom from want and freedom from fear are beyond evaluation.

They are willing to pay what must be paid--and to forego all those things needed for our armed forces. Without much flag waving but with a grim, realistic appraisal of the job that lies ahead, they await the leadership of the Administration and of the Congress to tell them what they must do to save America. That they will do.

We are going to win this war. We can't win it quickly; we can't win it easily, but win it we shall. We have the resources, the men and the machines. Of far greater importance we have the determination, for we all realize that we are fighting for more than a few islands in the Pacific, for more than free access to rubber, tin, and hemp, for more than free markets for our goods, or the maintenance of our standard of living. Our stake is freedom itself--individual equality and opportunity, the right of the human soul to expand and develop--the dignity of man.

Then when we have won this war,--God grant that under America's unselfish leadership the world may be led along the path of permanent peace. That is our task. That is America's destiny. To that, this nation is pledged. To that we dedicate ourselves.

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TREASURY DEPARTMENT

Washington

FOR IMMEDIATE RELEASE,
Monday, January 19, 1942.

Press Service
No 29-72

The Secretary of the Treasury [redacted] today announced the final subscription and allotment figures with respect to the current offering of 2 percent Treasury Bonds of 1949-51.

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

Federal Reserve District	Treasury Notes Series A-1942	3 Percent FFMC Bonds	2-3/4 Percent FFMC Bonds	RFC Notes Series R
Boston	$ 29,451,500	$ 6,159,900	$ 2,135,800	$ 3,410,000
New York	272,205,600	106,143,000	64,021,000	241,549,000
Philadelphia	10,500,500	21,766,600	6,417,700	5,189,000
Cleveland	13,900,400	7,118,700	1,452,600	7,856,000
Richmond	7,121,500	6,931,900	2,863,400	2,825,000
Atlanta	1,595,300	512,800	733,400	2,130,000
Chicago	38,172,800	32,839,800	6,398,300	32,439,000
St. Louis	7,917,200	3,556,000	1,293,100	2,534,000
Minneapolis	1,337,000	4,084,900	2,009,600	2,806,000
Kansas City	11,553,600	6,389,600	2,388,700	4,669,000
Dallas	2,079,900	932,400	524,100	751,000
San Francisco	9,038,600	7,775,300	5,537,100	1,421,000
Treasury	783,900	448,200	158,500	10,000
Total	$405,657,800	$204,659,100	$95,933,400	$307,589,000

Federal Reserve District	Total Subscriptions Received (Allotted in full)
Boston	$ 41,157,200
New York	683,918,700
Philadelphia	43,873,800
Cleveland	30,327,700
Richmond	19,741,800
Atlanta	4,971,500
Chicago	109,849,900
St. Louis	15,300,300
Minneapolis	10,237,500
Kansas City	25,000,900
Dallas	4,287,400
San Francisco	23,772,000
Treasury	1,400,600
Total	$1,013,839,300

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Em C.P.B.

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Total	$1,013,839,300

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month's coinage was $11,603,020.10.The total number of pieces for the month was 247,152,492.

Incr§ased demands from business for coins results not only from the defense expansion in trade,but stems also from increased popularity of vending machines/ and application of state sales taxes and federal admissions, excise and other levies, Mrs. Ross said.

In addition to domestic coinage, the Mints turned out during 1941 more than 208,000,000 pieces for other governments.The largest order was from the Netherlands East Indies for 128,691,000 pieces [redacted]

Other countries for which coins were stamped include Curacao, Dominican Republic, Liberia and Surinam.

During the twelve months, the United States Mint at Philadelphia produced 1,368,684,076 domestic coins worth $68,410,760.45; the United States Mint at San Francisco coined 203,073,000 pieces worth $15,473,850; and the United States Mint at Denver turned out 255,729,200 coins worth $18,324,900.

The San Francisco mint also produced the bulk of the foreign coinage.

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Wash

For release, afternoon papers, Tuesday, Jan. 20, 1942.

Press Service No. 29-73

United States Mints, working "around the clock" to meet demands for coins arising from the nation's increased business, set new all-time records in production during 1941.

Mrs. Nellie Tayloe Ross, director of the Mint, today said the month of December also set a new record, to climax the unprecedented operations for the calendar year.

The 1941 production of domestic coins included 43,553,812 half-dollars, 111,842,087 quarters, and 263,830,557 dimes. The value of the silver coins produced was $76,120,483.45.

Minor coins turned out during the year included 300,160,720 nickels and 1,108,099,100 one-cent pieces, for a total of 1,408,259,820 minor pieces. The total number of coins stamped reached 1,827,486,276, for a total value of $102,209,510.45.

These figures compared with 1,209,478,982 coins worth $50,157,850.32 in 1940, the previous record.

Sharp increases in coinage of the larger pieces boosted the value of the 1941 output more sharply than comparison of figures on pieces struck for the two years would suggest.

The 1939 figures were 674,089,105 pieces worth $38,289,169.80.

December 1941 production consisted of 3,222,143 half dollars, 15,268,418 quarters, 30,535,831 dimes, 28,500,000 nickels, and 169,626,100 pennies. Total value of the

TREASURY DEPARTMENT
Washington

FOR RELEASE, AFTERNOON NEWSPAPERS,
Tuesday, January 20, 1942.

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The San Francisco mint also produced the bulk of the foreign coinage.

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TREASURY DEPARTMENT

Washington

FOR RELEASE, MORNING NEWSPAPERS,
Tuesday, January 20, 1942.
1/19/42

Press Service
29-74

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 January 21 and to mature April 22, 1942, which were offered on January 16, were opened at the Federal Reserve Banks on January 19.

The details of this issue are as follows:

Total applied for - $351,585,000
Total accepted - 150,330,000

Range of accepted bids: (Excepting one tender of $200,000)

High	- 99.980	Equivalent	rate	approximately	0.079	percent
Low	- 99.942	"	"	"	0.229	"
Average price	- 99.950	"	"	"	0.196	"

TREASURY DEPARTMENT

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Tuesday, January 20, 1942.
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TREASURY DEPARTMENT

WASHINGTON

OFFICE OF
DIRECTOR OF THE MINT
IN REPLYING QUOTE INITIALS

January 16, 1942

MEMORANDUM

TO: Mr. Charles Schwarz

FROM: Mr. Leland Howard

In reference to our telephone conversation of this morning, I transmit to you a copy of the release "Production of Gold and Silver in the United States in 1941".

As stated to you, the Bureau of Mines and the Federal Reserve Bank have been asking for a copy of this release and are interested in securing it. I do not want to release it, however, to either of those agencies or to the public until it has been approved by you.

Whether or not the production of the Philippine Islands will be of any value to enemies of this Country, I am not in a position to state. However, there is a remote possibility that the War Department would not want it released.

LH

LH/gd

Treasury Department
Washington

(Wednesday Ams)

Press Service
No. 29-75

~~Office of~~
Director ~~of the Mint~~

~~Treasury Department~~,
~~Washington, D. C.~~,
~~January 15, 1942~~.

PRODUCTION OF GOLD AND SILVER IN THE UNITED STATES IN 1941

(Arrivals at United States Mints and Assay Offices and at private refineries)

The Bureau of the Mint, with the cooperation of the Bureau of Mines, has issued the following statement of the preliminary estimate of refinery production of gold and silver in the United States during the calendar year 1941:

Location	Gold		Silver	
	Ounces	Value 1/	Ounces	Value 1/
Continental United States -	4,090,785	$143,177,475	67,855,209	$48,252,593
Alaska- - - - - - - - - - - -	703,522	24,623,270	233,253	165,869
Philippine Islands- - - - -	1,161,210	40,642,350	1,244,176	884,747
Totals, 1941 - - - - -	5,955,517	208,443,095	69,332,638	49,303,209
Last year, 1940- - - -	6,003,105	210,108,700	69,585,734	49,483,189
Previous largest production- - - - - -	6,003,105 2/	$210,108,700 2/	74,961,075 3/	$37,397,300 3/

1/ Gold valued at $35.00 per fine ounce; silver valued in 1941 at $0.7111+; the amount per fine ounce returned to depositors of newly mined domestic silver during 1941.

2/ 1940.

3/ 1915.

saw Gen Louder, who approves release as is. [3:15 P.M.]

tel'd Mr. Schwarz - out; cleared with his ass't, Mr. Shaeffer; told him it is O.K. as is. 3:20

MA

1/17/42

TREASURY DEPARTMENT
WASHINGTON

FOR RELEASE, MORNING NEWSPAPERS,
Wednesday, January 21, 1942.
1/20/42

Press Service
No. 29-75

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TO: Mr. D. W. Bell

~~O.K. for press release?~~

443

O.K. but how about mentioning donations of a day's pay in several instances

DWB

To → Mr. Schwarz

The Treasury also has duly acknowledged contributions from two pets, one accompanied by a picture, and the other sending a paw-printed check. The accompanying letter said that Lady Dot had received a dollar for Christmas to buy bones with, and was sending the money to the President instead. The other canine donor, "Mutt," sent $5.02 from Florida and promised to cut down on ice cream.

One of the larger donations came from employes and the owner of two coal mining companies. The employes each donated a day's pay, and the owner donated the value of all the coal they mined. The Treasury received $14,000 from the project.

This latter donation was only one of many instances in which plant and factory workers have donated a day's pay. In most cases these donations have been accompanied by an additional contribution ~~sympathetic gratuity~~ on the part of the employer.

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29-76

Thursday Ams

Cash donations to the Government for national defense in the six weeks since the attack on Pearl Harbor have reached $241,572.08, the Treasury announced today.

The tabulation covered the period from December 7 to January 16, and did not include securities, old gold and other articles where the value has not been ascertained. In the latter category were such items as dental work, wedding rings and other jewelry.

The national defense fund had its spontaneous origin in the middle of June,1940 coincident with the fall of France. Since that time a total of $286,922.15 has been received.

Among the latest contributions is one of $83 from an Ohio farmer, the amount of his soil conservation check. His note said:

"I don't need it as bad as my Uncle Sam."

A check for $16 was accompanied by New Year's resolutions to give up alcohol, drink more water and milk, eat less high priced meat and more vegetables, and devote the savings to the war effort.

Ten members of a Boy Scout troop sent in 25 cents each. A California lad who "cuts lawns now and then and makes a few cents" sent a dollar.

TREASURY DEPARTMENT
Washington

FOR RELEASE, MORNING NEWSPAPERS,
Thursday, January 22, 1942.
1/21/42

Press Service
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Treasury Department
Division of Monetary Research

Date January 22

To: Mr. Schwarz

From: Mr. Southard

The attached draft has been gone over by Mr. Hawkey and me, and we think it is satisfactory. It is substantially the same as the draft sent to you at noon. At the top of the earlier draft, the number 29-77 was written in ink.

The proposed new 5-cent piece would present no mechanical difficulties and would entail no necessity for change of design. The coins will present a bright, silvery color when newly struck, but the experts say they will gradually assume a yellowish appearance after circulation.

The samples are of the same weight and diameter as the 5-cent piece now in use, but are slightly thinner. The coin would function properly in such devices as subway turnstiles, telephone pay stations and countless merchandise vending machines.

Mrs. Ross also announced that the Bureau of the Mint expects to save 100,000 pounds of tin a year through a change, under present laws, in the content of the cent. In addition, 40,000 pounds of tin on hand are being turned over to defense industries.

The tin content of the one-cent piece has been reduced to a trace, without affecting materially the quality or appearance of the coin, she said. The new cent consists, for practical purposes, of 95 percent copper and 5 percent zinc; instead of 95 percent copper, 4 percent zinc, and 1 percent tin, as at present.

Mint chemists are making further experiments in an effort to save additional copper.

Immed.
Thurs.

29-77

Research chemists of the United States Mint have developed a "nickel-less nickel" that will save for defense use annually almost a million pounds each of vital nickel and copper, and at the same time will preserve the usefulness of the coin in mechanical devices.

Mrs. Nellie Tayloe Ross, Director of the Mint, told Secretary Morgenthau that the change-over can be made quickly, after Congressional approval, to a coin half silver and half copper, eliminating one-third of the copper and all the nickel now used.

Legislation to authorize the change was approved this week by a Senate judiciary committee.

Treasury officials pointed out that the materials vitally needed for defense are being replaced by a metal of which the nation has ample supply. Of the Government's total silver stock, more than a billion and a quarter ounces not currently put to monetary uses are available for this purpose. Only about 2 percent of this amount would be required annually for the proposed coins.

Mint officials contemplate no move to call in outstanding coins for melting down. They say that the technical difficulties are too great to warrant consideration of such salvage operations under present supply conditions of the metals involved.

Mrs. Ross also announced that the bureau expects to save 100,000 pounds of tin a year through a change, under present laws, in the content of the cent. In addition, 40,000 pounds of tin on hand are being turned to defense industries.

The tin content of the one-cent piece has been reduced to a trace, without affecting materially the quality or appearance of the coin, she said. The new cent consists, for practical purposes, of 95 percent copper and 5 percent zinc; instead of 95 percent copper, 4 percent zinc, and 1 percent tin, as at present.

Mint chemists are making further experiments in an effort to ~~make possible~~ save additional ~~savings of~~ copper.

The proposed new nickel would present no mechanical difficulties and would entail no necessity for change of design. Sample coins have been struck from the proposed alloy. They present a bright, silvery color when newly coined, but the experts say they will gradually assume a yellowish appearance after circulation.

The samples are of the same weight and diameter as the 5-cent piece now in use, but are slightly thinner. The coin would function properly in such devices as subway turnstiles, telephone pay stations and countless merchandise vending machines.

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1-22-42

29-77

Research chemists of the United States Mint have developed a "nickel-less nickel" that will save for defense use annually almost a million pounds each of vital nickel and copper, and at the same time will preserve the usefulness of the coin in mechanical devices.

Mrs. Nellie Taylor Ross, Director of the Mint, told Secretary Morgenthau that the change-over can be made quickly, after congressional approval, to a coin half silver and half copper, eliminating one-third of the copper and all the nickel now used.

Legislation to authorize the change was approved this week by a Senate judiciary committee.

Treasury officials pointed out that the materials vitally needed for defense are being replaced by a metal of which the nation has ample supply. ~~More than a billion and a quarter ounces of~~ ~~The Government has in depositaries~~
~~silver are now held in the General Fund, and only about~~ 12 per
~~some billion and a half ounces of silver, while during the~~
of this amount would be required annually for the proposed coins.
~~fiscal year 1941, purchases of some 163 million ounces were made under existing legislation. This is three times the amount that will be used in all subsidiary coinage in a year, including the new "silver nickel".~~

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TREASURY DEPARTMENT
Washington

FOR IMMEDIATE RELEASE
Thursday, January 22, 1942.

Press Service
No. 29-77

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Treasury officials pointed out that the materials vitally needed for defense are being replaced by a metal of which the nation has ample supply. Of the Government's total silver stock, more than a billion and a quarter ounces not currently put to monetary uses are available for this purpose. Only about 2 percent of this amount would be required annually for the proposed coins.

Mint officials contemplate no move to call in outstanding coins for melting down. They say that the technical difficulties are too great to warrant consideration of such salvage operations under present supply conditions of the metals involved.

The proposed new 5-cent piece would present no mechanical difficulties and would entail no necessity for change of design. The coins will present a bright, silvery color when newly struck, but the experts say they will gradually assume a yellowish appearance after circulation.

The samples are of the same weight and diameter as the 5-cent piece now in use, but are slightly thinner. The coin would function properly in such devices as subway turnstiles, telephone pay stations and countless merchandise vending machines.

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-oOo-

1-23-42

29-78

For Friday pm's

Secretary Morgenthau announced today that he has arranged with Walt Disney for the creation of a special animated short color film in which Donald Duck will show millions of income taxpayers how to prepare their returns and how the Government will translate their payments into the war effort.

The film will be called "The New Spirit" and the Disney Studios at Burbank, California, are setting new production records to have it ready for showing within the next ten days in 12,000 theaters throughout the country.

Disney already has shown preliminary sketches to Secretary Morgenthau and received the Treasury Department's approval of his treatment of the subject. The Treasury meanwhile has ordered 1,000 prints from the Technicolor laboratories, the largest print order in that organization's history.

Treasury tax experts called upon Disney for guidance in determining Donald Duck's status and decided Donald was the "head of a family" because of his support of his three adopted nephews, "for whose maintenance he has a legal and moral obligation."

TREASURY DEPARTMENT
Washington

FOR RELEASE, AFTERNOON NEWSPAPERS,
Friday, January 23, 1942.

Press Service
No. 29-78

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-oOo-

This plan leaves it to the individual to decide for himself whether he is to contribute to National saving and thus to war production the extra amount that will be the measure of the value he places on our liberties.

As for those liberties, there is this to be said of them: If we suffer injustices, if we suffer deprivation, if we suffer want, it is because of our sluggishness, our want of foresight, our neglect, our concern with the trivial and the unimportant. More than the people of any other nation we have been and are the masters of our destiny. We can remedy these defects; we can work out a democratic pattern of industrial rule; we can make the machine our servant rather than our master; we can achieve a better order in our civilization.

We can do all these things if only we stand together now to crush the enemies who are the foes alike of us and of all we hope to attain.

--oOo--

The direction that effort must take is very plain and simple. The rule must be: Cut down expenditure; save; buy Defense Bonds. It is very easy to see that when you buy a bond you are lending the Government money to buy a gun or a bomb or a fighting plane. What is not so clearly understood is that when you buy a bond in place of something else you'd like to have you are quite likely releasing the men and the materials which make it possible for the Government to buy a gun or a bomb or a plane that it could not otherwise have bought at any price. At the very least you are reducing by that amount the buying pressure that foments inflation. ~~That is why we say that a dollar saved out of current income to buy a bond is worth two taken out of past savings.~~

That is why the Treasury Department is pushing so hard the voluntary pay roll savings ~~allotment~~ plan for Defense Bonds ~~Savings~~ and encouraging every other plan that means restraint of individual expenditure now for the sake of security in the future -- security for the individual, security for the Nation, security for democracy as the protector of human liberty.

Inequities in the present tax structure will need to be remedied. Escape from high taxes through such loopholes as tax-exempt securities, inter-family gifts which greatly reduce tax liability, community property provisions which accomplish a similar effect and excessive deductions from corporate revenue on any account should not be permitted when all classes of the population are asked to make patriotic sacrifices to further the war effort. / 5

But other devices than taxation will be needed to restrain price rises. We should use all means possible to increase the supply of consumer goods so long as the means adopted do not take men or materials from the war effort. This is a challenge to greater efficiency in production. The effectiveness of various means of direct price control through price ceilings, allocations and rationing will also have a great deal to do with determining the general course of prices. These are indispensable instruments for dealing with the inflation danger. But in spite of what may be accomplished in these lines, there will still be great pressure on prices which can only be neutralized by patriotic voluntary effort.

Theoretically it is possible and it would be desirable if practicable to pay for the war as we go. Practically, there seems to be pretty general agreement that it can't be done. That would mean taxation at an even higher rate than that necessary to balance consumer production and spendable income.

Taxation as a practicable basis can, however, have a powerful restraining effect on prices. It can be joined with other devices to meet the inflation problem and contribute to the war effort. The present tax laws will yield revenue less than a third the amount we expect to spend in the next fiscal year. From any standpoint that's not enough. It would seem that we ought to increase the yield by 50 per cent and that in fact is what the President has recommended. It is not going to be easy to do. It will be physically impossible to get all of it out of the high brackets of individual income and out of corporate profits. These will have to assume a substantial share, but the increases are bound to be felt all down the line.

If we were prepared to adopt so drastic a program and could find the means to do it, including ~~the~~ means ~~to divert this huge amount out of current income at the source instead of delaying collections to the subsequent year, and also means~~ of preventing individuals from drawing on their existing capital for current consumption, we could rely on these means alone ~~taxation coupled with capital control~~ to solve the price problem. But this would mean taxation not only of far greater magnitude but wholly different in character from anything we have known heretofore. It would in fact mean rationing income to fit consumption needs. Our democratic system provides no mechanism for so revolutionary a program, even if we were willing to submit to the restriction of individual liberties and the denial of incentive which it would imply. We cannot even attempt to freeze consumption of goods currently produced at current levels for all classes. Too much of our population now is living below a fair subsistence level. We are not going to gain efficiency by starving our workers. We must in fact permit many, a large class of our population that has been on a low subsistence level, both to earn more and to spend more.

But there are qualifications to be made. In the first place, the gross national product substantially exceeds the national income. This is due to the fact that the gross national product includes all of ~~the~~ goods and services necessary to make normal replacements due to wear and tear as well as those, which reach the final consumer. Next year, however, many of these replacements will be postponed and a portion of the gross product will thus be released for other purposes. This will mean that there will be more consumer goods available than appears in the simple reckoning just made. Normal savings and existing taxes will further reduce the difference between the supply of goods and the income available to buy them. Yet there will remain a great discrepancy. / ¶

This discrepancy would necessarily result in a tremendous inflation unless it could be closed. A program of new taxes which would bring in currently an equal amount would, of course, close it. Other factors might cause price rises, but not excess of spendable income. But that might mean taking in Federal taxes a dollar out of every three of the income of every person in the land -- more than doubling the yield of the taxes payable next fiscal year under the existing tax structure. In money figures it might mean a total of 35 to 40 billions as against an expected total Federal revenue of some 18 billions for the next fiscal year.

The President has laid down a program of war production that will call for all the ingenuity, all the managerial ability, all the skill of fine craftsmen, all the hard labor and sustained determination we can bring to it. It may well be all that we can do; it is the least that we must determine to do.

In round money figures it envisages for the next fiscal year the completion of and payment for war goods and services in the amount of some fifty-six billions of dollars. For this same period it is thought that the ~~net~~ National income may ~~not exceed~~ much twice that amount.

When an automobile plant produces tanks instead of pleasure cars, it is still creating income payments, and the men producing the tanks have incomes to spend just the same as if they had produced automobiles.

Thus it might appear at first glance that National income available for expenditure in the next fiscal year would be twice as great as production for consumer use; in other words, that there would be two dollars of spendable income for every dollar of goods for sale.

But we are woefully simplifying the problem if we think that even in this field of paying for the war governmental fiscal policy is the decisive factor. It will not be. Voluntary action -- democratic action -- will be the decisive factor.

This general conclusion has a very direct bearing on the question I have been asked to discuss: "Can Taxation Stop Price Rises?"/ 3

To this question it is possible to give a short and simple answer, which is: theoretically, perhaps yes; practically, no. Taxation alone is not sufficient, but it can have a powerful effect and is one of several essential devices that must be used. At any time before the big war production ~~armament~~ program got under way, an unwisely harsh tax program devised in a premature attempt to balance the budget might have stopped price rises, and at the same time have sent us into an economic tailspin that would have dealt prices and the whole economy a paralyzing blow. ~~Taxation is that simple.~~ Even in the present situation of a high level of employment and production due to the war demand, badly chosen taxes might have the effect of badly hampering our war production program.

Production -- war production -- is our basic and all-inclusive need. Everything else must give way to it. Every obstacle must be removed from its path. One of these obstacles is inflation. We are so accustomed to thinking of inflation in terms of the hardships and injustices which it causes that we are apt to ignore its dislocating effects upon the process of production. In the grim business of war, however, this latter effect may be the most important. This is but one of several circumstances which make the problem of war finance -- of how we are to pay for the war -- not a separate problem from that of production, but a part of the problem of production itself.

It is easy to say that we can find the means to pay for all we can produce. But what is not so generally understood is that what we pay and how and when we pay it is going to affect directly the amount and quality of what we produce. If our fiscal policy encourages inflation, that will interfere with production and make it more costly. If it encourages non-defense consumption instead of restraining it, that will directly reduce war production wherever it uses labor or material that could have been used to make war supplies.

We have not set up any mechanics by which the full power of this great people can be brought to bear instantly against malignant foes united in the effort to destroy us and equipped with powerful and modern methods of destruction. It is part of our system that we cannot exert our full power except by our own voluntary efforts as individuals and citizens of a free state. That can be our weakness or it can be our surpassing strength.

Our armed forces will fight boldly and heroically; we can be sure of that. But all their dash and daring, all the superior prowess they may display on land, on sea and in the air will count for little unless we give them superiority in the tools and materials with which to fight.

This is preponderantly and essentially a war of production, and we are late starters. We have not been idle in the last two years, but we have not done enough and our enemies started building against us ten years earlier. We have even helped them stock their arsenals.

Every living American, on defense work or non-defense work, employed or unemployed, housekeeper or mechanic, is necessarily a part of this machinery of production. Everyone can add something to or take something away from the pile of materials and weapons whose size and quality will determine whether we win or lose.

The name of the organization under whose auspices we meet today has, it seems to me, been happily chosen. It ought not to be too exclusively held. I can think of no better hope or wish for our country than that we, its people -- all of us, without regard to our personal circumstances or situations -- should realize our reponsibility and our opportunity to work together as the great Union for Democratic Action.

United we may stand; divided we shall surely fall. The situation is that serious. Let us not be complacent. This is no demagogue's fake crisis; no business-as-usual emergency. We fight for life, our own lives and our way of life. If we here in America can't make democracy a more perfect union, a union that can be more efficient in its own defense than any tyranny, then Democracy will die; America as the land of a free people, a union of the free, will die.

In this greater union for democratic action, the indispensable need is for action -- action not simply by the President or by the Army and the Navy -- but action by all, democratic action to save democracy -- to save a world in which men may live as men, and may grow.

29-79

(The following ~~is an abstract of an~~
Address by Herbert E Gaston, Assistant
Secretary of the Treasury, is scheduled to be delivered
at 11:30 a.m. Eastern Standard Time, Saturday, January 2
1942, before the "New York" Conference on
War and the Consumer" called by
the Union for Democratic Action
and is for release upon delivery.)

29-79

Extra - Return

TREASURY DEPARTMENT
Washington

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To this question it is possible to give a short and simple answer, which is: theoretically, perhaps yes; practically, no. Taxation alone is not sufficient, but it can have a powerful effect and is one of several essential devices that must be used. At any time before the big war production program got under way, an unwisely harsh tax program devised in a premature attempt to balance the budget might have stopped price rises, and at the same time have sent us into an economic tailspin that would have dealt prices and the whole economy a paralyzing blow. Even in the present situation of a high level of employment and production due to the war demand, badly chosen taxes might have the effect of badly hampering our war production program.

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We can do all these things if only we stand together now to crush the enemies who are the foes alike of us and of all we hope to attain.

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and tubes, brass sheets, vast quantities of news print and other paper, autos and trucks, locomotive parts, tin plate, copper wire, steel bars and airplane engine spare parts.

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Cap.

To supplement this information, ~~the Foreign Funds Control canvassed~~ all bankers, export houses, shippers and freight handlers were canvassed to locate materials consigned to areas now overrun by Japan.

A unit was created within Foreign Funds Control to assemble information and draft a list of war materials to be forwarded to the War Production Board in order that it might allocate idle war materials to United Nations ~~other Allied~~ war uses.

By this prompt action Foreign Funds Control made certain that essential war supplies would not lie unused in ships' holds, docks and warehouses. Some of this material was already on the Pacific and endangered by roving Nipponese undersea craft. Other ships were somewhere between eastern seacoast ports and the west coast.

The stoppage of shipments to certain Far Eastern points caused goods to pile up on the shipping piers of the west coast. Military authorities ordered the wharfs cleared to make them available for military use. At the request of the Army, the Foreign Funds Control helped clear the docks by issuing blanket licenses to owners and holders of the goods, enabling them to resell the unloaded merchandise directly from the wharfs. Day after day the trucks of buyers carted the goods away, and, in spite of incoming boats constantly unloading, the vital piers were kept open for military uses.

Among the shipments which were unloaded on west coast piers and which the Treasury has reported to the War Production Board were tires

TREASURY DEPARTMENT
Washington

Friday Ams.
~~FOR IMMEDIATE RELEASE,~~
~~Thursday, January 22, 1942~~

Press Service
No. 29-80

The Treasury Department revealed today that an estimated $15,000,000 worth of vital war materials, originally destined for Far Eastern areas now occupied by Japan, will be redirected into the ~~Allied~~ United Nations war effort through freezing control.

At the same time it told of aiding the military authorities to clear west coast shipping docks of Orient-bound goods which piled up after the outbreak of war.

Both of these moves were part of the Foreign Funds Control Division's program to aid the war effort. This marks the fourth time in the last few months that freezing control has ~~caused~~ resulted in diverting to the United Nations' supply program millions of dollars worth of war materials held for foreign owners. ~~to be redirected into the Allied war effort.~~

The current estimate of $15,000,000 is based largely on examination of ship cargo manifests which were reported to the Treasury's freezing control officials shortly after the attack on Pearl Harbor.

¶ Foreign Funds Control officers ~~The freezing officials~~ amassed information from four different sources. Within a few hours after the attack on Pearl Harbor they were ~~the Foreign Funds Control staff was~~ checking customs cards in order to spot cargoes of war materials on their way to the Far East. Leading banks and shippers were asked to give full reports on supplies ready for shipment, and customs authorities were asked to send in complete cargo manifests of every boat in west coast ports.

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FOR RELEASE, MORNING NEWSPAPERS,
Friday, January 23, 1942.
1/22/42

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To supplement this information, all bankers, export houses, shippers and freight handlers, were canvassed to locate materials consigned to areas now overrun by Japan.

A unit was created within Foreign Funds Control to assemble information and draft a list of war materials to be forwarded to the War Production Board in order that it might allocate idle war materials to United Nations war uses.

By this prompt action Foreign Funds Control made certain that essential war supplies would not lie unused in ships' holds, docks and warehouses. Some of this material was already on the Pacific and endangered by roving Nipponese undersea craft. Other ships were somewhere between eastern seacoast ports and the west coast.

The stoppage of shipments to certain Far Eastern points caused goods to pile up on the shipping piers of the west coast. Military authorities ordered the wharfs cleared to make them available for military use. At the request of the Army, the Foreign Funds Control helped clear the docks by issuing blanket licenses to owners and holders of goods, enabling them to resell the unloaded merchandise directly from the wharfs. Day after day the trucks of buyers carted the goods away, and, in spite of incoming boats constantly unloading, the vital piers were kept open for military uses.

Among the shipments which were unloaded on west coast piers and which the Treasury has reported to the War Production Board were tires and tubes, brass sheets, vast quantities of news print and other paper, autos and trucks, locomotive parts, tin plate, copper wire, steel bars, and airplane engine spare parts.

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TREASURY DEPARTMENT
Washington

FOR RELEASE, MORNING NEWSPAPERS,
Friday, January 23, 1942.
1/22/42

Press Service
No. 29-80

The Treasury Department revealed today that an estimated $15,000,000 worth of vital war materials, originally destined for Far Eastern areas now occupied by Japan, will be redirected into the United Nations war effort through freezing control.

At the same time it told of aiding the military authorities to clear west coast shipping docks of Orient-bound goods which piled up after the outbreak of war.

Both of these moves were part of the Foreign Funds Control Division's program to aid the war effort. This marks the fourth time in the last few months that freezing control has resulted in diverting to the United Nations' supply program millions of dollars worth of war materials held for foreign owners.

The current estimate of $15,000,000 is based largely on examination of ship cargo manifests which were reported to the Treasury's freezing control officials shortly after the attack on Pearl Harbor.

Foreign Funds Control officers amassed information from four different sources. Within a few hours after the attack on Pearl Harbor they were checking Customs cards in order to spot cargoes of war materials on their way to the Far East. Leading banks and shippers were asked to give full reports on supplies ready for shipment, and Customs authorities were asked to send in complete cargo manifests of every boat in west coast ports.

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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 may be obtained from any Federal Reserve Bank or Branch.

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Reserve Banks and Branches, following which public announcement will be made by the Secretary of the Treasury of the amount and price range of accepted bids. Those submitting tenders will be advised of the acceptance or rejection thereof. The Secretary of the Treasury expressly reserves the right to accept or reject any or all tenders, in whole or in part, and his action in any such respect shall be final. Payment of accepted tenders at the prices offered must be made or completed at the Federal Reserve Bank in cash or other immediately available funds on January 28, 1942.
(7)

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

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TREASURY DEPARTMENT

Washington

~~FOR RELEASE, MORNING NEWSPAPERS,~~
~~Friday, January 23, 1942~~ .
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double space

The Secretary of the Treasury, by this public notice, invites tenders for $ 150,000,000 (2), or thereabouts, of 91 (3) -day Treasury bills, to be issued on a discount basis under competitive bidding. The bills of this series will be dated January 28, 1942 (4), and will mature April 29, 1942 (5), when the face amount will be payable without interest. They will be issued in bearer form only, and in denominations of $1,000, $5,000, $10,000, $100,000, $500,000, and $1,000,000 (maturity value).

single space

Tenders will be received at Federal Reserve Banks and Branches up to the closing hour, two o'clock p. m., Eastern Standard time, Monday, January 26, 1942 (6). Tenders will not be received at the Treasury Department, Washington. Each tender must be for an even multiple of $1,000, and the price offered must be expressed on the basis of 100, with not more than three decimals, e. g., 99.925. Fractions may not be used. It is urged that tenders be made on the printed forms and forwarded in the special envelopes which will be supplied by Federal Reserve Banks or Branches on application therefor.

Tenders will be received without deposit from incorporated banks and trust companies and from responsible and recognized dealers in investment securities. Tenders from others must be accompanied by payment of 10 percent of the face amount of Treasury bills applied for, unless the tenders are accompanied by an express guaranty of payment by an incorporated bank or trust company.

Immediately after the closing hour, tenders will be opened at the Federal

29-81

TREASURY DEPARTMENT
Washington

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"This Japanese Army creed is a joke," Mr. Anslinger continued. "One thousand hospital beds at Nanking are filled with heroin-addicted soldiers of the Japanese Army. Illicit drug trafficking acts like a boomerang, the purveyors of the drugs often becoming its victims. Many Japanese Army officers in Manchuria have fallen victims to the drug habit. Where Japanese influence advances, the drug traffic and drug addiction go with it.

"These statements are supported by the minutes of the Opium Advisory Committee for the years 1936 to 1940. Nearly all of the members of that Committee representing twenty-seven nations were of the opinion that Japan's aggressive dope-spreading policy was just as definite an instrument of national policy as her military aggression."

weakened and debauched. We should not be far short of the mark if we said that 90% of all the illicit 'white drugs' of the world are of Japanese origin, manufactured in the Japanese Concession of Tientsin, around Tientsin, in or around Dairen or in other cities of Manchuria, Jehol and occupied China, and this always by Japanese or under Japanese supervision. Words would fail to describe the revolting conditions in the dens of the Japanese Concession."

Commissioner Anslinger quoted the following text of a regulation appearing in a booklet which the Japanese Military Command distributes to Japanese soldiers:

> "Paragraph 15.--The use of narcotics is unworthy of a superior race like the Japanese. Only inferior races, races that are decadent, like the Chinese, Europeans and the East Indians, are addicted to the use of narcotics. This is why they are destined to become our servants and eventually to disappear.
>
> "A Japanese soldier who is guilty of using narcotics becomes unworthy of wearing the uniform of the Imperial Japanese Army and of venerating our divine Emperor."

died of narcotic addiction without any provision for their interment. An eye-witness who was in Mukden in October 1936 is quoted as saying:

> 'Adjacent to a rag-pickers' market about a reeking open sewer are some fifty or more hovels inhabited by the lowest type of prostitutes who, in addition to their regular occupation, also openly dispense narcotics. The setting was loathsome to a degree. Demonstrating with peculiar force the relation of cause to effect, there lay on an ash heap just behind the narcotic brothels seven naked corpses which had evidently been stripped of their rags by fellow addicts. It is generally stated that this is a daily sight, despite regular removal of the bodies by the Red Swastika Society. There was offered no other explanation than that these dead met their end through narcotics poisoning.'

"During the last two years, there have been in Harbin many Japanese addicts, especially among the soldiers and officers of the Japanese Army. During the very severe Harbin winters, many addicts die in the street; their corpses are left for days in the streets, as nobody bothers to take them away; even the dogs sometimes will not eat them.

"The Japanese Concession in Tientsin has become the heroin center of China proper and of the world, and it is from here that not only the Chinese race but all other countries of the world are being increase in the area sown to poppy and in opium production; and morphine factories were at once started in Chahar by Japanese. One factory at Kalgan was reported to have an output of 50 kilograms of heroin daily, a sum fifteen times the legitimate needs of the world.

"Major General Kita, Japanese Military Attache in Shanghai, speaking of the Inner Mongolian crisis said, 'Reports that these Mongols are too poor to buy tanks, armored cars and munitions are untrue, for they have assets such as a vast opium harvest. We have been paid in kind.'

"The situation in Manchuria is terrifying. The condition in that area is now almost beyond belief. This is the one region in the world where the governing authority not only makes no effort to prevent the abuse of narcotic drugs but actually profits by the rapid increase of narcotic addiction. The degradation of the population of Manchuria through increasing use of opium and its derivatives has come to a pass where even Japanese newspapers published in that area have been moved to protest.

"Press reports have stated that, in 1935, in the principal cities of Manchuria, nearly 6,000 persons to Japanese firms. In addition, a large quantity (1,000 chests) of opium was reported as being held in Macao to the order of the Japanese Army and Japanese firms, intended eventually for sale in either South China or in Shanghai.

"A lot of 428 chests from the 'Singapore Maru' arrived in Tangku and was distributed under the control of a Japanese Army officer at Tientsin; 300 chests were sent to Shanghai, via Dairen, and were taken over by the Japanese Army.

"Efforts were under way for some time to sell, under the control of a colonel of the Japanese Army who has been entrusted by that army with arrangements for the sale of opium in the Shanghai region, 460,000 pounds of opium (12,000,000 shots of heroin) which was consigned in care of the Mitsui Bussan Kaisha at Shanghai.

"In addition to these activities by the Japanese Army, Japan itself and all Japanese possessions are havens for Japanese nationals engaged in the illicit drug traffic.

"When the Japanese military forces of the regime now functioning in Manchuria and Jehol occupied northern Chahar, there immediately resulted a forced the consequences of the situation in the occupied areas. Japanese authorities in China are feeding the international traffic and crossing the seas to poison other countries as well.

"In the Japanese-controlled areas of China, so great was the increase in drug addiction during a year that enormous quantities of opium have been imported into China to satisfy that addiction. The movements of opium and heroin into the Japanese-controlled areas have been made with as much secrecy as possible.

"Japanese Concessions in China, especially that of Tientsin, and also the Hankow Concession before its evacuation by the Japanese authorities, constitute or constituted centers of illicit traffic; Manchuria and Jehol were transformed into narcotics arsenals; Japanese Consulates, such as that at Chengchow in Honan, have acted as centers for the distribution of drugs; Japanese Army lorries have been used to transport narcotic drugs which have poisoned Chinese by the thousands almost all over China.

"Huge quantities of opium arrived in North China and in Shanghai consigned to the Japanese Army and tion must make up for the inferiority of China's armaments.

"Lieutenant-Commander Fletcher, in the House of Commons on December 22nd, 1938, gave a vivid description of the position when he stated: 'Pestilence and war are historically associated with each other, but it has been left to the Japanese to find a way of making a pestilence pay for war.'

"Is it surprising that in such circumstances the ravages of drugs are decimating the Chinese people, to whom the Japanese military say they are bringing 'order and peace' and 'the benefits of friendly collaboration'?

"It is difficult to estimate the number of opium addicts in the occupied areas; but there can be no question that in those areas, including Manchuria and Jehol, never at any time in their history has the situation been so revolting, never has the percentage of opium addicts and other drug addicts been so high, as since they have been occupied by the Japanese troops. It is equally beyond question that no such situation exists, or ever has existed, anywhere else in the world.

"The Chinese people are not alone in suffering

United States from the Japanese Concession in Tientsin. By one gang of traffickers alone, enough heroin was smuggled into the United States to supply 10,000 addicts for one year. We very properly protested at the failure of the Japanese authorities to observe the obligation to limit the manufacture and control the distribution of narcotics.

"Morphine and heroin were also used by the Japanese Army as a means of destroying the bodies and souls of the people in the areas which that army occupied. This is another form of chemical warfare against the Chinese people as deadly as that of the prohibited gases. It is not only a violation of the international opium Conventions to which Japan is a party, but also a diabolical method of killing off the Chinese population in the occupied areas by slow poisoning.

"Japanese authorities derive revenue from it to cover part of the costs of their invasion. This method of systematic poisoning is adopted by Japan to weaken Chinese resistance and to find traitors among the Chinese, because drug addicts will do anything to obtain drugs, and are useless in the fight against the invader, in which courage and determinaby the government. The Japanese now have their eyes on this large potential revenue and if they should conquer those Islands, they would immediately re-establish a system of sale of opium to the Filipinos. They are master technicians at poisoning with drugs.

"We attacked the Japanese opium policy year after year in the Opium Advisory Committee at Geneva and were always joined by our Canadian, Chinese and Egyptian colleagues, who had evidence to corroborate our allegations. We charged that the Japanese Army in China had been deliberately encouraging and spreading the illicit use of narcotics among the Chinese, with the inevitable result that, in the words of a resolution of the Opium Advisory Committee, 'the situation in those regions (in China) which are under Japanese influences has deteriorated to an alarming extent.'

"In all parts of Chinese territory under Japanese military occupation conditions were getting steadily worse. In North China all legal control of the narcotic trade had ceased to exist since its invasion by the Japanese in August 1937. The proportions which the traffic had assumed could be gauged, for example, by the shipments to the in soy beans which arrived in the United States on the same ship with Prince Chichibu, the Emperor's brother.

"We have experienced Pearl Harbors many times in the past in the nature of dangerous drugs from Japan which were meant to poison the blood of the American people. The Treasury Department's Coast Guard for years has trailed Japanese vessels into and out of Honolulu and Pacific Coast ports to prevent dope cargoes from being thrown over the sides of vessels to smugglers. In order to combat this illicit traffic further, we enacted a law in 1935 imposing heavy fines on the master or owner of any vessel visiting our ports on which unmanifested heroin, morphine or cocaine is found. [~~After the imposition of several large fines, the Japanese steamship companies themselves took measures in 1936 to prevent the smuggling of narcotics on their vessels. In these ways and in spite of the indifference of the Japanese Government, the illicit traffic from Japan has been greatly reduced and the American people have been protected from its degenerating effects.~~]

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"Wherever the Japanese Army goes, the drug traffic follows. In every territory conquered by the Japanese, a large part of the people become enslaved with drugs," Commissioner Anslinger ~~said,~~ reported, continuing:

"We in the Treasury Department have been in a war against Japanese narcotics policy and practices for more than ten years. Many shipments from narcotic factories licensed by the Japanese government have been smuggled into the United States. For instance, year after year from 1920 to 1935 large quantities of the Fujitsuri brand of cocaine illicitly entered the United States, Canada, China and India. In reply to our demands that the traffic be suppressed we got only bland expressions and futile answers.

"Japanese penalties (an open scandal) were two months' imprisonment, usually suspended, and a 100 yen fine, for an offense which in this country would carry 5 to 10 years' imprisonment, or capital punishment in China. One shipment seized in Seattle from four Japanese totalled a million shots of morphine. It came from a government licensed factory, the Japanese Pharmaceutical Establishment at Osaka. We also seized a large shipment of morphine concealed already invaded or marked for invasion by Japan.

Under the Secretary's policy of co-ordinating the work of Treasury law enforcement agencies, the Bureau of Narcotics has had the active help of the Coast Guard, the Bureau of Customs, the Secret Service and the investigative units of the Bureau of Internal Revenue in fighting the Japanese opium offensive.

~~For Monday pm's~~
For Release, Afternoon Newspapers,
Monday, January 26, 1942.

29-82

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Press Service
No. 29-82

Japan's war on Western Civilization started ten years ago, an offensive in which the weapons were narcotic drugs, Secretary Morgenthau said today.

The Secretary made the assertion in disclosing details of the battle conducted by the co-ordinated law enforcement agencies of the Treasury Department against what he said was an illicit opium traffic engaged in by Japan as an instrument of national policy for a decade before Pearl Harbor.

Commissioner of Narcotics Harry J. Anslinger reported to the Secretary that he had abundant proof that Japan had defied international commitments by promoting the opium trade. As head of the Treasury's Bureau of Narcotics, Mr. Anslinger has been in constant touch with both legal and illict trade in narcotics and for many years collaborated closely with the late Stuart J. Fuller, the American representative of the League of Nations Opium Advisory Committee, in international discussions.

The Narcotics chief told Secretary Morgenthau that Japanese officials had had three obvious objectives in their traffic: to gain revenue, to corrupt Western nations and to weaken and enslave the peoples of lands

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> 'Adjacent to a rag-pickers' market about a reeking open sewer are some fifty or more hovels inhabited by the lowest type of prostitutes who, in addition to their regular occupation, also openly dispense narcotics. The setting was loathsome to a degree. Demonstrating with perculiar force the relation of cause to effect, there lay on an ash heap just behind the narcotic brothels seven naked corpses which had evidently been stripped of their rags by fellow addicts. It is generally stated that this is a daily sight, despite regular removal of the bodies by the Red Swastika Society. There was offered no other explanation than that these dead met their end through narcotics poisoning.'

"During the last two years, there have been in Harbin many Japanese addicts, especially among the soldiers and officers of the Japanese Army. During the very severe Harbin winters, many addicts die in the street; their corpses are left for days in the streets, as nobody bothers to take them away; even the dogs sometimes will not eat them.

"The Japanese Concession in Tientsin has become the heroin center of China proper and of the world, and it is from here that not only the Chinese race but all other countries of the world are being weakened and debauched. We should not be far short of the mark if we said that 90% of all the illicit 'white drugs' of the world are of Japanese origin, manufactured in the Japanese Concession of Tientsin, around Tientsin, in or around Dairen or in other cities of Manchuria, Jehol and occupied China, and this always by Japanese or under Japanese supervision. Words would fail to describe the revolting conditions in the dens of the Japanese Concession."

Commissioner Anslinger quoted the following text of a regulation appearing in a booklet which the Japanese Military Command distributes to Japanese soldiers:

> "Paragraph 15. -- The use of narcotics is unworthy of a superior race like the Japanese. Only inferior races, races that are decadent, like the Chinese, Europeans and the East Indians, are addicted to the use of narcotics. This is why they are destined to become our servants and eventually to disappear.

"A Japanese soldier who is guilty of using narcotics becomes unworthy of wearing the uniform of the Imperial Japanese Army and of venerating our divine Emperor."

"This Japanese Army creed is a joke," Mr. Anslinger continued. "One thousand hospital beds at Nanking are filled with heroin-addicted soldiers of the Japanese Army. Illicit drug trafficking acts like a boomerang, the purveyors of the drugs often becoming its victims. Many Japanese Army officers in Manchuria have fallen victims to the drug habit. Where Japanese influence advances, the drug traffic and drug addiction go with it.

"These statements are supported by the minutes of the Opium Advisory Committee for the years 1936 to 1940. Nearly all of the members of that Committee representing twenty-seven nations were of the opinion that Japan's aggressive dope-spreading policy was just as definite an instrument of national policy as her military aggression."

-oOo-

If this is accomplished it will be a contribution to the financing of the war, the morale of our people, and the victory of our cause.

-oOo-

We Americans can be proud of the unity that has been shown by all sections of our people since Pearl Harbor. But national unity is a precious thing. It will be subjected to many strains in the months and years of trial ahead.

For this reason, with your help, I am going to fight for the speedy removal of any defects in the tax laws which may injure our national morale.

We need nine billion dollars in additional revenue; I should like the very first billion of that amount to be obtained by closing the remaining loopholes.

the American public has been inclined to shrug its shoulders at the defects in our tax laws; yet they are not small matters, either morally or materially, nor are they matters beyond the control of the people themselves.

It has been difficult until now to correct our tax laws because taxpayers have been too few and too indifferent. Until the great body of American taxpayers becomes thoroughly aroused to the injustices which have been left on the statute books year after year, we cannot expect to correct the laws. The remedy lies in your hands as taxpayers.

of their income indefinitely. An oil company which may long ago have recovered tax free many times the cost of the wells which it is operating is still permitted a deduction of 27 1/2 per cent of the gross income from those very same wells.

The allowance of percentage depletion costs the Treasury, on the basis of existing rates, at least $80,000,000 a year.

I have pointed out the most glaring examples of these loopholes, but there are others, all of them unfair to the many for the advantage of the few, all of them dangerous to the unity we need to win this war. Perhaps your capital. Needless to say, you are not permitted to deduct more than the cost of the machine.

But you may be surprised to learn that this is not true of mines and oil wells whose owners are permitted over the years to deduct far more than the amount of money which they have put into the property for the conduct of their business. The so-called percentage depletion provision of the income-tax law allows these companies, not simply to deduct a percentage of the cost of their wells and mines each year until the entire cost has been made good, but to deduct an arbitrary percentage a year, in addition to the revenue that is lost because of the community-property tax privilege.

Percentage Depletion

The final loophole which I shall mention this afternoon is one against which the Treasury has struggled for years without avail. If you use a machine in your business and that machine can be expected to last for ten years, you are permitted to deduct each year for ten years one-tenth of the cost of that machine. Because you will probably have to buy a new machine at the end of ten years, this deduction is a fair and reasonable method of allowing you to recover half of those securities to his wife, he will pay a tax of $20,926 and his wife will pay a tax of the same amount. This couple, at the cost of a moderate gift tax, has thus secured a perpetual reduction of $10,896 in its income-tax liability under present rates. The loophole could be closed and the unfairness to the great mass of taxpayers removed by taxing the investment income of each married couple as a unit. ~~The married couple is the economic unit, and a realistic tax would treat it as such.~~

The ~~existence~~ use of separate tax returns for the investment incomes of husband and wife costs the Treasury, on the basis of present rates, about $260,000,000 ~~$285,000,000~~

present law, if a husband and wife both have ~~such~~ investment ~~has~~ income, ~~and his wife has income,~~ each pays a tax on the separate income. Because the income-tax rates are progressive -- that is, because the higher the income the greater is the rate of tax -- a family in which both husband and wife have investment income pays less tax, in many instances, than a family having the same amount of income all of which is received either by the husband or the wife.

Let us take the case of a married taxpayer in the upper brackets having a $100,000 income from securities. Under the present law he would pay a tax of $52,748. But if he gives able to escape their fair share of the load at the expense of the married citizens in the rest of the country.

The existence of this community-property tax privilege costs the Treasury, on the basis of existing rates, about $55,000,000 ~~$65,000,000~~ a year.

Separate Returns for Husband and Wife

The removal of this community-property privilege alone would not, however, reach a still more widespread form of avoidance. I refer to ~~namely,~~ the method of separating a husband's and wife's investment ~~taxable~~ income ~~between husband and wife,~~ —as distinguished from the income they get from salary and wages— in such a manner that two families having virtually the same economic position pay vastly different taxes. Under the have the management and control of the income and in both cases the income is devoted to the family purposes.

In a community-property State a husband who earns a $10,000 salary is allowed to report only $5,000 of that salary as his income and his wife may report the other $5,000 as hers. The two of them together will pay a total tax of $965. In the thirty-nine other States, however, the husband who earns a $10,000 salary must report that salary as his income and must pay a tax of $1,305 on it. Thus the married citizens of nine out of forty-eight States are

The existence of this loophole costs the Treasury, at present tax rates, about $200,000,000 a year.

Community Property

A second source of tax discrimination exists in the nine States having what is called the community property system. In a community-property State the law assumes that the income of the husband belongs equally to the husband and wife. Yet since the husband has full management and control of the whole income, he is, in practical effect, in no different position from a husband in a non-community-property State. Both of them no matter how high the tax rates may be for others, a taxpayer is not obliged to contribute anything in this hour of his country's peril, if only he can afford to lay his hands upon a sufficient amount of tax-exempt securities.

The Federal Government last year took a first step toward remedying this situation by stopping the issuance of tax-exempt Federal securities. Now that we are at war, now that the revenue needs of the Government have soared beyond all previous conceptions, it is high time, in my opinion, to tax the income of State and municipal securities -- not only the income from future issues, but also the income from those issues now outstanding.

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Tax-Exempt Securities

The first is the continued existence of tax-exempt securities. At present, as you know, the interest from State and municipal bonds is exempt from Federal income tax. This provision gives ~~some~~ wealthy taxpayers a possible refuge, not from some income tax, but from all income taxes. No matter how much money may be needed for the war, receipts from income tax in the fiscal year that ends in June. How can the war efforts of our people reach their peak level until such a situation has been remedied? Can we be sure of getting the maximum response from everyone until everyone feels that the tax laws are as fair as it is humanly possible to make them?

In wartime, when we are drafting young men to fight and risk their lives for their country, any special privilege for a few becomes inexcusable.

So that you may know exactly what I have in mind, I should like to turn now to four

Yet I am sorry to say that the present tax structure still falls short of the requirements of equity and the insistent needs of a nation at war. In spite of all our efforts of recent years our tax laws are still weakened by loopholes; it is still possible for a few thousand individuals to escape their fair share of the burden and to pass their share onto the shoulders of the rest of us. I asked our Treasury tax experts the other day to compute the total amount of revenue that had to be passed onto the shoulders of other taxpayers because of the existence of loopholes in the law. The answer was almost a billion dollars, about one-eighth of the entire

Now that we are at war, the fight becomes more necessary than ever. The President has spoken again and again of the need of making our taxes not only effective but equitable as well. Only the other day, in his Budget message, he repeated that "a fair distribution of the war burden is necessary for national unity."

War knows no avoidance. As the President said, "When our enemies challenged our country to stand up and fight they challenged each and every one of us." Every one of us has a direct stake in the outcome of this war, and each of us must, therefore, pay his fair share of the cost.

For eight years at the Treasury I have fought against the remaining vestiges of unfairness on the statute books, and in almost every one of those eight years Congress has closed some loopholes and enacted some remedial provisions.

In the Revenue Act of 1937 there was a whole series of reforms which made it impossible, among other things, for anyone to escape taxation by incorporating his yacht or country estate, or by creating a personal holding company. These devices have now been outlawed. Since then the struggle to perfect the statutes has gone on without stopping.

We are, however, entitled to lay down just this one premise: that whatever hardship may be in store, we shall face it together; that it shall be distributed fairly and borne by all in their fair proportion, in accordance with their ability to carry it. And that brings me to the chief subject I should like to discuss this afternoon.

This Administration has tried hard for years, and with a good deal of success, to remove tax injustices. Such injustices are of two kinds: those which permitted some to escape their fair share of tax payments, and those which bore down too harshly upon certain taxpayers.

tradition to face the facts, however harsh the facts may be. You know, without my saying so, that we cannot divert half of our national income to war production without "dislocating" our economy from its customary routine. You know, without my saying so, that we cannot spend forty billion dollars in this year 1942 without "disturbing" ordinary business and ordinary living. You know, too, that we cannot fight and win a life-and-death struggle, a war that encircles the whole planet, without discarding old habits, old fears, old notions of business-as-usual.

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This is not the time for me to discuss the new tax program. The President has said we must have nine billion dollars in new revenue. We have no more right to fall short of that goal than we would have to fall short of the President's announced goal of sixty thousand planes and forty-five thousand tanks in 1942.

It will produce hardship; of course it will. Since when have the American people been daunted by hardship? It is part of our American involve. In the near future, for example, we shall face a new challenge of a kind which I think too few of us have planned for or even considered. That is the challenge of paying for the war. It will come first on March 16th, when fifteen million Americans will be called upon to pay income taxes for the waging and the winning of this war. It will come later in the payment of the vastly increased war taxes which we shall have to impose upon ourselves in the new financial year. I am confident that we shall meet those new requirements, and any requirements, total has now passed three billion dollars, and the response in January has set new records in every direction.

Whatever test may be given to us, we are going to surmount it. Whatever hardship may be in store for us, we are ready to take it and give it back to our enemies a hundredfold until victory is won. That was the pioneer way in the old Ohio days; that is the American way today. That is the way we shall keep faith with the pioneers and with the promise of a better world which they foresaw.

We have only just begun to fight; we have only begun to learn what this war effort will

Already we have answered the shock of Pearl Harbor by dedicating ourselves to the greatest job that ever confronted our country. We have shown that we can take marching orders by accepting and applauding the great task the President set for us the other day, the task of making such an overwhelming number of weapons that the Nazis and the Japanese will be utterly unable to match us.

If any further proof of our determination were needed, let any of our enemies look at the magnificent response to the sale of Defense Bonds and Stamps in the past few weeks. The

You and all the others of our 130 million people have begun to speak in the only language that tyrants understand -- the language of tanks and planes, guns and ships, and men with the courage and conviction to carry that message all the way to Tokyo and Berlin.

What has happened, I wonder, to those who used to say that the pioneer spirit was dead? The pioneers who opened Ohio did not let danger or hardship daunt them; they regarded every danger as a challenge, every hardship an adventure. You in Cleveland have not lost that spirit. It is alive and strong, here in your State and in every State.

I am very happy to be with you in Cleveland this afternoon, because this great city, far from any battle line, is one of the places where the outcome of this war and the future of this country is being decided.

Here in the Cleveland area you have a great concentration of the forges and the assembly lines which are America's real front lines at this moment. Day and night your industrial wheels are turning, your hammers pounding, your fires burning, your workers toiling, to win the war. You in Cleveland are showing what our free people can do when they are aroused, and I take my hat off to you.

29-83

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TREASURY DEPARTMENT
Washington

(The following address by SECRETARY MORGENTHAU before the Forum of the City Club of Cleveland is scheduled to be delivered at the Statler Hotel in Cleveland, Ohio, at 1 P.M., Eastern Standard Time, Saturday, January 24, 1942, and is for release upon delivery at that time.)

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Tax-Exempt Securities

The first is the continued existence of tax-exempt securities. At present, as you know, the interest from State and municipal bonds is exempt from Federal income tax. This provision gives wealthy taxpayers a possible refuge, not from some income tax, but from all income taxes. No matter how much money may be needed for the war, no matter how high the tax rates may be for others, a taxpayer is not obliged to contribute anything in this hour of his country's peril, if only he can afford to lay his hands upon a sufficient amount of tax-exempt securities.

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The existence of this loophole costs the Treasury, at present tax rates, about $200,000,000 a year.

Community Property

A second source of tax discrimination exists in the nine States having what is called the community property system. In a community-property State the law assumes that the income of the husband belongs equally to the husband and wife. Yet since the husband has full management and control of the whole income, he is, in practical effect, in no different position from a husband in a non-community-property State. Both of them have the management and control of the income and in both cases the income is devoted to the family purposes.

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Let us take the case of a married taxpayer in the upper brackets having a $100,000 income from securities. Under the present law he would pay a tax of $52,748. But if he gives half of those securities to his wife, he will pay a tax of $20,926 and his wife will pay a tax of the same amount. This couple, at the cost of a moderate gift tax, has thus secured a perpetual reduction of $10,896 in its income-tax liability under present rates. The loophole could be closed and the unfairness to the great mass of taxpayers removed by taxing the investment income of each married couple as a unit.

The use of separate tax returns for the investment income of husband and wife costs the Treasury, on the basis of present rates, about $260,000,000 a year, in addition to the revenue that is lost because of the community-property tax privilege.

Percentage Depletion

The final loophole which I shall mention this afternoon is one against which the Treasury has struggled for years without avail. If you use a machine in your business and that machine can be expected to last for ten years, you are permitted to deduct each year for ten years one-tenth of the cost of that machine. Because you will probably have to buy a new machine at the end of ten years, this deduction is a fair and reasonable method of allowing you to recover your capital. Needless to say, you are not permitted to deduct more than the cost of the machine.

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We need nine billion dollars in additional revenue; I should like the very first billion of that amount to be obtained by closing the remaining loopholes. If this is accomplished it will be a contribution to the financing of the war, the morale of our people, and the victory of our cause.

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TREASURY DEPARTMENT

Washington

FOR RELEASE, MORNING NEWSPAPERS,
Monday, February 2, 1942.
1/23/42

Press Service
No. 29-84

Secretary of the Treasury Morgenthau today made public the first of a series of tabulations from "Statistics of Income for 1939, Part 2, Compiled from Corporation Income and (Declared Value) Excess-profits Tax Returns and Personal Holding Company Returns," prepared under the direction of Commissioner of Internal Revenue Guy T. Helvering. The complete report will be published at a later date.

RETURNS INCLUDED

The returns covered by these tabulations are, in general, for the calendar year ending December 31, 1939. However, a considerable number of returns for a fiscal year, other than the calendar year, ending within the period July 1939 through June 1940, are tabulated with the calendar year returns for 1939. There are also included part-year returns for which the greater part of the accounting period falls in 1939.

Data are tabulated from Forms 1120 and 1120A filed by domestic corporations and resident foreign corporations not exempt from tax under section 101, Internal Revenue Code as amended; also from Form 1120L filed by domestic life insurance companies and by foreign life insurance companies carrying on insurance business within the

United States or holding reserve funds upon business transacted within the United States. The data are tabulated from the returns as filed by the taxpayer, and prior to revisions that may be made as a result of audit by the Bureau of Internal Revenue. Amended returns and tentative returns are not included in the tabulations.

TAXES UNDER INTERNAL REVENUE CODE AS AMENDED

The corporation income tax rates in sections 13 and 14 of the Internal Revenue Code as amended, became effective for taxable years beginning after December 31, 1938, and the (declared value) excess-profits tax rates in section 600 of the Code as amended, became effective for income-tax taxable years ending after June 30, 1939. Consequently, the majority of returns covered by this statement are filed under the provisions of the Internal Revenue Code as amended.

The corporation income and (declared value) excess-profits tax rates are the same for all returns covered by this statement, since the Internal Revenue Code, approved February 10, 1939, contains the tax rates which were in force on January 2, 1939--those of the Revenue Act of 1938. Moreover, the income and (declared value) excess-profits tax rates, applicable to all returns for 1939 filed through December 31, 1940, are the same as those applicable to the majority of returns for 1938 filed through December 31, 1939.

The name of the existing excess-profits tax in section 600 of the Internal Revenue Code was changed to "Declared Value Excess-profits Tax," effective February 10, 1939 (see sec. 506 of the Second Revenue Act of 1940, approved October 8, 1940). The new name is used throughout this series of tabulations, even though it did not appear on the returns for 1939, many of which were filed prior to the date of approval of the Second Revenue Act of 1940.

NUMBER OF RETURNS, NET INCOME OR DEFICIT, TAX, AND DIVIDENDS PAID IN CASH AND ASSETS OTHER THAN CORPORATION'S OWN STOCK

The number of corporation income and (declared value) excess-profits tax returns for 1939 is 515,960, of which 199,479 show net income for (declared value) excess-profits tax computation of $8,826,713,029, while 270,138 show a deficit of $2,092,147,535, and 46,343 have no income data (inactive corporations). The income tax is $1,216,450,292, the (declared value) excess-profits tax $15,805,962, the total tax $1,232,256,254. The total amount of dividends paid in cash and assets other than corporation's own stock is $5,746,738,970, of which $5,562,273,122 is reported on returns with net income and $184,465,848 on returns with no net income.

Of the 199,479 returns with net income for (declared value) excess-profits tax computation, 170,380 show only income tax liability, 49 show only (declared value) excess-profits tax liability, 26,122 show both income tax and (declared value) excess-profits tax liabilities and 2,928 show no tax liability.

As compared with 1938, the total number of returns decreased 4,541, or 0.9 percent, the number of returns with net income for (declared value) excess-profits tax computation increased 29,595, or 17.4 percent, the number of returns with no net income decreased 31,010, or 10.3 percent, and the number of returns with no net income data (inactive corporations) decreased 3,126, or 6.3 percent. The net income for (declared value) excess-profits tax computation increased $2,300,733,772, or 35.3 percent, and the deficit decreased $760,950,192, or 26.7 percent. The income tax increased $362,872,361, or 42.5 percent, the (declared value) excess-profits tax increased $9,818,326, or 164.0 percent, and the total tax increased $372,690,687, or 43.4 percent.

DESCRIPTION OF TABLES

In the first of the two attached tables, there are shown, by States and Territories and by returns with net income and with no net income, the number of returns, total compiled receipts, net income or deficit, income tax, (declared value) excess-profits tax, and dividends paid in cash and assets other than corporation's own stock.

The second table presents the following data for taxable returns with net income, by net income classes, cross-classified by returns with income tax only, those with (declared value) excess-profits tax only, and those with both types of tax: Number of returns, net income, income tax, and (declared value) excess-profits tax. There are also shown, by net income classes, for returns with net income but with no tax, the number of returns and net income; and by deficit classes, for returns with no net income, the number of returns and deficit.

ITEMS TABULATED

"Net income" or "Deficit" is the amount reported for (declared value) excess-profits tax computation (item 28, page 1, Forms 1120 and 1120A) and is equal to the difference between "Total income" and "Total deductions" (items 14 and 27, respectively, page 1, Forms 1120 and 1120A).

The amount tabulated as "Income tax" represents an amount prior to the allowance of credit claimed for income and profits taxes paid to a foreign country or United States possession.

The "(Declared value) excess-profits tax" is the amount reported as a tax liability (item 8, Schedule A, page 2, Form 1120 and item 40, page 1, Form 1120A). This amount is allowed as a deduction in the computation of net income for income tax purposes and is reported as item 29, page 1, Forms 1120 and 1120A, unless the return is rendered on a cash basis. If the cash basis of accounting is used, the deduction is the amount of (declared value) excess-profits tax actually paid within the taxable year covered by the return.

In using the amounts of net income or deficit, attention is called to the two special deductions from gross income permitted life insurance companies under section 203 (a), Internal Revenue Code as amended, relating to reserve funds required by law and reserve for dividends. On 1939 returns with net income these deductions aggregate $17,344,708, and on returns with no net income, $899,758,292.

Table 1. - Corporation returns, 1939, by States and Territories and by returns with net income and with no net income: Number of returns, total compiled receipts, net income or deficit, income tax, (declared value) excess-profits tax, and dividends paid in cash and assets other than corporation's own stock

(Money figures in thousands of dollars)

	States and Territories 1/	Total number of returns 2/	Returns with net income 3/						Returns with no net income 3/				
			Number of returns	Total compiled receipts 4/	Net income 3/	Income tax	(Declared value) excess-profits tax	Dividends paid in cash and assets other than corporation's own stock	Number of returns	Total compiled receipts 4/	Deficit 3/	Dividends paid in cash and assets other than corporation's own stock	
1	Alabama	3,432	1,612	432,537	25,213	3,958	60	12,434	1,593	136,680	8,222	1,251	1
2	Alaska	274	95	10,464	1,105	159	5	490	125	3,832	586	3	2
3	Arizona	1,422	512	109,438	6,710	991	14	3,591	715	49,544	3,607	63	3
4	Arkansas	2,479	1,245	256,203	14,553	2,213	49	8,204	1,001	56,514	3,193	328	4
5	California	24,097	9,221	5,093,991	434,985	61,084	830	316,262	11,911	1,327,360	97,551	7,802	5
6	Colorado	5,355	1,862	528,362	46,794	6,982	74	29,003	2,650	179,397	15,751	3,058	6
7	Connecticut	9,286	3,556	1,732,237	149,057	22,401	265	80,096	5,166	534,566	47,909	5,953	7
8	Delaware	3,109	1,553	1,498,834	428,284	38,584	264	348,003	1,184	113,917	12,415	2,889	8
9	District of Columbia	2,710	1,310	626,150	46,468	6,008	36	28,986	1,180	94,393	6,700	264	9
10	Florida	9,450	3,403	605,649	40,502	5,878	150	18,733	4,909	202,022	17,785	1,263	10
11	Georgia	5,423	2,697	888,768	69,108	10,873	140	38,529	2,495	179,853	9,835	1,138	11
12	Hawaii	809	503	261,773	28,604	3,729	12	18,245	283	30,453	2,027	126	12
13	Idaho	1,991	631	104,247	9,027	1,289	16	6,016	708	36,335	2,052	188	13
14	Illinois	35,409	14,695	11,990,379	700,077	105,965	1,482	377,908	17,260	2,366,689	171,006	19,440	14
15	Indiana	11,668	5,354	1,668,733	117,924	18,661	341	59,688	4,809	331,221	35,043	2,548	15
16	Iowa	7,378	3,501	945,178	52,417	8,191	139	22,678	2,871	212,329	21,938	1,106	16
17	Kansas	4,359	2,070	571,674	27,656	3,969	49	19,339	2,055	215,880	10,997	2,847	17
18	Kentucky	4,870	2,362	906,294	65,183	10,223	136	38,480	2,170	165,948	10,511	1,813	18
19	Louisiana	6,119	2,751	750,672	52,287	7,560	127	32,203	2,834	265,353	14,495	3,262	19
20	Maine	3,645	1,335	320,552	25,826	3,741	103	18,127	1,936	154,204	11,014	267	20
21	Maryland	6,080	2,700	1,121,800	117,498	14,175	195	113,991	2,745	422,301	38,940	1,827	21
22	Massachusetts	23,116	9,185	4,402,716	311,012	43,291	714	195,216	12,763	1,344,011	120,218	4,984	22
23	Michigan	15,883	6,752	6,916,261	609,127	94,979	601	354,385	7,389	764,212	72,922	2,314	23
24	Minnesota	10,151	4,086	1,868,411	111,853	16,336	167	60,529	4,584	518,213	42,385	1,864	24
25	Mississippi	2,509	1,212	215,654	11,285	1,699	44	4,909	1,082	69,865	4,596	435	25
26	Missouri	14,515	6,372	3,045,740	240,432	37,655	404	144,703	6,735	797,903	69,610	3,730	26
27	Montana	2,552	1,022	167,891	11,661	1,747	31	7,294	1,190	42,365	3,114	232	27
28	Nebraska	4,266	1,766	433,791	29,724	4,541	33	18,958	2,007	131,135	15,195	427	28
29	Nevada	904	280	265,237	12,644	1,289	12	7,624	406	11,144	1,686	61	29
30	New Hampshire	1,484	647	181,117	12,707	1,885	25	8,057	782	57,382	3,480	121	30
31	New Jersey	27,820	7,925	3,031,265	342,294	41,261	675	221,205	17,723	1,214,023	125,570	9,738	31
32	New Mexico	997	446	64,317	3,747	524	9	1,893	422	18,895	1,663	59	32
33	New York	122,070	36,994	27,152,888	2,536,806	320,448	3,227	1,710,547	77,258	8,427,106	607,750	36,652	33
34	North Carolina	6,210	3,342	1,432,150	114,397	18,319	224	60,599	2,591	169,625	8,827	976	34
35	North Dakota	2,235	827	77,174	2,614	347	7	1,137	1,018	32,654	1,683	213	35
36	Ohio	24,904	11,621	7,135,306	555,217	85,885	1,395	293,710	11,940	1,268,725	95,200	13,302	36
37	Oklahoma	5,424	2,019	854,524	62,955	9,233	73	49,715	2,830	428,084	21,966	13,916	37
38	Oregon	4,878	1,773	423,617	21,982	3,310	72	11,374	2,413	186,309	14,586	231	38
39	Pennsylvania	25,094	9,869	8,345,021	692,260	94,234	1,602	416,572	12,809	1,932,194	149,259	15,926	39
40	Rhode Island	3,479	1,326	590,678	45,698	6,668	260	26,261	1,876	202,296	9,336	696	40
41	South Carolina	3,405	1,677	434,034	23,107	3,692	49	7,154	1,491	95,376	4,212	294	41
42	South Dakota	2,159	797	85,532	3,828	551	19	2,198	1,110	34,180	1,673	141	42
43	Tennessee	4,791	2,468	848,625	55,267	8,865	230	33,160	2,072	180,701	13,374	2,903	43
44	Texas	15,723	6,933	2,482,033	181,416	26,294	309	132,085	7,250	964,817	53,797	8,535	44
45	Utah	2,646	1,015	251,719	16,550	2,262	29	9,651	1,187	57,713	3,554	193	45
46	Vermont	1,231	471	108,030	8,862	1,271	28	4,493	700	59,554	4,253	325	46
47	Virginia	6,946	3,541	1,077,092	116,481	17,866	456	59,212	3,019	211,503	21,478	2,666	47
48	Washington	10,455	3,507	863,052	63,825	8,860	181	34,181	4,983	285,962	23,565	2,492	48
49	West Virginia	4,663	2,128	575,469	45,628	6,743	143	37,887	2,190	152,385	13,286	613	49
50	Wisconsin	14,935	5,958	1,857,268	120,094	19,245	285	54,542	7,237	465,864	43,001	2,878	50
51	Wyoming	1,150	552	47,794	3,960	516	16	2,016	479	16,922	1,332	111	51
	Total	515,960	199,479	105,658,338	8,826,713	1,216,450	15,806	5,562,273	270,138	27,219,886	2,092,148	184,466	

For footnotes, see page 8.

Table 2. - Corporation returns, 1939, with net income, by net income classes: Taxable, cross-classified by type of tax liability, showing number of returns, net income, income tax, and (declared value) excess-profits tax, and nontaxable, showing number of returns and net income; also corporation returns with no net income, by deficit classes, showing number of returns and deficit

(Net income and deficit classes and money figures in thousands of dollars)

Net income classes 3/	Returns with net income 3/									
	Total				Taxable					
					Income tax only			(Declared value) excess-profits tax only 5/		
	Number of returns	Net income 3/	Income tax	(Declared value) excess-profits tax	Number of returns	Net income 3/	Income tax	Number of returns	Net income 3/	(Declared value) excess-profits tax
Under 1	73,604	25,650	3,086	99	67,224	23,157	2,826	12	4	(7)
1 under 2	24,310	35,177	4,179	148	20,882	30,203	3,654	2	3	(7)
2 under 3	14,983	36,901	4,384	163	12,479	30,687	3,711	5	12	(7)
3 under 4	10,404	36,105	4,279	163	8,501	29,543	3,560	4	15	(7)
4 under 5	7,974	35,759	4,254	153	6,590	29,554	3,571	1	4	(7)
5 under 10	21,701	155,145	18,895	685	17,530	125,504	15,479	11	78	(7)
10 under 15	10,437	128,055	16,028	528	8,330	102,459	12,937	6	75	1
15 under 20	6,351	110,340	13,933	420	5,156	89,678	11,394	1	15	(7)
20 under 25	5,269	118,469	15,357	444	4,250	95,712	12,465	1	23	(7)
25 under 50	9,391	331,879	51,124	1,045	7,606	268,909	41,470	2	70	1
50 under 100	6,314	443,564	70,006	1,393	4,928	347,721	54,312	1	85	(7)
100 under 250	4,649	717,816	109,372	2,141	3,626	561,912	84,596	1	210	1
250 under 500	1,885	661,577	99,151	1,518	1,483	519,655	76,982	1	386	2
500 under 1,000	1,046	729,305	107,679	1,721	818	574,458	82,652	-	-	-
1,000 under 5,000	943	1,997,062	278,974	3,198	790	1,692,818	234,972	1	2,342	25
5,000 under 10,000	125	887,839	116,779	1,053	101	704,629	92,088	-	-	-
10,000 and over	93	2,376,090	298,970	934	86	2,113,747	264,158	-	-	-
Total	199,479	8,826,713	1,216,450	15,806	170,380	7,340,344	1,000,829	49	3,322	31

Net income or deficit classes 3/	Returns with net income 3/ - Continued						Returns with no net income 3/	
	Taxable - Continued				Nontaxable 6/			
	Both income and (declared value) excess-profits tax							
	Number of returns	Net income 3/	Income tax	(Declared value) excess-profits tax	Number of returns	Net income 3/	Number of returns	Deficit 3/
Under 1	5,436	2,151	260	99	932	358	154,828	46,148
1 under 2	2,993	4,335	525	148	433	635	56,396	52,269
2 under 3	2,216	5,504	673	163	283	697	18,844	46,238
3 under 4	1,701	5,865	719	163	198	682	11,568	40,106
4 under 5	1,251	5,615	683	153	132	586	7,896	35,284
5 under 10	3,821	27,133	3,415	684	339	2,431	18,157	127,588
10 under 15	1,957	23,714	3,091	527	144	1,787	7,038	85,900
15 under 20	1,115	19,282	2,538	420	79	1,365	3,794	65,507
20 under 25	966	21,584	2,892	444	52	1,151	2,294	51,125
25 under 50	1,653	58,220	9,655	1,044	130	4,681	4,745	164,899
50 under 100	1,311	90,636	15,693	1,392	74	5,123	2,423	166,724
100 under 250	953	144,727	24,776	2,140	69	10,968	1,386	212,251
250 under 500	371	130,827	22,168	1,517	30	10,708	382	130,525
500 under 1,000	215	146,288	25,028	1,721	13	8,559	187	129,086
1,000 under 5,000	136	266,373	44,002	3,173	16	35,530	167	346,130
5,000 under 10,000	20	156,144	24,691	1,053	4	27,066	18	134,020
10,000 and over	7	262,343	34,812	934	-	-	15	258,368
Total	26,122	1,370,721	215,621	15,775	2,928	112,326	8/316,481	2,092,148

For footnotes, see page 8.

Footnotes for Tables 1 and 2

1/ Returns filed in a State may not be a complete coverage of all corporations whose principal place of business is located therein, as a corporation may file an income tax return either in the collection district in which it has its principal place of business or in the collection district in which it has its principal office or agency, and conversely, a tabulation for a given State may include data from returns of corporations having their principal place of business in another State.

2/ Includes number of returns of inactive corporations.

3/ "Net income" or "Deficit" is the amount reported for (declared value) excess-profits tax computation (item 28, page 1, Forms 1120 and 1120A), and is equal to the difference between "Total income" and "Total deductions" (items 14 and 27, respectively, page 1, Forms 1120 and 1120A).

4/ "Total compiled receipts" corresponds to "Total income" (item 14, page 1, Forms 1120 and 1120A) after transferring to deductions the negative items of income reported under sources of income and adding "Cost of goods sold," "Cost of operations," (items 2 and 5, respectively, page 1, Forms 1120 and 1120A) and "Wholly tax-exempt interest on Government obligations."

5/ Returns with (declared value) excess-profits tax liability on which "(Declared value) excess-profits tax" and/or "Interest on obligations of the United States subject to (declared value) excess-profits tax" are in excess of "Net income for (declared value) excess-profits tax computation."

6/ Returns without (declared value) excess-profits tax liability on which "Interest on obligations of the United States subject to (declared value) excess-profits tax" is in excess of "Net income for (declared value) excess-profits tax computation."

7/ Less than $500.

8/ Includes 46,343 returns of inactive corporations.

TREASURY DEPARTMENT

Washington

File Copy

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1/23/42

Press Service
No. 29-85

Secretary of the Treasury Morgenthau today made public the second in the series of tabulations from "Statistics of Income for 1939, Part 2, Compiled from Corporation Income and (Declared Value) Excess-profits Tax Returns and Personal Holding Company Returns," prepared under the direction of Commissioner of Internal Revenue Guy T. Helvering.

The attached table shows by major industrial groups and minor industrial groups and by returns with net income and with no net income, the number of returns, total compiled receipts, net income or deficit, income tax, (declared value) excess-profits tax, and dividends paid in cash and assets other than corporation's own stock.

In general, corporations are classified industrially on the one business activity which accounts for the largest percentage of "Total receipts." Therefore, the industrial groups contain corporations not engaged exclusively in the industries in which they are classified. "Total receipts" means the sum of the following items: Gross sales (where inventories are an income-determining factor); gross receipts (where inventories are not an income-determining factor); interest on loans, notes, mortgages, bonds, bank deposits, etc.; taxable interest on obligations of the United States; rents; royalties; capital gain; gain from sale or exchange of property other than capital assets; dividends; and other income required by law to be included in gross income.

The industrial groups for 1939 are comparable with those for 1938. The industrial classification for 1939 and 1938 is based on the Standard Industrial Classification, issued by the Division of Statistical Standards, Bureau of the Budget, Executive Office of the President. Since the Standard Industrial Classification, as at present designed, is on an establishment basis, certain modifications are necessary to make it applicable to corporation income tax returns which are filed on an ownership basis.

"Net income" or "Deficit" is the amount reported for (declared value) excess-profits tax computation (item 28, page 1, Forms 1120 and 1120A) and is equal to the difference between "Total income" and "Total deductions" (items 14 and 27, respectively, page 1, Forms 1120 and 1120A).

The amount tabulated as "Income tax" represents an amount prior to the allowance of credit claimed for income and profits taxes paid to a foreign country or United States possession.

The "(Declared value) excess-profits tax" is the amount reported as a tax liability (item 8, Schedule A, page 2, Form 1120 and item 40, page 1, Form 1120A). This amount is allowed as a deduction in the computation of net income for income tax purposes and is reported as item 29, page 1, Forms 1120 and 1120A, unless the return is rendered on a cash basis. If the cash basis of accounting is used, the deduction is the amount of (declared value) excess-profits tax actually paid within the taxable year covered by the return.

In analyzing the data compiled from returns classified under the minor industrial group "Life insurance companies," allowance should be made for the two special deductions from gross income permitted life insurance companies under section 203(a), Internal Revenue Code as amended, relating to reserve funds required by law, and reserve for dividends. On 1939 returns with net income these deductions aggregate $17,344,708, and on returns with no net income, $899,758,292.

Corporation returns, 1939, by major industrial groups and minor industrial groups and by returns with net income and with no net income: Number of returns, total compiled receipts, net income or deficit, income tax, (declared value) excess-profits tax, and dividends paid in cash and assets other than corporation's own stock

(Money figures in thousands of dollars)

	Major industrial groups and minor industrial groups 1/	Total number of returns 2/	Returns with net income 3/: Number of returns	Returns with net income 3/: Total compiled receipts 4/	Returns with net income 3/: Net income 3/	Returns with net income 3/: Income tax	Returns with net income 3/: (Declared value) excess-profits tax	Returns with net income 3/: Dividends paid in cash and assets other than corporation's own stock	Returns with no net income 3/: Number of returns	Returns with no net income 3/: Total compiled receipts 4/	Returns with no net income 3/: Deficit 3/	Returns with no net income 3/: Dividends paid in cash and assets other than corporation's own stock	
	All industrial groups	515,960	199,479	105,658,338	8,826,713	1,216,450	15,806	5,562,273	270,138	27,219,886	2,092,148	184,466	
	Mining and quarrying	14,434	3,622	1,713,324	250,590	36,882	388	199,291	7,198	1,163,220	119,414	18,369	
	Metal mining	2,587	353	688,306	134,383	18,766	184	120,457	1,020	155,436	11,731	869	
1	Iron	117	28	82,418	6,149	839	15	4,532	57	106,479	1,707	750	1
2	Copper	126	17	298,557	70,224	8,741	-	56,359	50	16,520	1,329	-	2
3	Lead and zinc	142	45	102,713	10,546	1,598	4	11,113	56	3,141	526	21	3
4	Gold and silver	1,451	182	115,762	27,958	4,517	14	29,327	592	19,859	5,714	87	4
5	Other metal mining	113	31	39,319	12,218	2,008	150	10,896	40	1,141	457	2	5
6	Metal mining not allocable	638	50	49,537	7,288	1,063	1	8,230	225	8,296	1,998	9	6
7	Anthracite mining	130	23	18,136	507	77	5	387	96	183,743	18,545	462	7
8	Bituminous coal, lignite, peat, etc.	2,053	505	390,621	18,257	2,802	42	12,193	1,315	425,584	24,425	819	8
	Petroleum	5,974	1,892	403,427	69,695	10,854	71	47,720	3,382	345,900	57,561	15,921	
9	Oil, gas, and natural gasoline	5,206	1,656	317,290	60,240	9,262	37	42,412	2,982	314,937	54,012	15,799	9
10	Field service operations	768	236	86,137	9,456	1,592	33	5,308	400	30,963	3,549	122	10
	Nonmetallic mining and quarrying	1,916	818	211,353	27,407	4,356	86	18,101	942	45,359	5,732	293	
11	Stone, sand, and gravel	1,586	709	149,867	14,509	2,277	61	6,350	770	39,905	4,513	161	11
12	Other mining and quarrying	311	106	61,284	12,875	2,077	25	11,751	163	5,078	1,205	132	12
13	Nonmetallic mining and quarrying not allocable	19	3	201	23	3	-	-	9	377	14	-	13
14	Mining and quarrying not allocable	1,774	31	1,482	341	27	1	433	443	7,198	1,421	6	14
	Manufacturing	89,347	43,002	49,994,914	3,948,328	624,375	9,701	2,176,241	43,181	8,311,456	380,572	33,339	
	Food and kindred products	10,144	5,040	9,059,007	418,789	67,375	640	236,660	4,697	1,069,132	31,626	3,027	
15	Bakery products	1,926	875	754,949	48,970	7,995	33	31,781	976	163,868	4,227	112	15
16	Confectionery	633	257	361,482	39,860	6,386	12	22,676	354	61,648	2,305	163	16
17	Canning fruits, vegetables, and sea foods	1,518	699	768,101	54,476	9,276	206	20,093	732	95,961	5,719	60	17
18	Meat products	934	563	3,859,587	50,089	7,729	189	21,302	347	234,791	3,585	49	18
19	Grain mill products, except cereal preparations	1,256	696	913,016	32,662	5,415	103	16,729	514	133,094	3,445	122	19
20	Cereal preparations	69	28	150,366	17,148	2,848	7	10,799	39	1,532	148	-	20
21	Dairy products	2,401	1,242	1,026,839	40,315	6,237	47	25,088	1,060	144,392	4,072	168	21
22	Sugar	167	123	559,495	34,102	5,347	9	19,699	38	110,394	4,628	719	22
23	Other, including flavoring sirups	924	417	484,538	76,480	12,379	30	51,068	483	85,698	2,072	1,390	23
24	Food and kindred products not allocable	316	140	180,635	24,687	3,764	3	17,424	154	37,752	1,425	244	24
	Beverages	3,191	1,656	1,443,913	150,967	25,598	183	72,554	1,321	252,164	17,027	262	
25	Breweries and malt products	686	326	773,565	76,961	13,237	45	36,392	289	114,543	7,919	96	25
26	Distilleries, rectifiers, blenders	348	94	346,793	21,977	3,709	26	9,003	154	85,509	5,034	136	26
27	Wine	163	73	26,836	1,713	277	39	203	85	6,223	497	-	27
28	Nonalcoholic beverages	1,960	1,144	286,433	49,646	8,263	61	26,902	778	43,251	3,236	28	28
29	Beverages not allocable	34	19	10,286	671	112	13	54	15	2,637	341	3	29
30	Tobacco manufactures	307	116	1,296,491	129,169	21,148	7	94,106	181	28,159	1,187	13	30
	Textile-mill products	4,923	2,578	3,167,253	189,459	31,729	1,242	69,972	2,232	728,213	38,436	3,151	
31	Cotton manufactures	861	519	888,637	47,907	7,958	104	20,998	328	239,213	10,637	977	31
32	Woolen and worsted manufactures, including dyeing and finishing	517	292	533,838	32,189	5,466	307	9,184	215	80,117	5,577	245	32
33	Silk manufactures	292	101	74,810	3,281	559	23	908	181	35,804	1,938	281	33
34	Rayon and other synthetic textile-mill manufactures	100	65	210,948	16,630	2,889	196	5,182	34	18,916	487	-	34
35	Knit goods	1,325	655	539,331	24,974	4,210	136	8,358	645	145,708	8,030	433	35
36	Hats, except cloth, and millinery	151	74	57,553	2,967	503	6	1,428	72	22,144	361	35	36
37	Carpets and other floor coverings	115	69	188,760	20,637	3,378	287	6,454	42	5,193	782	-	37
38	Dyeing and finishing textiles, except woolen and worsted	574	280	202,977	12,679	2,126	50	5,013	285	55,178	3,807	40	38
39	Other textile-mill products	504	295	207,760	15,890	2,623	97	6,417	198	40,167	2,070	930	39
40	Textile-mill products not allocable	484	228	262,639	12,304	2,016	36	6,029	232	85,774	4,748	210	40

For footnotes, see page 10.

Corporation returns, 1939, by major industrial groups and minor industrial groups and by returns with net income and with no net income: Number of returns, total compiled receipts, net income or deficit, income tax, (declared value) excess-profits tax, and dividends paid in cash and assets other than corporation's own stock - Continued

(Money figures in thousands of dollars)

	Major industrial groups and minor industrial groups 1/ - Continued	Total number of returns 2/	Returns with net income 3/						Returns with no net income 3/			
			Number of returns	Total compiled receipts 4/	Net income 3/	Income tax	(Declared value) excess-profits tax	Dividends paid in cash and assets other than corporation's own stock	Number of returns	Total compiled receipts 4/	Deficit 3/	Dividends paid in cash and assets other than corporation's own stock
	Manufacturing - Continued											
	Apparel and products made from fabrics	8,513	3,725	1,735,791	51,644	8,302	306	19,163	4,694	610,205	17,601	559
41	Men's clothing	1,770	915	684,325	25,999	4,239	198	10,120	835	144,576	5,750	280
42	Women's clothing	3,508	1,489	682,066	14,087	2,234	40	4,876	1,980	307,183	7,067	169
43	Fur garments and accessories	712	267	47,319	703	94	6	63	441	31,099	762	9
44	Millinery	559	185	35,870	491	65	2	69	370	36,154	816	2
45	Other apparel and products made from fabrics	1,490	675	235,922	9,125	1,483	57	3,792	802	63,282	2,009	81
46	Apparel and products made from fabrics not allocable	474	194	50,288	1,239	187	3	244	266	27,911	1,197	19
	Leather and products	2,157	1,080	992,365	46,506	7,605	130	22,533	1,050	248,375	10,449	317
47	Leather, tanning, currying, and finishing	313	196	281,784	13,400	2,219	63	5,014	112	38,446	1,787	26
48	Footwear, except rubber	799	387	561,658	28,369	4,654	52	15,590	403	155,670	6,225	165
49	Other leather products	1,012	477	132,642	3,803	575	15	1,537	522	52,171	2,247	124
50	Leather and products not allocable	33	20	16,281	934	156	(10)	391	13	2,087	189	3
	Rubber products	565	326	1,010,671	64,766	10,457	113	30,696	219	73,690	1,687	313
51	Tires and inner tubes	48	36	825,766	51,035	8,156	48	25,849	11	29,553	412	299
52	Other rubber products, including rubberized fabrics and clothing	494	277	183,801	13,691	2,296	64	4,847	202	43,753	1,262	14
53	Rubber products not allocable	23	13	1,104	41	5	(10)	1	6	385	14	-
	Lumber and timber basic products	2,973	1,297	617,412	38,288	5,991	129	22,844	1,552	307,099	20,888	3,043
54	Logging and sawmills	1,989	858	449,245	29,594	4,609	100	19,928	1,040	255,629	18,008	2,993
55	Planing mills	951	427	166,163	8,662	1,377	29	2,917	494	49,249	2,808	50
56	Lumber and timber basic products not allocable	33	12	2,004	32	4	1	-	18	2,222	72	-
	Furniture and finished lumber products	4,567	2,136	978,458	58,028	9,348	194	27,141	2,351	254,188	14,563	402
57	Furniture (wood and metal)	2,125	1,024	488,355	28,884	4,822	125	12,122	1,070	126,884	7,996	59
58	Partitions and fixtures	400	147	31,963	1,282	197	5	332	242	18,101	779	17
59	Wooden containers	586	287	109,383	5,604	862	24	2,304	293	42,182	1,992	200
60	Matches	25	18	48,220	4,121	601	1	2,424	7	1,427	100	-
61	Other, including cork products	1,335	617	269,166	17,049	2,699	38	9,722	691	53,671	3,100	127
62	Furniture and finished lumber products not allocable	96	43	31,372	1,088	167	1	237	48	11,923	596	-
	Paper and allied products	2,213	1,423	1,546,225	120,417	19,562	315	54,659	744	224,685	19,828	636
63	Pulp, paper, and paperboard	457	292	716,201	63,720	10,281	161	30,255	147	120,474	15,456	65
64	Pulp and paper converted products	1,710	1,103	761,220	52,076	8,580	147	22,410	582	99,993	4,075	572
65	Paper and allied products not allocable	46	28	68,805	4,622	701	7	1,994	15	4,218	296	(10)
	Printing and publishing industries	11,690	4,817	1,778,953	157,999	23,814	227	92,682	6,511	490,399	29,454	1,300
66	Newspapers	2,231	1,160	702,343	79,236	11,999	28	52,551	1,022	141,894	10,337	277
67	Periodicals	713	288	231,589	20,329	3,138	22	10,982	402	61,543	4,939	352
68	Books	399	176	107,173	8,089	1,232	20	5,562	214	26,668	1,569	213
69	Commercial printing	2,015	798	197,259	12,023	1,701	29	5,336	1,198	69,290	2,500	146
70	Other printing and publishing	2,749	1,247	364,363	24,823	3,963	43	12,582	1,441	93,516	4,583	176
71	Printing and publishing industries not allocable	3,583	1,148	176,226	13,499	1,781	85	5,667	2,234	97,687	5,527	135
	Chemicals and allied products	7,049	3,368	4,097,415	553,738	84,947	1,401	330,312	3,417	259,814	17,912	1,269
72	Paints, varnishes, and colors	974	568	528,766	37,589	6,220	67	17,153	375	34,696	2,308	6
73	Soap and glycerin	206	87	464,278	59,923	9,601	143	34,834	109	10,981	471	-
74	Drugs, toilet preparations, etc.	2,380	897	596,887	99,533	15,939	176	64,918	1,373	48,634	4,831	403
75	Rayon (raw material) and allied products	10	6	103,054	10,729	1,775	6	10,225	4	472	181	-
76	Fertilizers	354	205	144,321	7,807	1,221	17	3,707	139	31,688	983	543
77	Oils, animal and vegetable, except lubricants and cooking oils	282	168	339,966	16,279	2,679	87	7,380	107	37,303	2,718	156

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Corporation returns, 1939, by major industrial groups and minor industrial groups and by returns with net income and with no net income: Number of returns, total compiled receipts, net income or deficit, income tax, (declared value) excess-profits tax, and dividends paid in cash and assets other than corporation's own stock - Continued

(Money figures in thousands of dollars)

	Major industrial groups and minor industrial groups 1/ - Continued	Total number of returns 2/	Returns with net income 3/						Returns with no net income 3/				
			Number of returns	Total compiled receipts 4/	Net income 3/	Income tax	(Declared value) excess-profits tax	Dividends paid in cash and assets other than corporation's own stock	Number of returns	Total compiled receipts 4/	Deficit 3/	Dividends paid in cash and assets other than corporation's own stock	
	Manufacturing - Continued												
	Chemicals and allied products - Continued												
78	Plastic materials	153	79	55,781	5,816	989	23	2,208	71	2,814	374	-	78
79	Industrial chemicals	613	403	1,283,049	251,449	35,698	571	162,452	202	27,639	2,377	26	79
80	Other chemicals and allied products	1,333	636	282,510	30,284	4,964	227	11,937	658	36,653	2,223	85	80
81	Chemicals and allied products not allocable	744	319	298,804	34,328	5,862	82	15,498	379	28,934	1,445	50	81
	Petroleum and coal products	733	350	4,131,584	196,590	20,342	192	172,524	323	1,279,057	16,828	14,302	
82	Petroleum refining	571	267	3,937,558	184,119	18,648	184	165,882	256	1,254,375	16,110	14,302	82
83	Other petroleum and coal products	156	81	193,017	12,383	1,678	8	6,625	64	24,157	686	-	83
84	Petroleum and coal products not allocable	6	2	1,009	87	16	-	17	3	525	32	-	84
	Stone, clay, and glass products	3,626	1,771	1,321,342	157,643	25,803	357	87,986	1,752	184,486	11,793	664	
85	Cut-stone products	554	165	20,608	901	132	7	346	379	26,933	2,038	12	85
86	Structural clay products	922	486	164,926	15,540	2,497	59	6,779	407	44,378	3,666	189	86
87	Pottery and porcelain products	221	126	84,449	6,239	1,049	11	2,701	90	18,952	1,019	67	87
88	Glass and glass products	482	213	448,620	53,496	8,947	48	31,072	256	31,191	1,846	95	88
89	Cement	118	87	184,078	32,034	5,223	69	21,186	28	20,654	614	212	89
90	Concrete and gypsum products, wallboard	946	471	196,693	19,294	3,237	81	9,433	445	23,837	1,646	38	90
91	Abrasives and asbestos products	315	185	205,644	29,258	4,574	74	16,239	117	15,327	635	50	91
92	Stone, clay, and glass products not allocable	68	38	16,324	880	145	7	230	30	3,214	328	-	92
	Iron, steel, and products	6,816	3,917	4,977,439	344,662	56,006	1,421	170,340	2,685	1,043,535	46,157	1,028	
93	Blast furnaces and rolling mills	296	172	2,175,991	110,163	16,893	460	58,767	101	511,225	18,044	247	93
94	Structural steel, fabricated; ornamental metal work	895	457	216,473	11,473	1,907	21	3,754	419	43,556	1,759	17	94
95	Tin cans and other tinware	88	50	351,669	35,827	6,126	28	20,581	37	23,603	1,008	-	95
96	Hand tools and general hardware	912	495	262,021	25,364	4,130	160	13,249	385	27,342	2,290	55	96
97	Heating apparatus, except electrical, and plumbers' supplies	1,266	611	611,668	44,134	7,343	121	20,963	593	108,064	6,994	135	97
98	Other iron, steel, and products (not classified below)	3,211	2,033	1,291,663	113,410	18,878	610	50,602	1,104	303,616	15,100	558	98
99	Iron, steel, and products not allocable	148	99	67,953	4,292	729	22	2,423	46	26,129	961	15	99
	Nonferrous metals and their products	2,621	1,368	1,530,964	152,202	24,846	554	68,914	1,193	106,118	4,740	135	
100	Nonferrous metal basic products	359	216	756,698	61,280	10,071	57	30,614	125	31,897	1,116	24	100
101	Clocks and watches	83	47	86,886	9,612	1,661	43	3,538	35	7,785	299	-	101
102	Jewelry, except costume jewelry	523	253	72,379	3,731	613	36	1,088	262	15,416	674	32	102
103	Other manufactures of nonferrous metals and their alloys	1,633	840	536,093	73,997	11,834	412	33,436	763	50,817	2,641	79	103
104	Nonferrous metals and products not allocable	23	12	78,909	3,582	667	5	238	8	203	10	-	104
	Electrical machinery and equipment	1,727	880	1,732,832	187,240	30,226	276	110,162	784	135,690	8,707	97	
105	Electrical equipment for public utility, manufacturing, mining, transportation (except automotive) and construction use	494	303	619,289	88,898	14,332	109	57,264	180	21,664	1,203	75	105
106	Automotive electrical equipment	86	40	71,676	12,858	2,013	38	8,710	40	9,566	592	-	106
107	Radio apparatus and phonographs	294	136	218,218	11,570	2,010	35	4,693	144	55,926	2,714	(10)	107
108	Household electrical appliances	138	67	114,336	12,948	2,186	38	5,990	65	11,919	936	2	108
109	Other electrical machinery	601	276	459,654	38,469	6,079	35	21,838	302	34,380	2,804	19	109
110	Electrical machinery and equipment not allocable	114	58	249,659	22,498	3,606	21	11,665	53	2,235	458	-	110

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(Money figures in thousands of dollars)

	Major industrial groups and minor industrial groups 1/ - Continued	Total number of returns 2/	Returns with net income 3/						Returns with no net income 3/				
			Number of returns	Total compiled receipts 4/	Net income 3/	Income tax	(Declared value) excess-profits tax	Dividends paid in cash and assets other than corporation's own stock	Number of returns	Total compiled receipts 4/	Deficit 3/	Dividends paid in cash and assets other than corporation's own stock	
	Manufacturing - Continued												
	Machinery, except transportation equipment and electrical	6,299	3,289	3,180,661	330,945	55,254	959	170,898	2,798	363,552	23,484	1,882	
111	Special industry machinery	1,322	691	386,651	48,113	7,725	101	29,454	595	73,363	4,986	286	111
112	General industry machinery	2,331	1,157	757,915	80,205	13,209	307	39,509	1,112	101,362	6,148	145	112
113	Metal-working machinery, including machine tools	737	472	336,043	49,448	8,524	405	19,590	258	23,682	1,493	74	113
114	Engines and turbines	108	50	114,126	12,564	2,150	43	5,552	46	15,569	2,064	6	114
115	Construction and mining machinery	515	279	353,189	34,423	5,851	55	14,849	217	40,249	2,201	105	115
116	Agricultural machinery	3[illegible]	183	535,823	32,608	5,610	15	23,255	183	51,336	2,114	998	116
117	Office and store machines	317	161	301,185	36,950	6,193	4	19,809	140	14,639	1,384	182	117
118	Household and service-industry machines	232	102	193,679	22,211	3,544	8	13,344	116	14,814	985	15	118
119	Machinery, except transportation equipment and electrical, not allocable	341	194	202,051	14,424	2,448	21	5,538	131	28,538	2,112	72	119
	Automobiles and equipment, except electrical	916	457	3,437,438	384,159	60,439	292	219,626	418	231,645	18,092	58	
120	Automobiles, trucks, bodies, and industrial trailers	372	172	2,932,617	331,079	51,588	115	194,730	183	183,268	14,578	39	120
121	Trailers for passenger cars	39	14	4,332	154	22	4	49	21	1,740	305	-	121
122	Automobile accessories and parts, other than electrical	491	266	494,005	52,500	8,755	171	24,792	205	44,815	2,674	19	122
123	Automobiles and equipment, except electrical, not allocable	14	5	6,484	426	75	3	55	9	1,823	534	-	123
	Transportation equipment, except automobiles	847	339	720,188	84,769	14,150	365	38,479	445	150,979	11,284	284	
124	Railroad and railway equipment	167	91	201,747	19,059	2,856	24	10,743	69	101,079	3,448	160	124
125	Aircraft and parts	184	56	266,686	46,748	8,122	257	19,607	100	26,925	5,823	78	125
126	Ship and boat building	442	164	222,487	17,019	2,848	80	6,898	252	21,633	1,897	46	126
127	Motorcycles and bicycles	17	13	26,270	1,765	296	2	1,157	4	111	41	-	127
128	Other transportation equipment, except automobiles	32	14	2,909	176	27	2	74	16	761	54	-	128
129	Transportation equipment, except automobiles, not allocable	5	1	88	(10)	(10)	-	-	4	470	20	-	129
	Other manufacturing	5,502	2,387	958,043	108,757	18,010	295	55,790	2,953	220,736	14,789	502	
130	Ice, natural and manufactured	1,116	575	75,088	9,030	1,289	9	6,604	521	55,601	3,453	358	130
131	Manufacturing not elsewhere classified	4,386	1,812	882,954	99,726	16,721	286	49,186	2,432	165,135	11,336	143	131
132	Manufacturing not allocable	1,968	682	280,470	21,593	3,424	102	8,200	861	49,534	4,042	94	132
	Public utilities	23,893	10,586	9,134,548	1,523,801	215,683	1,198	1,174,122	11,478	3,959,063	355,274	35,278	
	Transportation 5/	15,764	6,605	4,235,943	474,757	72,351	1,055	291,369	8,025	3,353,897	296,295	7,412	
133	Railroads, switching, terminal, sleeping and dining car companies	818	365	2,155,607	223,583	31,667	320	133,228	372	2,430,421	198,618	4,210	133
134	Railway express companies	12	1	169,335	25	1	(10)	-	10	697	38	35	134
135	Railways, street, suburban, and interurban; bus lines, city and suburban	821	331	152,995	14,185	2,128	15	7,218	404	437,195	64,994	1,660	135
136	Bus lines, interstate and interurban	882	394	129,892	20,365	3,220	16	10,848	449	18,944	2,071	-	136
137	Taxicab companies	685	196	49,079	2,339	337	6	627	422	21,665	1,101	5	137
138	Trucking, interstate and interurban	1,923	1,092	312,754	16,433	2,671	121	4,141	769	67,697	2,206	44	138
139	Trucking, local; and warehousing	5,671	2,158	202,359	18,138	2,763	97	8,233	3,253	114,765	8,001	204	139
140	Air transportation and allied services	602	112	78,247	8,048	1,421	41	534	377	9,677	1,206	49	140

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(Money figures in thousands of dollars)

	Major industrial groups and minor industrial groups 1/ - Continued	Total number of returns 2/	Returns with net income 3/: Number of returns	Returns with net income 3/: Total compiled receipts 4/	Returns with net income 3/: Net income 3/	Returns with net income 3/: Income tax	Returns with net income 3/: (Declared value) excess-profits tax	Returns with net income 3/: Dividends paid in cash and assets other than corporation's own stock	Returns with no net income 3/: Number of returns	Returns with no net income 3/: Total compiled receipts 4/	Returns with no net income 3/: Deficit 3/	Returns with no net income 3/: Dividends paid in cash and assets other than corporation's own stock	
	Public utilities - Continued												
	Transportation 5/ - Continued												
141	Pipe lines 6/	256	138	218,710	79,824	13,376	15	68,392	95	42,430	2,134	665	141
142	Water transportation	1,955	971	518,793	58,122	9,325	234	34,401	812	158,056	9,671	376	142
143	Other transportation and allied services 7/	1,731	694	212,019	31,710	5,139	173	23,023	906	37,305	5,082	43	143
144	Transportation not allocable	408	155	36,154	1,985	305	16	725	156	15,043	1,173	121	144
	Communication	3,885	1,650	1,584,194	437,265	47,807	53	365,906	1,977	164,634	12,608	923	
145	Telephone and radio telephone	3,172	1,314	1,440,043	413,813	43,859	27	351,934	1,688	26,981	2,747	906	145
146	Telegraph and radio telegraph	74	15	17,322	3,227	559	-	357	49	125,737	8,088	-	146
147	Radio broadcasting and services	633	320	126,727	20,223	3,389	26	11,615	236	11,214	1,503	17	147
148	Other communication	6	1	102	2	(10)	-	-	4	702	270	-	148
	Other public utilities 5/	4,244	2,331	3,314,410	611,779	95,524	91	518,847	1,476	440,533	46,371	26,943	
149	Electric light and power	1,246	730	2,540,722	497,942	77,340	49	423,872	365	294,665	33,874	20,880	149
150	Gas production and distribution, except natural gas production 6/	800	437	677,009	94,300	15,075	28	80,341	327	104,800	8,318	3,621	150
151	Water	1,755	967	71,879	15,786	2,506	9	12,060	604	23,297	3,042	2,399	151
152	Public utilities not elsewhere classified 7/	270	129	12,661	1,561	243	5	1,030	121	14,338	780	4	152
153	Other public utilities not allocable	173	68	12,140	2,191	359	(10)	1,544	59	3,431	356	39	153
	Trade	141,474	63,174	34,501,928	1,051,271	163,821	2,645	499,709	75,033	8,245,440	218,710	11,519	
154	Wholesale	36,826	19,567	16,560,047	397,773	61,924	1,611	184,505	16,454	3,204,640	68,920	4,743	154
	Retail	88,284	35,193	15,196,676	526,902	84,887	766	264,754	51,086	4,224,923	122,275	5,910	
155	Department, general merchandise, dry goods	6,169	3,016	4,031,262	202,126	33,746	97	99,567	3,044	379,902	10,892	512	155
156	Limited-price variety stores	370	160	943,243	69,228	11,737	4	45,338	202	10,291	423	1,909	156
157	Mail-order houses	274	92	111,908	4,238	731	1	2,365	171	17,450	1,075	32	157
158	Food stores	6,492	1,901	3,084,537	64,975	10,633	111	40,973	4,379	583,958	9,553	797	158
159	Package liquor stores	1,702	654	45,024	778	98	10	80	1,008	40,310	980	10	159
160	Drug stores	5,705	1,807	440,907	13,478	2,049	26	6,360	3,782	171,980	4,676	29	160
161	Apparel	11,471	4,318	1,271,900	41,303	6,633	69	15,530	6,942	500,495	18,553	462	161
162	Furniture and house furnishings	5,467	2,415	581,753	22,278	3,531	69	7,435	2,977	186,831	8,962	209	162
163	Eating and drinking places	8,848	2,038	351,622	14,256	2,158	41	6,986	6,558	378,561	13,583	136	163
	Dealers in automobiles, accessories, tires, batteries	10,793	5,135	2,104,856	24,618	3,440	67	6,982	5,343	916,347	12,184	271	
164	Motor-vehicle dealers	9,655	4,668	2,006,677	22,034	3,049	59	6,373	4,691	880,515	10,770	267	164
165	Accessories, tires, and batteries	1,039	427	95,334	2,535	385	7	607	596	33,509	1,267	4	165
166	Dealers in automobiles, etc., not allocable	99	40	2,844	49	6	1	2	56	2,323	146	-	166
167	Filling stations	2,020	669	170,487	7,486	1,198	7	4,187	1,293	76,249	1,798	14	167
168	Hardware	3,347	1,334	133,449	3,625	508	12	973	1,974	74,073	3,208	47	168
169	Lumber and coal yards	8,333	4,222	755,473	25,482	3,657	83	10,058	3,964	324,608	11,982	737	169
170	Other retail trade	14,893	6,253	952,606	26,412	3,781	119	16,006	8,296	482,509	19,814	674	170
171	Retail trade not allocable	2,400	1,179	217,652	6,618	986	53	1,913	1,153	81,359	4,591	73	171
172	Trade not allocable	16,364	8,414	2,745,204	106,597	17,010	268	50,449	7,493	815,877	27,514	866	172
	Service	45,008	14,114	2,265,662	179,973	27,001	331	85,011	26,916	1,402,718	99,874	2,963	
	Personal service	14,485	4,646	618,221	32,183	4,717	84	12,428	9,297	621,421	45,385	517	
173	Hotels and other lodging places	4,78[illegible]	1,417	259,612	14,425	2,112	39	5,424	3,160	352,384	34,821	267	173
174	Laundries, cleaning and dyeing	5,078	1,859	276,352	13,168	1,958	27	5,153	3,015	192,747	6,414	146	174
175	Photographic studios	560	159	15,374	866	137	1	387	384	12,029	814	1	175
176	Other personal service	4,038	1,205	66,064	3,699	507	17	1,465	2,719	63,975	3,308	102	176
177	Personal service not allocable	26	6	820	25	3	(10)	-	19	285	27	-	177
	Business service	7,576	2,737	544,602	43,075	6,587	71	25,356	4,283	178,880	10,062	263	
178	Advertising	2,076	868	321,497	17,912	2,866	36	9,397	1,074	77,817	4,263	81	178
179	Other business service	5,457	1,856	222,281	25,110	3,714	34	15,931	3,180	100,712	5,770	178	179
180	Business service not allocable	43	13	824	53	7	(10)	28	29	350	28	4	180

For footnotes, see page 10.

Corporation returns, 1939, by major industrial groups and minor industrial groups and by returns with net income and with no net income: Number of returns, total compiled receipts, net income or deficit, income tax, (declared value) excess-profits tax, and dividends paid in cash and assets other than corporation's own stock - Continued

(Money figures in thousands of dollars)

	Major industrial groups and minor industrial groups 1/ - Continued	Total number of returns 2/	Returns with net income 3/						Returns with no net income 3/				
			Number of returns	Total compiled receipts 4/	Net income 3/	Income tax	(Declared value) excess-profits tax	Dividends paid in cash and assets other than corporation's own stock	Number of returns	Total compiled receipts 4/	Deficit 3/	Dividends paid in cash and assets other than corporation's own stock	
	Service - Continued												
181	Automobile repair services	4,822	1,245	94,248	3,369	474	15	1,027	3,406	113,863	4,527	68	181
	Amusement	10,426	3,573	822,946	85,974	12,867	102	39,109	5,769	336,368	26,683	1,902	
182	Motion-picture production	616	168	254,370	26,615	3,818	15	10,000	379	118,657	7,099	1,595	182
183	Motion-picture theaters	3,995	2,056	442,279	43,263	6,399	38	22,812	1,813	121,078	6,410	242	183
184	Other amusement	5,697	1,338	125,966	16,072	2,648	49	6,283	3,527	96,056	13,108	65	184
185	Amusement not allocable	118	11	331	24	2	(10)	13	50	578	65	-	185
186	Other service, including schools	7,447	1,852	180,541	15,184	2,332	59	7,018	4,015	149,909	12,950	210	186
187	Service not allocable	252	61	5,103	189	25	1	73	146	2,279	268	3	187
	Finance, insurance, real estate, and lessors of real property	157,130	55,646	6,084,208	1,776,514	131,558	915	1,374,846	86,636	3,130,501	840,416	78,721	
188	Banks and trust companies	18,038	11,114	1,543,685	271,224	14,369	256	193,982	4,992	353,434	74,194	19,668	188
189	Mortgage and title companies	1,712	549	23,931	3,611	483	7	2,904	902	36,008	18,482	1,207	189
	Investment trusts and investment companies	806	490	148,964	100,722	2,807	36	133,235	278	16,482	10,308	5,991	
190	Management type	408	297	123,537	93,984	2,596	16	127,821	109	11,748	7,932	5,885	190
191	Fixed type	63	43	5,071	3,465	86	19	3,099	18	665	566	19	191
192	Installment investment plans and guaranteed face-amount certificates	19	12	16,629	1,022	58	-	648	7	729	510	-	192
193	Oil royalty companies	54	18	73	13	1	(10)	15	30	350	521	51	193
194	Investment trusts and investment companies not allocable	262	120	3,655	2,238	66	(10)	1,653	114	2,989	779	36	194
	Holding companies 8/	717	522	890,087	650,719	29,756	22	528,787	165	31,597	33,858	9,190	
195	Railroad securities	14	8	10,767	7,764	298	-	4,700	5	353	2,778	-	195
196	Other public utility securities	205	148	378,810	249,929	8,436	17	199,742	53	22,226	21,425	8,234	196
197	Industrial securities	240	179	264,110	215,866	12,717	4	196,469	52	3,845	7,634	930	197
198	Bank securities	35	20	11,241	8,960	241	-	11,922	9	1,336	164	-	198
199	Other specified securities	166	135	61,241	49,411	1,999	(10)	46,777	26	2,437	1,716	1	199
200	Securities not specified	57	32	163,919	118,788	6,066	-	69,178	20	1,401	141	25	200
201	Other corporations holding securities 9/	3,521	2,097	227,833	174,152	7,556	23	155,408	1,253	16,777	34,239	2,718	201
202	Security and commodity-exchange brokers and dealers	2,203	852	97,327	13,257	1,711	62	7,220	1,251	55,650	17,273	1,249	202
203	Commercial credit and finance companies	2,651	1,419	206,501	61,459	9,063	25	46,648	1,059	19,505	3,527	512	203
204	Industrial and personal loan companies	2,302	1,493	115,895	31,665	5,039	14	18,825	661	9,497	2,092	109	204
205	Other finance companies	2,888	524	46,145	13,639	1,984	20	11,802	1,350	16,584	26,423	1,300	205
	Insurance carriers, agents, etc.	7,898	3,403	1,690,165	214,926	24,568	69	104,309	4,072	1,471,539	299,442	24,048	
206	Life insurance companies	730	137	28,715	3,549	459	-	1,675	519	1,170,041	187,251	22,102	206
207	Insurance companies, except life	1,218	623	1,520,209	189,406	21,095	4	88,556	503	256,984	109,241	1,569	207
208	Agents, brokers, etc.	5,950	2,643	141,241	21,971	3,013	65	14,278	3,050	44,513	2,950	377	208
	Real estate, including lessors of buildings	101,402	28,317	830,577	132,065	18,409	321	74,178	64,562	1,026,298	277,080	8,504	
209	Dealers and development companies, lessors of buildings, lessee and owner operators of buildings	95,507	26,155	773,787	126,146	17,611	299	71,697	61,132	989,388	272,936	8,447	209
210	Agents, brokers, etc.	5,873	2,153	55,853	5,721	770	21	2,350	3,421	36,722	4,085	57	210
211	Real estate, including lessors of buildings, not allocable	22	9	937	198	28	(10)	131	9	188	10	-	211
	Lessors of real property, except buildings	4,384	1,874	158,205	81,321	13,068	31	73,759	2,215	28,364	17,483	1,362	
212	Agricultural, forest, etc., properties	858	251	3,278	1,044	146	3	768	568	3,161	2,313	58	212

For footnotes, see page 10.

Corporation returns, 1939, by major industrial groups and minor industrial groups and by returns with net income and with no net income: Number of returns, total compiled receipts, net income or deficit, income tax, (declared value) excess-profits tax, and dividends paid in cash and assets other than corporation's own stock - Continued

(Money figures in thousands of dollars)

	Major industrial groups and minor industrial groups 1/ - Continued	Total number of returns 2/	Returns with net income 3/						Returns with no net income 3/				
			Number of returns	Total compiled receipts 4/	Net income 3/	Income tax	(Declared value) excess-profits tax	Dividends paid in cash and assets other than corporation's own stock	Number of returns	Total compiled receipts 4/	Deficit 3/	Dividends paid in cash and assets other than corporation's own stock	
	Finance, insurance, real estate, and lessors of real property - Continued												
	Lessors of real property, except buildings - Continued												
213	Mining, oil, etc., properties	2,905	1,301	58,668	24,652	3,879	27	26,686	1,440	10,856	7,797	931	213
214	Railroad properties	309	160	64,595	42,848	7,048	(10)	35,166	84	8,459	4,185	62	214
215	Public-utility properties	193	111	26,887	10,846	1,733	(10)	9,349	61	5,248	2,804	303	215
216	Other real property, except buildings	24	11	912	228	35	(10)	163	11	176	168	-	216
217	Lessors of real property, except buildings, not allocable	95	40	3,866	1,703	227	1	1,628	51	464	217	7	217
218	Finance, insurance, real estate, and lessors of real property not allocable	8,608	2,992	104,890	27,755	2,743	29	23,788	3,926	48,766	26,063	2,862	218
	Construction	17,196	5,600	1,470,616	70,244	10,701	467	26,742	10,461	779,015	37,679	1,309	
219	General contractors	8,660	2,815	1,052,366	57,025	8,734	367	23,225	5,006	501,577	26,680	1,085	219
220	Special trade contractors	8,481	2,772	414,008	13,032	1,936	100	3,500	5,434	276,229	10,953	224	220
221	Construction not allocable	55	13	4,242	187	31	-	17	21	1,210	46	-	221
	Agriculture, forestry, and fishery	9,300	2,839	420,131	40,461	5,683	141	22,290	5,797	191,076	27,912	1,376	
222	Agriculture and services	8,400	2,624	385,121	37,212	5,199	151	20,176	5,210	173,324	23,118	1,076	222
223	Forestry	519	111	13,904	2,240	328	7	1,861	339	6,935	3,532	289	223
224	Fishery	381	104	21,106	1,010	156	3	253	248	10,816	1,262	11	224
225	Nature of business not allocable, except trade	18,178	896	73,007	5,530	746	180	4,021	3,388	37,397	12,296	1,592	225

1/ In general, corporations are classified industrially on the one business activity which accounts for the largest percentage of "Total receipts." Therefore, the industrial groups contain corporations not engaged exclusively in the industries in which they are classified. The industrial classification is based on the Standard Industrial Classification, issued by the Division of Statistical Standards, Bureau of the Budget, Executive Office of the President.

2/ Includes number of returns of inactive corporations.

3/ "Net income" or "Deficit" is the amount reported for (declared value) excess-profits tax computation (item 28, page 1, Forms 1120 and 1120A), and is equal to the difference between "Total income" and "Total deductions" (items 14 and 27, respectively, page 1, Forms 1120 and 1120A).

4/ "Total compiled receipts" corresponds to "Total income" (item 14, page 1, Forms 1120 and 1120A) after transferring to deductions the negative items of income reported under sources of income and adding "Cost of goods sold," "Cost of operations," (items 2 and 5, respectively, page 1, Forms 1120 and 1120A) and "Wholly tax-exempt interest on Government obligations."

5/ See notes 6 and 7 below.

6/ "Gas production and distribution, except natural gas production" includes natural gas pipe lines which for 1938 were included in "Pipe lines."

7/ "Other transportation and allied services" includes toll roads and toll bridges which for 1938 were included in "Public utilities not elsewhere classified."

8/ Consists of corporations who at any time during the taxable year owned 50 percent or more of the voting stock of another corporation and whose income from such stock was 50 percent or more of the amount of dividends received.

9/ Consists of corporations (other than investment trusts and investment companies) who (a) at no time during the taxable year owned 50 percent or more of the voting stock of another corporation or (b) at any time during the taxable year owned 50 percent or more of the voting stock of another corporation but whose income from such stock was less than 50 per cent of the amount of dividends received.

10/ Less than $500.

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TREASURY DEPARTMENT

Washington

FOR RELEASE, MORNING NEWSPAPERS, Friday, February 6, 1942.
1/23/42

Press Service No. 29-86

Secretary of the Treasury Morgenthau today made public the third in the series of tabulations from "Statistics of Income for 1939, Part 2, Compiled from Corporation Income and (Declared Value) Excess-profits Tax Returns and Personal Holding Company Returns," prepared under the direction of Commissioner of Internal Revenue Guy T. Helvering.

The following table shows by major industrial groups the number of returns for corporations reporting income data, compiled receipts and compiled deductions, compiled net profit or net loss, net income or deficit, income tax, (declared value) excess-profits tax, total tax, compiled net profit less total tax, and dividends paid.

In general, corporations are classified industrially on the one business activity which accounts for the largest percentage of "Total receipts." Therefore, the industrial groups contain corporations not engaged exclusively in the industries in which they are classified. "Total receipts" means the sum of the following items: Gross sales (where inventories are an income-determining factor); gross receipts (where inventories are not an income-determining factor); interest on loans, notes, mortgages, bonds, bank deposits, etc.; taxable interest on obligations of the United States; rents; royalties; capital gain; gain from sale or exchange of property other than capital assets; dividends; and other income required to be included in gross income.

The major industrial groups for 1939 are comparable with those for 1938. The industrial classification for 1939 and 1938 is based on the Standard Industrial Classification, issued by the Division of Statistical Standards, Bureau of the Budget, Executive Office of the President. Since the Standard Industrial Classification, as at present designed, is on an establishment basis, certain modifications are necessary to make it applicable to corporation income tax returns which are filed on an ownership basis.

In analyzing the data compiled from returns classified under the major industrial group "Insurance carriers, agents, etc.," allowance should be made for the two special deductions from gross income permitted life insurance companies under section 203(a), Internal Revenue Code as amended, relating to reserve funds required by law, and reserve for dividends. On 1939 returns with net income these deductions aggregate $17,344,708, and on returns with no net income, $899,758,292. In the attached table, the special deductions for life insurance companies are included in "Other deductions."

Corporation returns, 1939, by major industrial groups: Number of returns, compiled receipts and compiled deductions, compiled net profit or net loss, net income or deficit, income tax, (declared value) excess-profits tax, total tax and dividends paid

(Money figures in thousands of dollars)

		Major industrial groups 1/												
		All industrial groups	Mining and quarrying							Manufacturing				
			Total mining and quarrying	Metal mining	Anthracite mining	Bituminous coal, lignite, peat, etc.	Petroleum	Non-metallic mining and quarrying	Mining and quarrying not allocable	Total manufacturing	Food and kindred products	Beverages	Tobacco manufactures	
1	Number of returns 6/	469,617	10,820	1,373	119	1,820	5,274	1,760	474	86,183	9,737	2,977	297	1
	Receipts, taxable:													
2	Gross sales 7/	101,575,785	2,436,051	775,301	182,098	710,206	541,278	220,941	6,227	55,982,341	9,935,153	1,662,161	1,309,182	2
3	Gross receipts from operations 8/	22,295,835	295,163	20,545	10,641	71,564	161,267	29,320	1,826	1,176,877	73,566	15,070	2,416	3
4	Interest	2,443,595	8,898	2,877	713	2,058	2,781	422	49	103,997	9,043	1,768	2,206	4
5	Rents and royalties 9/	2,318,963	41,329	5,506	4,971	17,480	11,290	1,956	126	196,898	15,794	4,016	2,410	5
6	Net capital gain 10/	211,976	7,996	613	58	968	6,126	206	25	25,449	1,258	177	713	6
7	Net gain, sale of property other than capital assets 11/	114,910	6,665	321	64	639	5,369	154	138	14,198	1,359	505	106	7
8	Dividends, domestic corporations 12/	1,905,949	41,368	26,306	678	3,615	9,595	981	194	366,965	27,639	3,411	4,605	8
9	Dividends, foreign corporations 13/	250,077	1,451	1,350	-	62	36	2	1	120,108	18,768	920	458	9
10	Other receipts	997,691	34,605	9,715	2,426	8,912	10,905	2,560	88	292,851	43,344	9,594	1,948	10
	Receipts, partially and wholly tax-exempt:													
	Interest on Government obligations:													
11	Subject to excess-profits tax 14/	320,192	1,807	617	212	518	341	117	2	14,340	1,296	223	375	11
12	Wholly tax-exempt 15/	443,250	1,210	592	18	182	340	74	5	12,346	959	231	231	12
13	Total compiled receipts 16/	152,878,224	2,876,544	843,742	201,879	816,205	749,327	256,712	8,680	58,306,369	10,128,159	1,696,077	1,324,650	13
	Deductions:													
14	Cost of goods sold 17/	77,272,102	1,600,581	484,269	156,520	568,786	256,024	129,985	4,796	41,246,642	8,051,193	888,086	963,084	14
15	Cost of operations 18/	11,127,975	184,523	13,618	8,600	50,946	92,976	16,852	1,530	634,057	32,607	4,748	1,864	15
16	Compensation of officers	25/2,697,458	47,068	5,789	1,292	9,646	20,038	10,081	221	964,948	93,064	29,647	6,692	16
17	Rent paid on business property	1,603,558	16,446	1,083	603	4,662	8,095	1,949	54	303,381	34,645	6,039	1,585	17
18	Repairs 19/	1,097,540	54,419	12,273	5,493	18,922	8,556	8,973	203	759,125	78,501	11,898	1,904	18
19	Bad debts	715,093	8,240	1,406	1,295	1,839	2,260	1,392	48	166,970	18,257	7,168	545	19
20	Interest paid	2,796,507	58,032	10,275	8,155	12,013	23,879	3,637	73	343,984	35,628	14,189	5,552	20
21	Taxes paid 20/	3,995,443	132,224	48,677	11,819	34,885	28,622	7,748	474	1,585,281	170,090	267,537	93,121	21
22	Contributions or gifts 21/	30,730	441	179	1	61	115	85	(24)	14,035	1,521	611	161	22
23	Depreciation	3,442,715	162,242	33,547	6,556	36,181	70,868	14,609	480	1,442,234	136,796	37,391	7,941	23
24	Depletion	437,686	210,134	74,192	6,615	15,689	105,440	7,907	290	187,688	258	97	-	24
25	Net capital loss 10/	64,847	893	75	6	247	416	123	25	4,851	551	127	10	25
26	Net loss, sale of property other than capital assets 11/	186,219	6,529	746	350	1,818	2,059	1,469	88	43,640	4,048	1,292	164	26
27	Other deductions 22/	26/20,232,735	262,587	34,370	12,595	66,495	117,504	30,151	1,472	7,049,451	1,082,879	293,075	113,812	27
28	Total compiled deductions	27/125,700,409	2,744,158	720,498	219,899	822,191	736,852	234,963	9,756	54,726,267	9,740,017	1,561,906	1,196,436	28
29	Compiled net profit or net loss (13 less 28)	7,177,815	132,386	123,244	28/18,020	28/5,986	12,475	21,749	28/1,076	3,580,102	388,122	134,171	128,214	29
30	Net income or deficit 23/ (29 less 12)	6,734,565	131,176	122,652	28/18,038	28/6,168	12,135	21,676	28/1,080	3,567,756	387,162	133,940	127,983	30
31	Income tax	1,216,450	36,882	18,766	77	2,802	10,854	4,356	27	624,375	67,375	25,598	21,148	31
32	(Declared value) excess-profits tax	15,806	388	184	5	42	71	86	1	9,701	640	183	7	32
33	Total tax	1,232,256	37,270	18,950	82	2,844	10,925	4,442	28	634,077	68,016	25,781	21,155	33
34	Compiled net profit less total tax (29 less 33)	5,945,559	95,116	104,294	29/18,103	29/8,830	1,550	17,307	29/1,103	2,946,025	320,106	108,390	107,059	34
	Dividends paid:													
35	Cash and assets other than corporation's own stock	5,746,739	217,660	121,326	849	13,012	63,641	18,394	439	2,209,580	239,687	72,816	94,119	35
36	Corporation's own stock	89,878	1,496	16	-	167	1,311	-	2	32,770	1,476	5,961	-	36

For footnotes, see pages 10 and 11.

Corporation returns, 1939, by major industrial groups: Number of returns, compiled receipts and compiled deductions, compiled net profit or net loss, net income or deficit, income tax, (declared value) excess-profits tax, total tax and dividends paid - Continued

(Money figures in thousands of dollars)

		Major industrial groups 1/ - Continued												
		Manufacturing - Continued												
		Textile-mill products	Apparel and products made from fabrics	Leather and products	Rubber products	Lumber and timber basic products	Furniture and finished lumber products	Paper and allied products	Printing and publishing industries	Chemicals and allied products	Petroleum and coal products	Stone, clay, and glass products	Iron, steel, and products	
1	Number of returns 6/	4,810	8,419	2,130	545	2,849	4,487	2,167	11,328	6,785	673	3,523	6,602	1
	Receipts, taxable:													
2	Gross sales 7/	3,759,506	2,279,464	1,221,127	1,061,595	882,844	1,209,175	1,731,183	2,025,101	4,197,322	4,988,772	1,463,438	5,917,917	2
3	Gross receipts from operations 8/	87,628	49,692	8,441	1,676	17,203	7,747	5,662	181,943	29,416	234,961	14,272	22,286	3
4	Interest	4,244	964	1,263	1,494	2,053	1,682	8,413	4,441	7,356	13,097	2,047	12,248	4
5	Rents and royalties 9/	12,692	4,120	1,569	3,451	5,394	2,060	5,114	12,712	14,315	38,886	5,114	12,975	5
6	Net capital gain 10/	1,393	241	114	773	2,008	622	1,264	2,192	2,483	2,419	753	1,543	6
7	Net gain, sale of property other than capital assets 11/	1,764	157	177	46	1,267	334	496	849	1,401	1,196	230	1,582	7
8	Dividends, domestic corporations 12/	5,093	1,189	1,227	4,578	2,479	1,906	6,008	19,036	70,500	104,168	7,320	19,171	8
9	Dividends, foreign corporations 13/	953	681	6	5,268	10	536	1,041	1,204	13,020	4,805	2,335	8,662	9
10	Other receipts	20,886	9,144	6,621	5,382	10,947	7,874	10,783	19,544	17,477	21,057	9,199	22,464	10
	Receipts, partially and wholly tax-exempt:													
	Interest on Government obligations:													
11	Subject to excess-profits tax 14/	717	215	123	71	203	484	698	1,359	1,652	540	691	1,339	11
12	Wholly tax-exempt 15/	589	150	73	47	104	224	254	972	2,288	760	430	786	12
13	Total compiled receipts 16/	3,895,466	2,345,996	1,240,740	1,084,361	924,511	1,232,646	1,770,911	2,269,352	4,357,229	5,410,642	1,505,827	6,020,973	13
	Deductions:													
14	Cost of goods sold 17/	3,055,441	1,841,547	1,011,586	736,348	675,052	896,816	1,262,506	1,331,618	2,644,480	3,555,279	963,815	4,496,532	14
15	Cost of operations 18/	59,561	39,218	4,245	442	10,391	2,915	2,866	97,471	7,256	117,366	9,562	13,537	15
16	Compensation of officers	67,343	80,745	25,964	8,525	20,385	40,466	37,628	100,694	75,047	14,455	35,715	96,710	16
17	Rent paid on business property	12,898	26,041	7,100	6,059	2,765	9,426	9,216	32,171	15,568	52,902	6,382	27,849	17
18	Repairs 19/	37,148	3,455	7,881	14,442	6,929	10,262	36,838	8,865	53,505	90,390	33,351	159,513	18
19	Bad debts	8,774	7,248	3,312	5,697	4,152	5,510	11,624	13,959	12,465	13,471	5,243	12,863	19
20	Interest paid	21,256	6,926	4,232	8,717	10,063	6,358	23,309	14,961	20,400	37,575	10,038	70,854	20
21	Taxes paid 20/	77,497	29,853	19,236	48,901	23,164	25,102	39,489	51,895	96,350	178,391	35,800	139,206	21
22	Contributions or gifts 21/	673	508	280	164	136	277	551	1,178	1,121	621	496	1,284	22
23	Depreciation	91,147	10,704	11,714	27,640	27,430	21,239	64,654	46,519	123,462	265,132	61,691	204,916	23
24	Depletion	11	25	45	9	25,627	2,594	2,532	61	5,912	141,295	2,201	2,865	24
25	Net capital loss 10/	352	171	99	33	239	202	196	565	380	78	251	469	25
26	Net loss, sale of property other than capital assets 11/	6,814	514	777	1,811	1,317	783	2,050	2,112	2,555	3,628	1,467	5,964	26
27	Other deductions 22/	304,938	264,868	108,136	162,447	99,379	167,009	176,608	437,967	760,614	759,555	193,556	489,120	27
28	Total compiled deductions	3,743,853	2,311,824	1,204,609	1,021,236	907,008	1,188,957	1,670,067	2,139,836	3,819,115	5,230,120	1,359,548	5,721,682	28
29	Compiled net profit or net loss (13 less 28)	151,613	34,173	36,131	63,126	17,503	43,689	100,843	129,516	538,114	180,522	146,280	299,291	29
30	Net income or deficit 23/ (29 less 12)	151,023	34,043	36,058	63,078	17,400	43,465	100,590	128,545	535,826	179,762	145,849	298,506	30
31	Income tax	31,729	8,302	7,605	10,457	5,991	9,348	19,562	23,814	84,947	20,342	25,803	56,006	31
32	(Declared value) excess-profits tax	1,242	306	130	113	129	194	315	227	1,401	192	357	1,421	32
33	Total tax	32,970	8,608	7,734	10,570	6,120	9,542	19,877	24,041	86,348	20,533	26,160	57,427	33
34	Compiled net profit less total tax (29 less 33)	118,642	25,565	28,397	52,556	11,383	34,147	80,967	105,475	451,766	159,989	120,119	241,864	34
	Dividends paid:													
35	Cash and assets other than corporation's own stock	73,123	19,723	22,850	31,009	25,887	27,543	55,296	93,982	331,581	186,826	88,650	171,368	35
36	Corporation's own stock	2,404	1,636	1,305	414	550	180	427	666	8,239	220	145	2,624	36

For footnotes, see pages 10 and 11.

Corporation returns, 1939, by major industrial groups: Number of returns, compiled receipts and compiled deductions, compiled net profit or net loss, net income or deficit, income tax, (declared value) excess-profits tax, total tax and dividends paid - Continued

(Money figures in thousands of dollars)

		Major industrial groups 1/ - Continued											
		Manufacturing - Continued							Public utilities				
		Nonferrous metals and their products	Electrical machinery and equipment	Machinery, except transportation equipment and electrical	Automobiles and equipment, except electrical	Transportation equipment, except automobiles	Other manufacturing	Manufacturing not allocable	Total public utilities	Transportation 2/	Communication	Other public utilities 3/	
1	Number of returns 6/	2,561	1,664	6,087	875	784	5,340	1,543	22,084	14,650	3,627	3,807	1
	Receipts, taxable:												
2	Gross sales 7/	1,547,656	1,826,331	3,372,176	3,553,111	602,402	1,115,993	320,751	141,765	92,823	3,962	44,980	2
3	Gross receipts from operations 8/	60,313	7,019	71,704	4,441	249,151	31,541	2,729	12,381,671	7,270,082	1,527,845	3,583,744	3
4	Interest	2,603	3,441	14,534	5,199	2,214	2,849	858	95,329	57,186	9,126	29,017	4
5	Rents and royalties 9/	2,198	4,774	29,004	10,816	3,019	5,552	954	97,462	49,251	23,458	24,754	5
6	Net capital gain 10/	262	554	1,996	790	2,508	1,315	91	5,789	3,792	531	1,466	6
7	Net gain, sale of property other than capital assets 11/	145	170	987	508	702	267	151	8,485	4,762	239	3,485	7
8	Dividends, domestic corporations 12/	8,792	12,427	10,879	44,811	6,432	3,739	1,556	293,279	69,579	178,797	44,903	8
9	Dividends, foreign corporations 13/	5,078	3,672	10,344	35,296	378	5,750	922	5,844	539	1,485	3,820	9
10	Other receipts	9,527	8,141	28,732	13,515	3,697	11,300	1,898	56,259	36,181	3,205	16,872	10
	Receipts, partially and wholly tax-exempt:												
	Interest on Government obligations:												
11	Subject to excess-profits tax 14/	317	858	2,020	340	435	268	120	4,868	3,801	69	997	11
12	Wholly tax-exempt 15/	192	1,135	1,836	656	230	205	14	2,859	1,843	112	904	12
13	Total compiled receipts 16/	1,637,082	1,868,522	3,544,213	3,669,083	871,167	1,178,779	330,004	13,093,611	7,589,840	1,748,828	3,754,943	13
	Deductions:												
14	Cost of goods sold 17/	1,194,465	1,241,679	2,243,670	2,816,491	451,055	696,489	229,429	104,128	66,524	1,695	35,909	14
15	Cost of operations 18/	8,518	3,090	14,222	2,777	183,361	16,454	1,586	6,901,702	4,783,343	671,860	1,446,498	15
16	Compensation of officers	30,772	27,306	86,053	17,139	13,365	45,285	11,948	110,933	79,853	8,167	22,913	16
17	Rent paid on business property	6,855	8,693	15,175	5,159	3,622	11,178	2,042	175,455	91,756	43,383	40,316	17
18	Repairs 19/	19,889	22,581	56,422	53,560	18,470	10,564	2,756	34,512	26,892	2,985	4,635	18
19	Bad debts	3,074	3,397	13,556	7,359	900	7,146	1,251	27,617	11,676	5,733	10,209	19
20	Interest paid	9,085	5,187	15,803	8,848	5,418	7,124	2,462	1,154,426	679,970	68,534	405,922	20
21	Taxes paid 20/	32,051	48,813	88,251	62,474	22,463	29,278	6,340	1,037,092	512,112	141,072	383,909	21
22	Contributions or gifts 21/	386	642	1,293	1,503	122	437	69	3,167	391	781	1,995	22
23	Depreciation	32,648	47,358	97,219	57,799	29,640	32,620	6,794	936,124	292,103	201,445	442,576	23
24	Depletion	2,706	92	144	717	42	69	385	13,024	2,527	20	10,477	24
25	Net capital loss 10/	111	111	495	66	44	219	83	931	613	76	243	25
26	Net loss, sale of property other than capital assets 11/	152	797	2,745	1,359	1,788	1,057	486	12,262	6,099	778	5,384	26
27	Other deductions 22/	148,716	279,128	599,889	267,120	67,161	226,706	46,807	1,410,852	855,677	177,532	377,644	27
28	Total compiled deductions	1,489,428	1,688,854	3,234,917	3,302,361	797,452	1,084,607	312,438	11,922,225	7,409,536	1,324,060	3,188,630	28
29	Compiled net profit or net loss (13 less 28)	147,654	179,668	309,296	366,723	73,715	94,172	17,566	1,171,386	180,305	424,768	566,313	29
30	Net income or deficit 23/ (29 less 12)	147,462	178,533	307,461	366,067	73,485	93,967	17,552	1,168,527	178,461	424,657	565,409	30
31	Income tax	24,846	30,226	55,254	60,439	14,150	18,010	3,424	215,683	72,351	47,807	95,524	31
32	(Declared value) excess-profits tax	554	276	959	292	365	295	102	1,198	1,053	53	91	32
33	Total tax	25,399	30,502	56,213	60,732	14,515	18,305	3,527	216,881	73,405	47,860	95,616	33
34	Compiled net profit less total tax (29 less 33)	122,254	149,166	253,083	305,991	59,200	75,867	14,039	954,505	106,899	376,908	470,697	34
	Dividends paid:												
35	Cash and assets other than corporation's own stock	69,049	110,258	172,780	219,683	38,764	56,291	8,294	1,209,401	298,781	364,829	545,790	35
36	Corporation's own stock	370	1,317	3,545	262	-	879	150	1,784	844	116	824	36

For footnotes, see pages 10 and 11.

Corporation returns, 1939, by major industrial groups: Number of returns, compiled receipts and compiled deductions, compiled net profit or net loss, net income or deficit, income tax, (declared value) excess-profits tax, total tax and dividends paid - Continued

(Money figures in thousands of dollars)

		Major industrial groups 1/ - Continued												
		Trade												
		Total trade	Wholesale	Retail										
				Total retail	Department, general merchandise, dry goods	Limited-price variety stores	Mail-order houses	Food stores	Package liquor stores	Drug stores	Apparel	Furniture and house furnishings	Eating and drinking places	
1	Number of returns 6/	138,207	36,021	86,279	6,060	362	263	6,280	1,662	5,589	11,260	5,392	8,596	1
	Receipts, taxable:													
2	Gross sales 7/	41,103,117	19,000,370	18,683,922	4,268,193	928,776	126,154	3,624,599	82,745	598,266	1,701,222	686,982	655,903	2
3	Gross receipts from operations 8/	958,097	543,003	339,139	26,106	2,241	1,298	21,275	2,198	5,086	27,151	12,415	63,691	3
4	Interest	74,127	30,824	37,910	18,088	1,273	81	902	6	424	1,351	2,484	442	4
5	Rents and royalties 9/	97,278	22,436	62,804	18,548	8,687	74	4,236	111	1,805	6,325	2,338	4,896	5
6	Net capital gain 10/	6,251	2,537	2,901	468	8	36	642	18	65	110	162	151	6
7	Net gain, sale of property other than capital assets 11/	5,652	1,736	2,591	207	41	1	618	53	46	250	[illegible]	170	7
8	Dividends, domestic corporations 12/	52,618	33,719	16,888	8,194	1,083	30	1,758	(24)	1,171	697	404	975	8
9	Dividends, foreign corporations 13/	40,379	14,342	10,258	12	10,154	-	13	-	(24)	2	8	(24)	9
10	Other receipts	404,838	113,458	262,907	70,634	1,281	1,655	13,848	202	5,412	35,066	63,603	3,900	10
	Receipts, partially and wholly tax-exempt:													
	Interest on Government obligations:													
11	Subject to excess-profits tax 14/	2,931	1,260	1,463	357	8	13	495	(24)	5	176	51	37	11
12	Wholly tax-exempt 15/	2,101	1,002	837	356	1	14	108	-	6	46	44	19	12
13	Total compiled receipts 16/	42,747,368	19,764,687	19,421,600	4,411,165	953,534	129,357	3,668,496	85,333	612,887	1,772,395	768,584	730,183	13
	Deductions:													
14	Cost of goods sold 17/	32,942,227	16,605,959	13,639,938	2,911,936	587,918	78,564	2,855,460	64,203	420,132	1,121,392	388,502	379,867	14
15	Cost of operations 18/	489,146	250,588	198,230	6,763	134	630	14,891	1,802	3,436	12,343	3,037	40,950	15
16	Compensation of officers	821,550	327,144	402,888	45,661	3,890	1,926	30,124	5,331	16,895	59,453	33,092	26,524	16
17	Rent paid on business property	687,301	95,501	549,498	98,563	64,914	518	60,363	2,800	31,824	119,335	27,310	50,456	17
18	Repairs 19/	90,902	17,929	62,468	18,111	2,681	156	12,722	117	1,444	3,620	2,019	6,149	18
19	Bad debts	157,807	66,407	72,988	14,691	63	930	3,850	58	569	8,027	8,905	685	19
20	Interest paid	136,234	55,182	67,703	18,647	1,153	255	7,355	142	1,120	4,485	4,676	2,590	20
21	Taxes paid 20/	442,381	123,962	274,107	76,285	20,722	1,045	40,329	1,449	8,741	23,313	14,294	17,[illegible]	21
22	Contributions or gifts 21/	7,201	2,198	4,376	1,746	159	14	648	14	124	500	217	116	22
23	Depreciation	289,736	67,170	188,769	45,353	12,885	488	37,112	542	6,576	15,733	5,418	18,703	23
24	Depletion	1,958	649	1,087	103	-	4	50	(24)	44	37	19	37	24
25	Net capital loss 10/	3,837	1,551	1,790	203	15	4	176	12	48	168	96	88	25
26	Net loss, sale of property other than capital assets 11/	12,236	4,482	5,345	514	75	65	660	7	140	586	283	348	26
27	Other deductions 22/	5,850,212	1,816,110	3,546,949	981,001	190,117	41,582	549,226	9,059	112,986	380,608	267,356	185,013	27
28	Total compiled deductions	41,932,705	19,434,833	19,016,136	4,219,575	884,727	126,180	3,612,966	85,535	604,079	1,749,600	755,223	729,492	28
29	Compiled net profit or net loss (13 less 28)	814,663	329,854	405,464	191,589	68,807	3,177	55,530	28/202	8,808	22,796	13,361	691	29
30	Net income or deficit 23/ (29 less 12)	812,562	328,853	404,627	191,233	68,806	3,163	55,422	28/202	8,802	22,750	13,317	672	30
31	Income tax	163,821	61,924	84,887	33,746	11,737	731	10,633	98	2,049	6,633	3,531	2,158	31
32	(Declared value) excess-profits tax	2,645	1,611	766	97	4	1	111	10	26	69	69	41	32
33	Total tax	166,467	63,535	85,653	33,843	11,741	731	10,743	107	2,076	6,702	3,599	2,199	33
34	Compiled net profit less total tax (29 less 33)	648,196	266,319	319,811	157,746	57,066	2,446	44,787	29/309	6,733	16,093	9,762	29/1,508	34
	Dividends paid:													
35	Cash and assets other than corporation's own stock	511,228	189,249	270,664	100,079	47,247	2,397	41,770	90	6,388	15,992	7,644	7,122	35
36	Corporation's own stock	10,187	6,193	2,892	532	-	3	1,388	-	14	34	48	54	36

For footnotes, see pages 10 and 11.

Corporation returns, 1939, by major industrial groups: Number of returns, compiled receipts and compiled deductions, compiled net profit or net loss, net income or deficit, income tax, (declared value) excess-profits tax, total tax and dividends paid - Continued

(Money figures in thousands of dollars)

		Major industrial groups 1/ - Continued											
		Trade - Continued							Service				
		Retail - Continued											
		Dealers in automobiles, accessories, tires, batteries	Filling stations	Hardware	Lumber and coal yards	Other retail trade	Retail trade not allocable	Trade not allocable	Total service	Personal service	Business service	Automobile repair services	Amusement
1	Number of returns 6/	10,478	1,962	3,306	8,186	14,549	2,332	15,907	41,030	13,943	7,020	4,651	9,342
	Receipts, taxable:												
2	Gross sales 7/	2,900,864	236,330	202,397	1,041,020	1,350,393	280,078	3,418,824	680,660	365,305	90,900	134,312	38,483
3	Gross receipts from operations 8/	91,833	6,156	1,434	18,021	52,886	6,748	75,954	2,826,362	818,888	614,437	66,470	1,055,679
4	Interest	4,741	89	785	2,667	3,732	845	5,593	7,411	1,126	1,142	130	3,313
5	Rents and royalties 9/	2,000	2,307	549	4,516	4,966	1,445	12,038	78,838	39,459	4,204	5,056	24,506
6	Net capital gain 10/	191	62	17	541	276	152	793	2,436	957	396	161	586
7	Net gain, sale of property other than capital assets 11/	119	117	18	471	277	108	1,326	1,551	442	217	167	597
8	Dividends, domestic corporations 12/	376	148	44	869	945	193	2,010	20,981	1,666	3,884	43	14,457
9	Dividends, foreign corporations 13/	7	(24)	(24)	6	54	(24)	15,799	8,880	12	1,461	(24)	6,976
10	Other receipts	21,051	1,331	2,275	11,832	21,440	9,397	28,473	40,468	11,638	6,589	1,763	14,653
	Receipts, partially and wholly tax-exempt:												
	Interest on Government obligations:												
11	Subject to excess-profits tax 14/	25	92	2	93	78	31	208	465	69	157	5	55
12	Wholly tax-exempt 15/	15	103	(24)	45	65	14	262	328	80	95	3	51
13	Total compiled receipts 16/	3,021,203	246,736	207,522	1,080,081	1,435,114	299,011	3,561,081	3,668,380	1,239,642	723,482	208,110	1,159,314
	Deductions:												
14	Cost of goods sold 17/	2,494,616	176,728	155,518	803,699	992,536	208,867	2,696,330	416,696	203,798	65,423	94,408	21,423
15	Cost of operations 18/	66,880	3,942	886	12,422	25,479	4,637	40,328	1,330,569	389,495	335,204	28,182	454,260
16	Compensation of officers	57,764	5,513	10,752	40,008	56,023	9,934	91,497	187,927	60,954	55,771	12,677	50,084
17	Rent paid on business property	32,385	5,753	4,419	7,366	38,598	4,894	42,301	197,955	58,392	17,482	22,267	87,459
18	Repairs 19/	4,027	2,031	280	4,183	4,055	873	10,505	44,036	28,545	2,521	1,280	9,373
19	Bad debts	8,743	729	1,502	10,692	9,910	3,634	18,412	20,066	6,639	4,991	1,079	4,801
20	Interest paid	10,809	747	1,227	6,361	6,437	1,699	13,348	61,083	34,043	2,156	2,337	19,707
21	Taxes paid 20/	20,269	5,404	3,015	16,909	19,934	4,435	44,312	120,142	58,897	12,695	5,192	34,512
22	Contributions or gifts 21/	236	22	54	221	259	66	627	1,174	300	257	35	504
23	Depreciation	9,962	3,940	1,427	12,818	14,662	3,151	33,796	141,624	73,367	14,163	6,462	39,156
24	Depletion	236	17	7	215	304	14	222	406	115	33	11	139
25	Net capital loss 10/	177	56	30	435	229	52	496	960	318	212	65	189
26	Net loss, sale of property other than capital assets 11/	435	31	102	748	624	728	2,409	4,387	2,529	168	226	893
27	Other deductions 22/	302,215	36,054	27,884	150,459	259,421	53,986	487,153	1,060,927	335,373	179,316	35,044	387,471
28	Total compiled deductions	3,008,754	240,945	207,104	1,066,536	1,428,451	296,970	3,481,737	3,587,952	1,252,764	690,374	209,265	1,099,971
29	Compiled net profit or net loss (13 less 28)	12,449	5,791	417	13,545	6,663	2,041	79,345	80,428	28/13,122	33,108	28/1,155	59,342
30	Net income or deficit 23/ (29 less 12)	12,434	5,688	417	13,500	6,598	2,027	79,082	80,100	28/13,202	33,013	28/1,158	59,292
31	Income tax	3,440	1,198	508	3,657	3,781	986	17,010	27,001	4,717	6,587	474	12,867
32	(Declared value) excess-profits tax	67	7	12	83	119	53	268	331	84	71	15	102
33	Total tax	3,507	1,205	521	3,740	3,900	1,039	17,278	27,332	4,801	6,658	488	12,969
34	Compiled net profit less total tax (29 less 33)	8,942	4,586	29/103	9,805	2,764	1,002	62,066	53,096	29/17,923	26,450	29/1,643	46,374
	Dividends paid:												
35	Cash and assets other than corporation's own stock	7,254	4,201	1,020	10,795	16,680	1,986	51,315	87,973	12,945	25,619	1,095	41,011
36	Corporation's own stock	152	9	23	378	118	139	1,102	1,010	132	147	1	416

For footnotes, see pages 10 and 11.

Corporation returns, 1939, by major industrial groups: Number of returns, compiled receipts and compiled deductions, compiled net profit or net loss, net income or deficit, income tax, (declared value) excess-profits tax, total tax and dividends paid - Continued

(Money figures in thousands of dollars)

		Major industrial groups 1/ - Continued											
		Service - Continued		Finance, insurance, real estate, and lessors of real property									
		Other service, including schools	Service not allocable	Total finance, insurance, real estate, and lessors of real property	Banks and trust companies	Mortgage and title companies	Investment trusts and investment companies	Holding companies 4/	Other corporations holding securities 5/	Security and commodity-exchange brokers and dealers	Commercial credit and finance companies	Industrial and personal loan companies	Other finance companies	
1	Number of returns 6/	5,867	207	142,332	16,106	1,451	768	687	3,350	2,103	2,478	2,154	1,874	1
	Receipts, taxable:													
2	Gross sales 7/	48,672	2,989	87,674	-	-	-	-	3,503	-	6,494	2,310	4,717	2
3	Gross receipts from operations 8/	266,860	4,027	2,916,262	278,334	20,853	14,222	28,682	5,481	89,679	156,471	41,067	4,623	3
4	Interest	1,676	23	2,147,132	906,223	15,373	21,701	158,434	37,119	4,547	47,300	76,953	3,955	4
5	Rents and royalties 9/	5,597	17	1,787,152	96,367	14,590	1,282	2,971	2,978	1,576	873	633	39,729	5
6	Net capital gain 10/	331	4	158,434	108,686	1,824	11,627	4,668	5,781	1,966	265	149	837	6
7	Net gain, sale of property other than capital assets 11/	126	2	75,098	2,037	218	602	134	228	41,546	259	61	376	7
8	Dividends, domestic corporations 12/	933	18	1,116,187	22,741	832	109,861	654,550	176,218	4,086	8,136	1,083	6,775	8
9	Dividends, foreign corporations 13/	432	-	71,476	573	2	3,519	58,685	5,917	42	140	(24)	45	9
10	Other receipts	5,544	301	137,416	36,277	4,293	1,443	11,507	3,059	5,364	5,989	2,985	1,384	10
	Receipts, partially and wholly tax-exempt:													
	Interest on Government obligations:													
11	Subject to excess-profits tax 14/	178	1	294,363	243,909	480	652	1,530	1,844	856	58	45	92	11
12	Wholly tax-exempt 15/	99	(24)	423,514	201,972	1,474	537	524	2,482	3,316	23	105	199	12
13	Total compiled receipts 16/	330,450	7,382	9,214,709	1,897,120	59,939	165,446	921,685	244,610	152,977	226,007	125,392	62,729	13
	Deductions:													
14	Cost of goods sold 17/	30,366	1,278	69,475	-	-	-	-	2,770	-	5,810	1,796	3,749	14
15	Cost of operations 18/	121,934	1,494	195,981	627	1,334	1,856	9,313	140	30,616	3,679	4,787	1,990	15
16	Compensation of officers	27,683	757	25/439,657	186,058	5,638	4,193	9,976	9,817	26,771	13,746	8,325	3,915	16
17	Rent paid on business property	11,642	713	194,150	47,685	1,038	775	2,941	913	7,271	4,315	4,355	732	17
18	Repairs 19/	2,273	44	110,689	15,640	1,235	188	78	233	189	416	132	710	18
19	Bad debts	2,532	25	319,464	185,733	8,384	6,019	12,049	10,515	5,223	14,781	7,777	11,966	19
20	Interest paid	2,760	80	1,016,984	255,765	14,902	22,460	192,078	30,179	4,339	26,949	16,119	3,919	20
21	Taxes paid 20/	8,695	151	626,634	98,864	4,673	4,768	12,260	7,912	5,573	6,388	3,822	2,785	21
22	Contributions or gifts 21/	96	1	4,251	1,844	25	94	193	743	90	116	101	10	22
23	Depreciation	8,298	177	401,038	52,748	3,001	377	3,207	1,352	1,028	2,081	870	6,391	23
24	Depletion	107	4	22,457	139	23	116	428	251	11	5	1	57	24
25	Net capital loss 10/	164	11	51,833	35,256	576	549	195	1,788	4,522	136	58	202	25
26	Net loss, sale of property other than capital assets 11/	569	1	101,508	19,712	4,761	476	369	2,483	2,147	108	134	5,768	26
27	Other deductions 22/	110,997	2,726	26/4,300,977	598,047	27,746	32,625	61,214	33,119	65,896	89,524	47,436	33,121	27
28	Total compiled deductions	328,117	7,461	27/7,855,097	1,498,119	73,336	74,495	304,300	102,215	153,677	168,053	95,713	75,315	28
29	Compiled net profit or net loss (13 less 28)	2,333	28/79	1,359,612	399,001	28/13,397	90,951	617,385	142,395	28/700	57,954	29,679	28/12,586	29
30	Net income or deficit 23/ (29 less 12)	2,234	28/79	936,098	197,029	28/14,871	90,414	616,861	139,912	28/4,016	57,931	29,573	28/12,784	30
31	Income tax	2,332	25	131,558	14,369	483	2,807	29,756	7,556	1,711	9,063	5,039	1,984	31
32	(Declared value) excess-profits tax	59	1	915	256	7	36	22	23	62	25	14	20	32
33	Total tax	2,391	25	132,472	14,625	490	2,843	29,778	7,579	1,772	9,089	5,053	2,005	33
34	Compiled net profit less total tax (29 less 33)	29/58	29/104	1,227,140	384,376	29/13,887	88,107	587,607	134,816	29/2,472	48,865	24,626	29/14,590	34
	Dividends paid:													
35	Cash and assets other than corporation's own stock	7,228	77	1,453,567	213,651	4,112	139,226	537,978	158,126	8,469	47,160	18,934	13,102	35
36	Corporation's own stock	314	-	41,805	4,647	3	150	32,450	626	152	798	1,194	64	36

For footnotes, see pages 10 and 11.

Corporation returns, 1939, by major industrial groups: Number of returns, compiled receipts and compiled deductions, compiled net profit or net loss, net income or deficit, income tax, (declared value) excess-profits tax, total tax and dividends paid - Continued

(Money figures in thousands of dollars)

		Major industrial groups 1/ - Continued											
		Finance, insurance, real estate, and lessors of real property - Continued				Construction	Agriculture, forestry, and fishery				Nature of business not allocable, except trade	
		Insurance carriers, agents, etc.	Real estate, including lessors of buildings	Lessors of real property, except buildings	Finance, insurance, real estate, and lessors of real property not allocable		Total agriculture, forestry and fishery	Agriculture and services	Forestry	Fishery		
1	Number of returns 6/	7,475	92,879	4,089	6,918	16,061	8,636	7,834	450	352	4,284	1
	Receipts, taxable:											
2	Gross sales 7/	-	51,499	3,717	15,433	596,864	464,886	424,053	15,191	25,641	82,429	2
3	Gross receipts from operations 8/	1,789,675	341,802	100,295	45,078	1,611,004	112,693	104,216	2,782	5,695	17,706	3
4	Interest	815,502	27,569	1,942	30,514	2,924	2,483	2,180	272	31	1,295	4
5	Rents and royalties 9/	194,830	1,347,137	59,260	24,926	7,726	9,325	8,936	309	80	2,955	5
6	Net capital gain 10/	3,564	10,696	2,421	5,952	1,616	3,026	1,651	1,211	164	999	6
7	Net gain, sale of property other than capital assets 11/	309	26,713	723	1,893	1,942	739	436	257	46	580	7
8	Dividends, domestic corporations 12/	94,316	15,001	2,910	19,680	6,289	6,769	6,472	265	32	1,492	8
9	Dividends, foreign corporations 13/	1,864	156	15	519	344	1,549	1,547	1	(24)	46	9
10	Other receipts	9,845	33,897	14,805	6,567	19,916	8,573	7,817	535	221	2,765	10
	Receipts, partially and wholly tax-exempt:											
	Interest on Government obligations:											
11	Subject to excess-profits tax 14/	42,613	1,119	290	875	518	830	814	14	2	71	11
12	Wholly tax-exempt 15/	209,186	1,286	191	2,219	490	335	322	3	9	67	12
13	Total compiled receipts 16/	3,161,704	1,856,875	186,569	153,657	2,249,631	611,207	558,445	20,840	31,922	110,405	13
	Deductions:											
14	Cost of goods sold 17/	-	37,993	2,568	14,789	477,261	348,552	316,913	10,168	21,471	66,741	14
15	Cost of operations 18/	31,046	104,480	1,728	4,386	1,337,216	46,541	41,891	1,232	3,419	8,240	15
16	Compensation of officers	25/48,998	101,303	4,436	16,481	100,271	19,587	17,783	735	1,069	5,537	16
17	Rent paid on business property	20,988	97,926	1,803	3,408	11,998	14,919	14,591	91	237	1,753	17
18	Repairs 19/	2,980	85,317	1,562	2,009	13,221	9,666	8,818	144	705	969	18
19	Bad debts	7,073	34,512	1,212	14,219	9,673	2,529	2,338	53	137	2,728	19
20	Interest paid	46,812	340,744	40,174	22,543	8,692	13,612	11,850	1,479	303	3,460	20
21	Taxes paid 20/	109,656	341,917	16,728	11,288	52,003	16,319	14,447	1,440	432	3,366	21
22	Contributions or gifts 21/	328	578	40	89	353	108	97	9	2	20	22
23	Depreciation	43,196	271,342	8,464	6,981	39,871	26,534	23,019	2,135	1,380	3,313	23
24	Depletion	6	631	20,203	586	146	1,642	440	1,201	1	231	24
25	Net capital loss 10/	784	5,927	277	1,562	729	550	498	40	12	283	25
26	Net loss, sale of property other than capital assets 11/	3,296	55,738	1,680	4,838	1,068	2,141	1,161	845	135	2,449	26
27	Other deductions 22/	26/2,721,870	522,147	21,664	46,568	184,094	95,624	90,202	2,558	2,864	18,012	27
28	Total compiled deductions	27/3,037,034	2,000,554	122,541	149,746	2,216,576	598,323	544,029	22,128	32,166	117,104	28
29	Compiled net profit or net loss (13 less 28)	124,670	28/143,679	64,029	3,911	33,055	12,884	14,416	28/1,289	28/243	28/6,700	29
30	Net income or deficit 23/ (29 less 12)	28/84,516	28/144,965	63,857	1,692	32,565	12,549	14,094	28/1,292	28/253	28/6,767	30
31	Income tax	24,568	18,409	13,068	2,743	10,701	5,683	5,199	328	156	746	31
32	(Declared value) excess-profits tax	69	321	31	29	467	141	131	7	3	18	32
33	Total tax	24,637	18,730	13,099	2,772	11,168	5,825	5,330	336	159	764	33
34	Compiled net profit less total tax (29 less 33)	100,033	29/162,409	50,929	1,138	21,887	7,059	9,086	29/1,624	29/402	29/7,464	34
	Dividends paid:											
35	Cash and assets other than corporation's own stock	128,358	82,682	75,121	26,650	28,051	23,666	21,252	2,150	264	5,613	35
36	Corporation's own stock	878	472	43	326	466	136	94	40	2	224	36

For footnotes, see pages 10 and 11.

FOOTNOTES

1/ In general, corporations are classified industrially on the one business activity which accounts for the largest percentage of "Total receipts." Therefore, the industrial groups contain corporations not engaged exclusively in the industries in which they are classified. The industrial classification is based on the Standard Industrial Classification, issued by the Division of Statistical Standards, Bureau of the Budget, Executive Office of the President.

2/ Includes toll roads and toll bridges which were included in "Other public utilities" for 1938, and excludes natural gas pipe lines which are included in "Other public utilities" (see note 3).

3/ Includes natural gas pipe lines which were included in "Transportation" for 1938, and excludes toll roads and toll bridges which are included in "Transportation" (see note 2).

4/ Consists of corporations who at any time during the taxable year owned 50 percent or more of the voting stock of another corporation and whose income from such stock was 50 percent or more of the amount of dividends received.

5/ Consists of corporations (other than investment trusts and investment companies) who (a) at no time during the taxable year owned 50 percent or more of the voting stock of another corporation or (b) at any time during the taxable year owned 50 percent or more of the voting stock of another corporation but whose income from such stock was less than 50 percent of the amount of dividends received.

6/ Excludes number of returns of inactive corporations.

7/ Gross sales less returns and allowances where inventories are an income-determining factor. For "Cost of goods sold," see "Deductions."

8/ Gross receipts from operations where inventories are not an income-determining factor. For "Cost of operations," see "Deductions."

9/ Consists of gross amounts received. Repairs, interest, taxes, other expenses, depreciation, and depletion are included in the proper deduction items.

10/ Excludes property used in trade or business of a character which is subject to the allowance for depreciation. Net capital loss is limited to $2,000 except for certain losses of banks and trust companies.

11/ Consists of net gain or loss from property used in trade or business of a character which is subject to the allowance for depreciation.

12/ Dividends from domestic corporations subject to taxation under Chapter 1 of the Internal Revenue Code (column 2, Schedule G, page 3, Form 1120 and column 2, Schedule E, page 2, Form 1120A) which is the amount used for the computation of the dividends received credit. Dividends from corporations organized under the China Trade Act, 1922, and corporations entitled to the benefits of Section 251 of the Internal Revenue Code (corporations receiving a large portion of their gross income from sources within a possession of the United States) are included in "Other receipts."

13/ Reported in column 3, Schedule G, page 3, Form 1120 and in column 3, Schedule E, page 2, Form 1120A, and not used for the computation of dividends received credit.

14/ Consists of interest on United States savings bonds and Treasury bonds owned in principal amount over $5,000 reported as item 8, page 1, Forms 1120 and 1120A.

15/ Consists of interest on obligations of States, Territories, and political subdivisions thereof, the District of Columbia, and United States possessions; obligations of the United States issued on or before September 1, 1917, Treasury notes, Treasury bills, and Treasury certificates of indebtedness; United States savings bonds and Treasury bonds owned in principal amount of $5,000 or less; and obligations of instrumentalities of the United States.

16/ Excludes nontaxable income other than interest on tax-exempt obligations reported in Schedule P, page 5, Form 1120 and in Schedule A, page 2, Form 1120A.

17/ Includes taxes which are reported in "Cost of goods sold."

18/ Includes taxes which are reported in "Cost of operations."

19/ The cost of incidental repairs, including labor and supplies, which do not add materially to the value of the property or appreciably prolong its life. For 1938, this item was included in "Other deductions."

20/ Excludes (1) Federal income and (declared value) excess-profits taxes, (2) taxes reported in "Cost of goods sold" and "Cost of operations," and (3) income and profits taxes paid to foreign countries and United States possessions, claimed as a credit against income tax.

FOOTNOTES - CONTINUED

21/ Limited to 5 percent of net income before deduction of contributions or gifts.

22/ Unlike 1938, excludes "Repairs" (see note 19).

23/ "Net income" or "Deficit" is the amount reported for (declared value) excess-profits tax computation (item 28, page 1, Forms 1120 and 1120A) and is equal to the difference between "Total income" and "Total deductions" (items 14 and 27, respectively, page 1, Forms 1120 and 1120A).

24/ Less than $500.

25/ Excludes compensation of officers of life insurance companies which file Form 1120L.

26/ Includes special deductions of life insurance companies relating to reserve for dividends and reserve funds required by law.

27/ Includes special deductions of life insurance companies relating to reserve for dividends and reserve funds required by law, but excludes compensation of officers of life insurance companies which file Form 1120L.

28/ Compiled net loss or deficit.

29/ Compiled net loss after total tax payment.

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TREASURY DEPARTMENT

Washington

FOR RELEASE, MORNING NEWSPAPERS,
Monday, February 9, 1942.
1/23/42

Press Service
No. 29-87

Secretary of the Treasury Morgenthau today made public the fourth in the series of tabulations from "Statistics of Income for 1939, Part 2, compiled from Corporation Income and (Declared Value) Excess-profits Tax Returns and Personal Holding Company Returns," prepared under the direction of Commissioner of Internal Revenue Guy T. Helvering.

For returns with balance sheets, the first of the two attached tables shows by major industrial groups, and the second table by total assets classes, the following data: Items of assets and liabilities as of the end of the taxable year, items of compiled receipts and compiled deductions, compiled net profit or net loss, net income or deficit, income tax, (declared value) excess-profits tax, total tax, compiled net profit less total tax and dividends paid.

Adjustments of assets and liabilities are made in tabulating the data, when certain conditions appear on the balance sheet, as follows: (1) a negative amount reported in assets is transferred to its appropriate place under liabilities and "Total assets" and "Total liabilities" are increased by this negative amount, (2) a deficit in surplus shown under assets is transferred to liabilities and "Total assets" and "Total liabilities" are decreased by the amount of the deficit, and (3) reserves for depreciation, depletion, and bad debts when shown under liabilities are used to reduce the corresponding asset accounts and "Total assets" and "Total liabilities" are reduced by the amount of such reserves.

"Net capital assets" consists of net tangible and intangible capital assets. Tangible assets comprise (1) depreciable and depletable assets (such as buildings, machinery and equipment, furniture and fixtures, delivery equipment, and natural resources) less reserves for depreciation and depletion, and (2) land. Intangible assets comprise patents, copyrights, franchises, leaseholds, formulas, goodwill, trademarks, etc., less reserve for depreciation or amortization. For 1938, net intangible assets were included in "Other assets."

"Surplus reserves" comprises reserves reported by corporations under the caption "Surplus reserves." "Surplus and undivided profits" consists of positive amounts of "Paid-in or capital surplus" and "Earned surplus and undivided profits." If either or both of these amounts are negative they are tabulated as "Deficit."

In general, corporations are classified industrially on the one business activity which accounts for the largest percentage of "Total receipts." Therefore, the industrial groups contain corporations not engaged exclusively in the industries in which they are classified. "Total receipts" means the sum of the following items: Gross sales (where inventories are an income-determining factor); gross receipts (where inventories are not an income-determining factor); interest on loans, notes, mortgages, bonds, bank deposits, etc.; taxable interest on obligations of the United States; rents; royalties; capital gain; gain from sale or exchange of property other than capital assets; dividends; and other income required to be included in gross income.

The major industrial groups for 1939 are comparable with those for 1938. The industrial classification for 1939 and 1938 is based on the Standard Industrial Classification, issued by the Division of Statistical Standards, Bureau of the Budget, Executive Office of the President. Since the Standard Industrial Classification, as at present designed, is on an establishment basis, certain modifications are necessary to make it applicable to corporation income tax returns which are filed on an ownership basis.

In analyzing the data, compiled from returns classified under the major industrial group "Insurance carriers, agents, etc.," allowance should be made for the two special deductions from gross income permitted life insurance companies under section 203(a), Internal Revenue Code as amended, relating to reserve funds required by law, and reserve for dividends. For 1939 returns with balance sheets, these deductions aggregate $15,861,101 on returns with net income, and $893,445,626 on returns with no net income. In the attached tables, the special deductions for life insurance companies are included in "Other deductions."

Table 1. - Corporation returns with balance sheets, 1939, by major industrial groups and by returns with net income and with no net income 1/: Number of returns, assets and liabilities as of December 31, 1939, or close of fiscal year nearest thereto, compiled receipts and compiled deductions, compiled net profit or loss, net income or deficit, income tax, (declared value) excess-profits tax, total tax, and dividends paid
(Money figures in thousands of dollars)

		Major industrial groups 2/											
		All industrial groups		Mining and quarrying: Total mining and quarrying		Metal mining		Anthracite mining		Bituminous coal, lignite, peat, etc.		Petroleum	
		Net income	No net income	Net income	No net income	Net income	No net income	Net income	No net income	Net income	No net income	Net income	No net income
1	Number of returns with balance sheets 7/	187,920	224,839	3,357	5,930	319	776	23	89	487	1,106	1,722	2,887
	Assets:												
2	Cash 8/	28,106,427	5,947,125	321,100	86,921	180,279	7,857	1,919	9,420	37,360	28,850	61,849	36,848
3	Notes and accounts receivable (less reserve for bad debts)	31,487,739	7,962,779	314,378	235,246	74,129	32,695	2,558	22,496	58,727	78,606	145,704	88,332
4	Inventories	14,479,093	3,238,997	235,448	85,179	152,590	21,486	711	10,151	18,984	20,138	23,036	27,379
5	Investments, Government obligations 9/	17,236,305	10,116,242	82,902	27,323	49,063	1,083	601	6,903	15,178	5,499	12,456	13,408
6	Other investments	49,690,600	31,464,291	977,405	284,150	669,264	18,496	1,231	57,103	99,760	89,605	179,507	103,415
7	Net capital assets 10/	61,734,309	38,491,788	2,079,929	2,370,266	958,852	451,065	7,000	246,931	363,804	680,061	522,163	863,836
8	Other assets 11/	3,936,469	2,909,140	103,765	126,714	65,126	47,896	242	20,299	10,838	19,058	16,917	32,609
9	Total assets 12/	206,670,943	100,130,363	4,114,928	3,215,799	2,149,303	580,579	14,261	373,305	604,652	921,817	961,632	1,165,827
	Liabilities:												
10	Accounts payable	9,189,247	5,316,524	184,454	357,312	84,134	90,574	1,221	26,039	32,279	76,044	46,461	139,320
	Bonds, notes, mortgages payable:												
11	Maturity less than 1 year	4,495,702	3,531,327	73,025	189,593	16,438	12,095	525	25,110	9,432	35,624	38,774	108,618
12	Maturity 1 year or more	26,689,518	22,698,638	301,958	698,423	100,861	52,226	726	163,729	62,719	188,519	106,230	266,861
13	Other liabilities	55,949,142	42,067,177	134,433	159,178	76,012	34,141	1,261	31,278	16,247	41,279	31,859	43,962
14	Capital stock, preferred	12,678,326	4,576,975	99,715	150,866	25,305	9,327	3	1,614	26,999	98,510	22,874	29,533
15	Capital stock, common	53,969,463	19,512,441	1,767,577	1,356,291	1,000,204	255,254	2,934	108,233	254,638	350,456	361,790	537,283
16	Surplus reserves 13/	5,940,922	1,906,309	132,235	72,819	56,827	7,869	328	10,056	11,654	19,143	43,060	33,293
17	Surplus and undivided profits 14/	40,207,646	11,094,338	1,571,438	863,160	823,739	220,009	7,548	58,929	208,630	267,499	391,789	286,714
18	Less deficit 15/	2,449,023	10,573,367	149,908	631,843	34,215	100,916	283	51,684	17,946	155,257	81,206	279,758
19	Total liabilities 12/	206,670,943	100,130,363	4,114,928	3,215,799	2,149,303	580,579	14,261	373,305	604,652	921,817	961,632	1,165,827
	Receipts, taxable:												
20	Gross sales 16/	83,120,639	16,919,304	1,454,630	962,972	628,926	143,876	15,339	165,575	349,184	355,802	273,717	259,639
21	Gross receipts from operations 17/	15,145,266	6,415,459	157,573	124,651	12,375	7,235	2,510	7,545	24,249	42,398	99,652	56,758
22	Interest	1,347,275	1,058,020	5,647	3,121	2,734	119	21	691	876	1,165	1,640	1,066
23	Rents and royalties 18/	1,124,228	1,083,025	17,007	23,674	3,956	1,448	129	4,842	7,233	10,133	4,214	6,687
24	Net capital gain 19/	166,086	39,775	4,773	2,971	563	31	5	53	400	531	3,639	2,315
25	Net gain, sale of property other than capital assets 20/	75,203	32,733	2,873	2,723	207	111	28	37	208	431	2,327	2,114
26	Dividends, domestic corporations 21/	1,740,076	120,377	36,451	4,853	26,181	114	38	640	1,472	2,141	7,650	1,897
27	Dividends, foreign corporations 22/	242,180	4,799	1,437	12	1,350	-	-	-	52	10	32	2
28	Other receipts	750,693	227,166	20,483	13,695	8,326	1,365	50	2,376	4,629	4,145	5,642	5,051
	Receipts, partially and wholly tax exempt:												
	Interest on Government obligations:												
29	Subject to excess-profits tax 23/	258,859	56,486	1,367	429	608	9	13	199	325	193	309	24
30	Wholly tax-exempt 24/	197,194	240,097	840	350	573	19	2	15	149	33	47	273
31	Total compiled receipts 25/	104,167,699	26,197,241	1,703,082	1,139,451	685,800	154,326	18,136	181,973	388,777	416,980	398,870	335,825
	Deductions:												
32	Cost of goods sold 26/	62,611,536	13,395,534	865,659	722,578	375,117	107,247	12,955	142,527	266,582	298,252	104,814	147,004
33	Cost of operations 27/	6,872,801	3,948,046	92,404	84,231	7,562	5,291	1,479	6,596	17,390	30,213	55,787	34,934
34	Compensation of officers	33/1,902,741	33/717,777	28,019	17,885	4,631	1,058	500	754	5,096	4,296	10,098	9,358
35	Rent paid on business property	1,066,615	493,556	5,854	10,267	836	218	64	533	1,234	3,364	2,325	5,585
36	Repairs 28/	850,425	229,072	31,352	22,546	10,927	1,313	139	5,354	10,252	8,525	2,826	5,543
37	Bad debts	417,103	268,691	3,135	4,871	612	775	56	1,210	503	1,309	989	1,139
38	Interest paid	1,553,026	1,172,482	20,788	36,275	7,160	3,049	75	8,071	3,424	8,204	7,838	15,577
39	Taxes paid 29/	2,867,131	1,048,541	61,426	69,579	25,367	23,211	621	11,117	15,467	19,075	13,492	14,545
40	Contributions or gifts 30/	29,023	1,248	412	22	178	1	(32)	(32)	50	9	107	7
41	Depreciation	2,459,456	918,450	88,218	71,597	27,551	5,664	606	5,937	16,053	19,738	33,050	36,326
42	Depletion	290,739	136,250	138,170	69,945	66,732	7,294	130	6,486	8,498	7,051	55,232	48,543
43	Net capital loss 19/	20,846	39,973	203	559	30	37	-	6	33	205	86	251
44	Net loss, sale of property other than capital assets 20/	35,043	110,745	752	4,532	48	655	1	257	50	1,605	279	1,423
45	Other deductions 31/	34/14,285,378	34/5,386,623	116,618	137,114	24,327	9,204	1,000	11,443	25,832	38,220	43,148	70,092
46	Total compiled deductions	35/95,261,863	35/27,866,988	1,453,012	1,251,999	551,078	165,017	17,626	200,292	370,461	440,066	330,069	390,326
47	Compiled net profit or net loss (31 less 46)	8,905,836	36/1,669,747	250,070	36/112,548	134,722	36/10,691	509	36/18,319	18,316	36/23,086	68,802	36/54,501
48	Net income or deficit 1/ (47 less 30)	8,708,642	36/1,909,844	249,230	36/112,898	134,150	36/10,711	507	36/18,334	18,167	36/23,119	68,754	36/54,774
49	Income tax	1,202,070	-	36,672	-	18,731	-	77	-	2,790	-	10,702	-
50	(Declared value) excess-profits tax	15,387	-	380	-	182	-	5	-	39	-	69	-
51	Total tax	1,217,457	-	37,051	-	18,913	-	82	-	2,829	-	10,771	-
52	Compiled net profit less total tax (47 less 51)	7,688,380	36/1,669,747	213,019	36/112,548	115,810	36/10,691	427	36/18,319	15,487	36/23,086	58,031	36/54,501
	Dividends paid:												
53	Cash and assets other than corporation's own stock	5,475,733	162,962	198,460	17,895	120,087	853	387	462	12,178	807	47,466	15,477
54	Corporation's own stock	84,200	2,076	1,023	43	16	-	-	-	167	-	840	41

For footnotes, see pages 19 and 20.

Table 1. - Corporation returns with balance sheets, 1939, by major industrial groups and by returns with net income and with no net income 1/: Number of returns, assets and liabilities as of December 31, 1939, or close of fiscal year nearest thereto, compiled receipts and compiled deductions, compiled net profit or loss, net income or deficit, income tax, (declared value) excess-profits tax, total tax, and dividends paid - Continued
(Money figures in thousands of dollars)

		Major industrial groups 2/ - Continued												
		Mining and quarrying - Continued				Manufacturing								
		Nonmetallic mining and quarrying		Mining and quarrying not allocable		Total manufacturing		Food and kindred products		Beverages		Tobacco manufactures		
		Net income	No net income	Net income	No net income	Net income	No net income	Net income	No net income	Net income	No net income	Net income	No net income	
1	Number of returns with balance sheets 7/	784	805	22	267	41,946	38,914	4,869	4,103	1,610	1,184	110	164	1
	Assets:													
2	Cash 8/	39,312	3,241	382	705	4,136,361	433,458	437,977	28,110	85,946	8,178	59,484	1,879	2
3	Notes and accounts receivable (less reserve for bad debts)	32,382	11,689	877	1,428	6,344,534	1,082,691	576,458	86,071	123,127	35,136	162,458	7,993	3
4	Inventories	40,059	5,145	68	879	9,307,193	1,685,500	1,046,115	135,167	232,542	61,978	560,608	8,433	4
5	Investments, Government obligations 9/	5,584	333	20	96	1,103,607	53,167	78,953	4,288	14,636	886	27,115	398	5
6	Other investments	24,226	7,471	3,417	8,059	7,579,308	770,752	775,501	42,917	67,658	10,366	93,644	2,311	6
7	Net capital assets 10/	225,271	86,143	2,840	42,230	18,366,445	4,693,718	1,941,081	309,578	465,298	124,667	170,215	5,360	7
8	Other assets 11/	10,530	4,612	112	2,239	926,916	254,976	101,638	16,959	42,486	11,125	6,229	913	8
9	Total assets 12/	377,364	118,634	7,716	55,637	47,764,363	8,974,262	4,957,722	625,089	1,031,693	252,336	1,079,752	27,287	9
	Liabilities:													
10	Accounts payable	19,686	16,855	674	8,479	3,826,787	1,003,362	336,670	82,542	96,706	32,453	71,584	2,152	10
	Bonds, notes, mortgages payable:													
11	Maturity less than 1 year	7,756	7,243	101	903	1,227,500	938,313	205,545	61,749	37,483	39,539	14,438	2,357	11
12	Maturity 1 year or more	30,680	23,094	742	3,992	3,863,721	1,391,284	375,696	111,108	124,027	48,745	98,903	1,516	12
13	Other liabilities	8,995	6,899	59	1,618	1,658,757	390,538	159,095	26,050	57,518	12,936	44,599	309	13
14	Capital stock, preferred	24,534	11,321	-	562	4,695,184	955,701	652,595	39,673	49,131	18,946	127,533	3,576	14
15	Capital stock, common	145,903	52,964	2,109	52,100	16,585,180	3,446,410	1,684,629	293,115	266,555	85,540	421,821	10,543	15
16	Surplus reserves 13/	20,348	2,405	20	53	1,888,097	275,669	219,420	10,234	16,690	2,927	23,622	101	16
17	Surplus and undivided profits 14/	134,419	22,269	5,312	7,740	14,526,877	2,010,093	1,373,860	106,614	390,804	48,177	278,367	10,567	17
18	Less deficit 15/	14,957	24,417	1,301	19,811	507,740	1,437,108	49,787	107,997	7,219	36,928	1,116	3,832	18
19	Total liabilities 12/	377,364	118,634	7,716	55,637	47,764,363	8,974,262	4,957,722	625,089	1,031,693	252,336	1,079,752	27,287	19
	Receipts, taxable:													
20	Gross sales 16/	186,756	32,587	708	5,494	47,641,351	7,718,365	8,853,411	1,015,648	1,414,788	239,433	1,276,848	27,456	20
21	Gross receipts from operations 17/	18,313	9,520	473	1,197	805,305	308,037	52,576	15,338	7,506	4,741	2,327	89	21
22	Interest	348	73	27	8	88,741	13,720	8,250	709	1,463	304	2,106	16	22
23	Rents and royalties 18/	1,457	481	18	84	164,874	29,126	13,907	1,734	3,136	872	2,354	52	23
24	Net capital gain 19/	164	41	2	1	19,014	6,130	891	314	125	52	698	14	24
25	Net gain, sale of property other than capital assets 20/	103	17	-	14	10,475	3,160	1,030	197	326	159	101	5	25
26	Dividends, domestic corporations 21/	922	59	188	3	341,855	17,524	27,251	328	3,344	67	4,386	97	26
27	Dividends, foreign corporations 22/	2	(32)	1	-	119,085	551	18,648	120	918	2	458	-	27
28	Other receipts	1,806	727	29	32	240,884	48,415	36,957	6,107	8,026	1,513	1,804	132	28
	Receipts, partially and wholly tax exempt:													
	Interest on Government obligations:													
29	Subject to excess-profits tax 23/	113	4	-	(32)	13,498	736	1,208	83	199	24	369	6	29
30	Wholly tax-exempt 24/	65	9	4	-	11,559	734	877	82	230	1	223	9	30
31	Total compiled receipts 25/	210,048	43,516	1,450	6,832	49,456,641	8,146,499	9,015,006	1,040,662	1,440,061	247,168	1,291,674	27,875	31
	Deductions:													
32	Cost of goods sold 26/	105,888	23,079	304	4,468	34,653,337	6,093,012	7,165,119	831,945	733,942	149,097	937,522	21,733	32
33	Cost of operations 27/	9,883	6,142	304	1,055	421,881	180,337	19,262	9,844	2,054	2,179	1,787	77	33
34	Compensation of officers	7,635	2,277	59	142	752,908	198,756	74,251	17,330	23,955	5,361	5,547	1,087	34
35	Rent paid on business property	1,357	555	38	11	219,215	78,661	27,992	6,045	4,474	1,475	1,387	181	35
36	Repairs 28/	7,197	1,622	12	189	648,099	86,854	70,314	7,764	10,401	1,436	1,815	84	36
37	Bad debts	972	399	3	38	117,186	47,283	14,108	3,888	5,395	1,747	419	114	37
38	Interest paid	2,276	1,319	15	55	259,494	78,818	27,180	7,975	10,153	3,958	5,260	166	38
39	Taxes paid 29/	6,400	1,265	79	367	1,345,064	226,430	146,156	23,096	226,821	39,971	92,239	849	39
40	Contributions or gifts 30/	78	5	-	(32)	13,706	263	1,469	45	607	4	160	1	40
41	Depreciation	10,924	3,495	35	436	1,146,772	273,713	116,111	19,696	29,309	7,769	7,603	317	41
42	Depletion	7,483	377	95	193	122,848	57,471	194	59	61	35	-	-	42
43	Net capital loss 19/	54	51	1	9	3,022	1,543	335	167	82	40	8	2	43
44	Net loss, sale of property other than capital assets 20/	374	586	-	6	15,624	20,316	1,974	1,503	418	495	87	76	44
45	Other deductions 31/	22,126	7,173	185	981	5,811,233	1,158,293	932,250	140,483	241,696	49,399	109,044	4,337	45
46	Total compiled deductions	182,648	48,346	1,130	7,952	45,530,387	8,501,749	8,596,714	1,069,840	1,289,369	262,967	1,162,879	29,024	46
47	Compiled net profit or net loss (31 less 46)	27,400	36/4,830	320	36/1,120	3,926,254	36/355,250	418,292	36/29,178	150,692	36/15,799	128,795	36/1,149	47
48	Net income or deficit 1/ (47 less 30)	27,335	36/4,839	316	36/1,120	3,914,695	36/355,984	417,416	36/29,259	150,462	36/15,800	128,572	36/1,157	48
49	Income tax	4,348	-	24	-	619,682	-	67,161	-	25,515	-	21,059	-	49
50	(Declared value) excess-profits tax	84	-	1	-	9,608	-	626	-	182	-	7	-	50
51	Total tax	4,432	-	25	-	629,290	-	67,787	-	25,698	-	21,067	-	51
52	Compiled net profit less total tax (47 less 51)	22,969	36/4,830	296	36/1,120	3,296,964	36/355,250	350,505	36/29,178	124,994	36/15,799	107,728	36/1,149	52
	Dividends paid:													
53	Cash and assets other than corporation's own stock	18,093	293	250	3	2,139,320	30,807	236,147	2,891	72,439	262	93,384	13	53
54	Corporation's own stock	-	-	-	2	30,210	424	1,436	38	5,961	-	-	-	54

For footnotes, see pages 19 and 20.

Table 1. - Corporation returns with balance sheets, 1939, by major industrial groups and by returns with net income and with no net income 1/: Number of returns, assets and liabilities as of December 31, 1939, or close of fiscal year nearest thereto, compiled receipts and compiled deductions, compiled net profit or loss, net income or deficit, income tax, (declared value) excess-profits tax, total tax, and dividends paid - Continued
(Money figures in thousands of dollars)

		Major industrial groups 2/ - Continued												
		Manufacturing - Continued												
		Textile-mill products		Apparel and products made from fabrics		Leather and products		Rubber products		Lumber and timber basic products		Furniture and finished lumber products		
		Net income	No net income	Net income	No net income	Net income	No net income	Net income	No net income	Net income	No net income	Net income	No net income	
1	Number of returns with balance sheets 7/	2,530	2,069	3,647	4,277	1,072	961	322	199	1,248	1,383	2,093	2,141	1
	Assets:													
2	Cash 8/	192,767	25,738	71,091	16,800	62,445	6,395	65,477	8,599	39,269	15,992	52,985	8,422	2
3	Notes and accounts receivable (less reserve for bad debts)	344,865	68,487	202,139	60,941	136,610	27,717	186,964	9,005	95,112	57,532	159,767	42,935	3
4	Inventories	734,611	151,195	232,834	64,654	221,656	45,990	209,616	11,826	139,873	85,465	194,504	62,693	4
5	Investments, Government obligations 9/	39,792	4,723	9,656	1,122	6,951	159	4,001	849	8,966	2,148	14,293	1,666	5
6	Other investments	170,422	53,013	47,524	11,131	48,374	14,818	217,284	8,592	91,408	74,003	71,711	16,667	6
7	Net capital assets 10/	1,038,701	344,145	96,676	38,116	112,468	27,600	258,087	21,388	387,232	333,248	243,964	94,015	7
8	Other assets 11/	47,962	14,158	22,059	6,849	15,921	7,562	69,432	1,551	14,392	16,505	16,991	8,412	8
9	Total assets 12/	2,569,120	661,459	681,979	199,612	604,425	130,240	1,010,861	61,811	776,252	584,893	754,214	234,810	9
	Liabilities:													
10	Accounts payable	161,240	77,760	115,415	53,673	47,478	22,626	108,724	8,287	40,653	44,197	60,080	44,309	10
	Bonds, notes, mortgages payable:													
11	Maturity less than 1 year	146,083	52,075	57,377	22,278	41,855	22,043	10,199	2,196	35,617	33,172	31,885	19,431	11
12	Maturity 1 year or more	116,928	93,032	22,817	16,253	17,732	29,472	200,435	3,233	41,535	107,009	44,551	30,333	12
13	Other liabilities	73,171	21,784	28,406	9,277	16,725	4,581	30,917	1,704	24,691	19,081	23,586	11,245	13
14	Capital stock, preferred	303,065	102,881	71,849	23,222	68,133	25,445	228,119	15,403	31,124	56,052	59,012	23,857	14
15	Capital stock, common	910,666	277,418	218,019	92,536	210,625	48,310	219,912	15,940	296,211	279,046	292,345	110,467	15
16	Surplus reserves 13/	78,017	14,004	12,935	1,310	22,521	3,450	40,199	709	11,875	28,985	22,855	4,780	16
17	Surplus and undivided profits 14/	830,000	160,627	165,489	25,232	187,596	17,299	176,540	19,489	326,947	156,714	235,477	43,030	17
18	Less deficit 15/	50,050	138,122	10,327	44,170	8,239	42,986	4,184	5,151	32,401	139,364	15,557	52,642	18
19	Total liabilities 12/	2,569,120	661,459	681,979	199,612	604,425	130,240	1,010,861	61,811	776,252	584,893	754,214	234,810	19
	Receipts, taxable:													
20	Gross sales 16/	3,046,651	682,059	1,693,174	555,486	976,379	234,956	981,490	70,259	585,632	285,268	950,750	241,658	20
21	Gross receipts from operations 17/	64,136	22,461	15,644	30,490	5,537	2,325	1,333	327	8,152	7,685	4,942	2,218	21
22	Interest	3,187	1,009	790	165	1,145	114	1,447	45	1,268	769	1,332	358	22
23	Rents and royalties 18/	9,788	2,807	3,475	623	1,110	457	3,365	64	3,603	1,748	1,322	726	23
24	Net capital gain 19/	819	532	193	45	92	10	82	691	1,424	528	491	100	24
25	Net gain, sale of property other than capital assets 20/	1,109	643	48	106	129	47	30	3	885	362	131	196	25
26	Dividends, domestic corporations 21/	4,105	557	1,130	58	1,143	60	4,528	50	2,162	300	1,782	118	26
27	Dividends, foreign corporations 22/	847	106	677	4	6	(32)	5,265	3	8	2	533	4	27
28	Other receipts	15,911	4,675	7,130	1,825	5,170	1,405	3,386	1,882	6,242	4,514	6,252	1,440	28
	Receipts, partially and wholly tax-exempt:													
	Interest on Government obligations:													
29	Subject to excess-profits tax 23/	643	70	193	22	121	2	71	(32)	176	27	465	19	29
30	Wholly tax-exempt 24/	497	82	116	14	71	2	11	37	74	30	194	30	30
31	Total compiled receipts 25/	3,147,694	714,999	1,722,571	588,838	990,904	239,377	1,001,007	73,360	609,627	301,233	968,194	246,848	31
	Deductions:													
32	Cost of goods sold 26/	2,431,440	597,264	1,357,696	458,256	799,767	203,428	675,242	53,865	434,071	230,648	692,739	189,833	32
33	Cost of operations 27/	42,990	15,794	11,620	24,732	1,921	1,811	165	262	4,707	4,537	815	1,610	33
34	Compensation of officers	52,652	14,124	55,136	23,990	19,547	6,193	7,373	1,066	13,697	6,387	29,426	10,516	34
35	Rent paid on business property	8,641	3,892	15,931	9,555	4,139	2,765	5,641	396	1,637	1,091	6,190	3,020	35
36	Repairs 28/	31,081	5,787	2,606	801	6,673	1,175	13,569	663	4,594	2,271	8,471	1,697	36
37	Bad debts	5,014	3,628	4,711	2,397	2,414	857	3,209	2,477	2,465	1,573	3,697	1,645	37
38	Interest paid	13,362	7,685	4,381	2,444	2,654	1,518	8,352	350	4,222	5,763	4,027	2,268	38
39	Taxes paid 29/	60,866	15,898	21,532	7,908	15,297	3,804	44,505	3,553	14,642	8,258	19,185	5,638	39
40	Contributions or gifts 30/	667	4	468	34	276	3	162	1	127	9	262	14	40
41	Depreciation	70,335	20,125	7,441	3,137	8,807	2,766	25,356	1,978	16,030	11,074	15,713	5,304	41
42	Depletion	7	4	14	10	37	8	-	9	14,591	10,951	1,073	1,519	42
43	Net capital loss 19/	215	108	89	59	62	29	20	13	110	113	106	79	43
44	Net loss, sale of property other than capital assets 20/	1,877	3,361	139	324	88	388	80	1,732	309	887	123	353	44
45	Other deductions 31/	239,662	62,282	189,331	71,145	82,693	23,975	153,164	8,585	60,344	37,649	128,552	36,580	45
46	Total compiled deductions	2,958,807	749,956	1,671,094	604,793	944,375	248,721	936,838	74,950	571,546	321,211	910,377	260,076	46
47	Compiled net profit or net loss (31 less 46)	188,887	36/34,957	51,477	36/15,956	46,529	36/9,344	64,170	36/1,589	38,081	36/19,978	57,817	36/13,229	47
48	Net income or deficit 1/ (47 less 30)	188,389	36/35,039	51,361	36/15,969	46,457	36/9,346	64,159	36/1,626	38,007	36/20,008	57,623	36/13,259	48
49	Income tax	31,594	-	8,260	-	7,598	-	10,355	-	5,948	-	9,284	-	49
50	(Declared value) excess-profits tax	1,234	-	305	-	130	-	112	-	128	-	192	-	50
51	Total tax	32,828	-	8,566	-	7,727	-	10,468	-	6,077	-	9,477	-	51
52	Compiled net profit less total tax (47 less 51)	156,059	36/34,957	42,911	36/15,956	38,801	36/9,344	53,702	36/1,589	32,004	36/19,978	48,341	36/13,229	52
	Dividends paid:													
53	Cash and assets other than corporation's own stock	69,884	2,192	18,993	518	22,529	226	30,626	304	22,558	3,005	27,003	396	53
54	Corporation's own stock	648	1	1,253	9	1,305	-	99	316	519	31	175	6	54

For footnotes, see pages 19 and 20.

Table 1. - Corporation returns with balance sheets, 1939, by major industrial groups and by returns with net income and with no net income 1/: Number of returns, assets and liabilities as of December 31, 1939, or close of fiscal year nearest thereto, compiled receipts and compiled deductions, compiled net profit or loss, net income or deficit, income tax, (declared value) excess-profits tax, total tax, and dividends paid - Continued
(Money figures in thousands of dollars)

		Major industrial groups 2/ - Continued												
		Manufacturing - Continued												
		Paper and allied products		Printing and publishing industries		Chemicals and allied products		Petroleum and coal products		Stone, clay, and glass products		Iron, steel, and products		
		Net income	No net income	Net income	No net income	Net income	No net income	Net income	No net income	Net income	No net income	Net income	No net income	
1	Number of returns with balance sheets 7/	149	701	4,630	5,709	3,262	3,030	342	291	1,741	1,586	3,866	2,502	1
	Assets:													
2	Cash 8/	119,352	7,983	137,241	17,485	476,234	15,380	368,734	103,431	170,956	15,255	415,552	50,616	2
3	Notes and accounts receivable (less reserve for bad debts)	192,086	33,956	301,088	85,505	566,628	50,294	543,410	131,703	166,911	31,454	680,200	117,167	3
4	Inventories	259,505	35,933	143,804	37,309	744,115	49,067	664,591	197,219	235,311	45,933	1,160,314	352,596	4
5	Investments, Government obligations 9/	34,654	335	79,969	5,273	126,116	3,132	48,210	1,367	60,434	1,249	68,799	5,831	5
6	Other investments	379,002	111,295	413,086	40,323	885,350	36,818	1,492,358	100,825	205,564	19,460	689,516	59,874	6
7	Net capital assets 10/	886,691	154,151	791,533	226,915	1,739,769	142,561	2,993,026	1,091,751	748,742	225,850	2,747,121	773,394	7
8	Other assets 11/	34,884	17,462	75,326	31,779	82,526	17,159	79,062	23,826	28,585	7,997	76,857	14,691	8
9	Total assets 12/	1,906,173	361,095	1,942,046	444,589	4,620,739	314,411	6,189,390	1,650,121	1,616,502	347,198	5,838,358	1,374,168	9
	Liabilities:													
10	Accounts payable	85,416	27,049	163,186	74,384	346,703	42,922	346,277	140,315	93,023	24,089	769,482	159,492	10
	Bonds, notes, mortgages payable:													
11	Maturity less than 1 year	41,722	25,978	52,709	57,059	119,715	21,362	48,250	145,494	23,008	16,718	127,202	315,384	11
12	Maturity 1 year or more	279,461	73,950	159,331	62,285	260,162	48,620	709,438	321,381	110,610	64,700	785,248	126,795	12
13	Other liabilities	44,550	72,797	116,028	30,443	121,522	7,684	101,029	50,731	51,548	16,532	145,673	29,439	13
14	Capital stock, preferred	357,091	36,125	193,140	57,257	562,480	34,058	162,325	126,360	140,397	53,439	560,971	84,487	14
15	Capital stock, common	567,515	100,186	570,938	178,125	1,513,806	142,155	2,957,550	530,606	652,786	151,665	1,972,941	424,267	15
16	Surplus reserves 13/	58,255	10,736	35,802	6,993	239,478	6,507	127,863	73,448	52,081	6,991	191,209	21,104	16
17	Surplus and undivided profits 14/	481,855	87,586	688,145	106,574	1,488,168	75,151	1,806,804	336,795	519,265	79,521	1,325,476	350,549	17
18	Less deficit 15/	9,691	73,311	37,231	128,532	31,295	64,048	70,147	75,009	26,215	66,457	39,843	137,348	18
19	Total liabilities 12/	1,906,173	361,095	1,942,046	444,589	4,620,739	314,411	6,189,390	1,650,121	1,616,502	347,198	5,838,358	1,374,168	19
	Receipts, taxable:													
20	Gross sales 16/	1,508,747	206,328	1,606,462	396,275	3,883,552	247,073	3,644,085	1,149,350	1,281,327	172,442	4,842,823	1,024,362	20
21	Gross receipts from operations 17/	3,875	1,756	106,815	65,336	26,109	2,498	101,652	99,254	8,372	5,509	14,737	6,635	21
22	Interest	7,092	1,073	3,747	585	6,598	711	10,155	2,856	1,777	254	10,792	901	22
23	Rents and royalties 18/	3,146	1,787	10,165	2,373	13,128	822	29,620	8,142	4,194	830	10,773	1,813	23
24	Net capital gain 19/	1,169	94	1,623	559	2,373	77	1,969	448	593	153	1,380	152	24
25	Net gain, sale of property other than capital assets 20/	394	92	635	183	1,130	257	837	313	186	42	1,378	160	25
26	Dividends, domestic corporations 21/	5,825	106	18,215	416	69,236	273	88,194	10,595	7,120	196	18,819	344	26
27	Dividends, foreign corporations 22/	1,041	(32)	1,059	1	12,972	21	4,803	2	2,334	(32)	8,349	20	27
28	Other receipts	9,258	1,441	15,973	3,266	15,555	1,495	13,573	7,344	7,522	1,467	19,374	2,617	28
	Receipts, partially and wholly tax-exempt:													
	Interest on Government obligations:													
29	Subject to excess-profits tax 23/	689	3	1,241	109	1,599	48	506	34	606	24	1,225	110	29
30	Wholly tax-exempt 24/	241	4	937	35	2,208	75	745	15	416	15	743	39	30
31	Total compiled receipts 25/	1,541,477	212,685	1,766,871	469,138	4,034,462	253,352	3,896,139	1,278,353	1,314,447	180,934	4,930,392	1,037,153	31
	Deductions:													
32	Cost of goods sold 26/	1,082,694	166,850	1,033,775	281,213	2,423,655	180,617	2,541,903	832,317	832,046	125,755	3,593,333	864,695	32
33	Cost of operations 27/	1,324	1,519	54,946	37,901	5,303	1,344	63,160	40,809	5,047	4,268	8,001	4,790	33
34	Compensation of officers	32,199	5,234	69,680	28,904	63,756	10,025	11,268	2,623	28,367	7,001	80,643	15,464	34
35	Rent paid on business property	7,370	1,770	21,289	9,967	12,842	2,455	33,341	18,439	5,069	1,204	22,332	5,292	35
36	Repairs 28/	32,808	3,888	6,942	1,816	50,498	1,816	66,304	24,079	29,271	3,675	145,182	13,998	36
37	Bad debts	4,396	7,195	9,662	3,929	9,902	2,399	11,412	2,011	3,994	1,211	10,514	2,181	37
38	Interest paid	15,572	6,474	10,224	4,431	17,070	2,999	26,649	9,817	6,357	3,625	63,897	6,027	38
39	Taxes paid 29/	34,363	4,873	40,699	10,477	88,869	6,151	143,858	30,641	30,149	5,282	109,586	28,458	39
40	Contributions or gifts 30/	541	9	1,106	62	1,096	14	621	(32)	486	8	1,267	11	40
41	Depreciation	55,944	8,039	35,032	10,632	115,681	7,291	187,875	66,613	50,907	10,198	149,508	53,758	41
42	Depletion	1,988	541	14	47	5,099	563	91,462	42,855	1,642	525	2,827	37	42
43	Net capital loss 19/	157	34	366	170	256	94	49	25	157	78	360	95	43
44	Net loss, sale of property other than capital assets 20/	1,137	334	802	1,173	1,459	548	1,991	1,606	556	682	1,236	2,624	44
45	Other deductions 31/	150,774	24,458	324,672	105,485	693,490	53,622	525,063	223,198	163,721	28,314	401,673	83,050	45
46	Total compiled deductions	1,421,267	231,219	1,609,208	496,206	3,486,976	269,938	3,704,957	1,295,036	1,157,769	191,825	4,590,358	1,080,480	46
47	Compiled net profit or net loss (31 less 46)	120,210	36/18,534	157,662	36/27,068	547,486	36/16,586	191,183	36/16,683	156,679	36/10,892	340,033	36/43,327	47
48	Net income or deficit 1/ (47 less 30)	119,970	36/18,538	156,726	36/27,102	545,278	36/16,661	190,438	36/16,698	156,263	36/10,906	339,290	36/43,366	48
49	Income tax	19,482	-	23,646	-	83,651	-	20,007	-	25,578	-	55,091	-	49
50	(Declared value) excess-profits tax	315	-	225	-	1,373	-	192	-	350	-	1,415	-	50
51	Total tax	19,797	-	23,871	-	85,024	-	20,198	-	25,928	-	56,506	-	51
52	Compiled net profit less total tax (47 less 51)	100,413	36/18,534	133,792	36/27,068	462,461	36/16,586	170,985	36/16,683	130,751	36/10,892	283,527	36/43,327	52
	Dividends paid:													
53	Cash and assets other than corporation's own stock	54,571	117	92,133	1,272	327,106	964	162,030	14,302	86,990	641	153,843	712	53
54	Corporation's own stock	427	-	659	1	8,217	22	220	-	145	-	2,623	(32)	54

For footnotes, see pages 19 and 20.

Table 1. - Corporation returns with balance sheets, 1939, by major industrial groups and by returns with net income and with no net income 1/: Number of returns, assets and liabilities as of December 31, 1939, or close of fiscal year nearest thereto, compiled receipts and compiled deductions, compiled net profit or loss, net income or deficit, income tax, (declared value) excess-profits tax, total tax, and dividends paid - Continued
(Money figures in thousands of dollars)

		Major industrial groups 2/ - Continued												
		Manufacturing - Continued												
		Nonferrous metals and their products		Electrical machinery and equipment		Machinery, except transportation equipment and electrical		Automobiles and equipment, except electrical		Transportation equipment, except automobiles		Other manufacturing		
		Net income	No net income	Net income	No net income	Net income	No net income	Net income	No net income	Net income	No net income	Net income	No net income	
1	Number of returns with balance sheets 7/	1,344	1,092	856	724	3,229	2,616	442	376	324	405	2,332	2,684	1
	Assets:													
2	Cash 8/	93,115	3,990	157,430	6,165	378,427	27,597	478,385	17,633	165,442	32,916	91,420	12,833	2
3	Notes and accounts receivable (less reserve for bad debts)	232,822	13,128	231,739	19,548	700,784	91,358	411,115	15,813	127,562	49,618	166,034	39,540	3
4	Inventories	332,282	33,769	373,839	51,874	880,246	134,736	486,594	35,090	204,334	54,742	197,368	38,507	4
5	Investments, Government obligations 9/	26,941	240	103,262	539	128,076	3,817	175,288	11,605	16,142	1,737	26,997	1,587	5
6	Other investments	337,710	5,243	368,944	4,701	469,069	36,297	470,567	19,471	87,312	64,761	151,886	31,199	6
7	Net capital assets 10/	487,603	38,474	414,186	47,778	1,115,168	215,535	1,009,025	90,537	349,069	198,887	293,986	155,815	7
8	Other assets 11/	26,279	3,675	23,569	5,511	61,023	21,845	43,471	5,956	28,712	7,700	21,640	10,645	8
9	Total assets 12/	1,536,752	98,519	1,672,970	116,114	3,732,792	531,183	3,074,446	196,105	978,572	410,362	949,331	290,126	9
	Liabilities:													
10	Accounts payable	159,319	11,630	132,582	19,073	222,014	53,125	315,273	21,819	97,687	23,733	58,590	28,186	10
	Bonds, notes, mortgages payable:													
11	Maturity less than 1 year	59,616	10,544	50,708	10,862	64,972	30,480	14,192	6,012	13,066	14,745	23,252	23,867	11
12	Maturity 1 year or more	117,782	32,227	38,517	14,062	179,072	59,471	49,464	20,626	62,211	54,189	43,787	63,010	12
13	Other liabilities	48,100	4,275	89,030	4,982	163,344	20,926	112,246	8,653	158,283	23,020	40,090	11,284	13
14	Capital stock, preferred	273,251	7,881	72,583	13,006	401,078	74,386	223,987	14,645	33,026	95,303	93,514	42,258	14
15	Capital stock, common	374,754	42,993	683,283	46,824	1,389,667	239,850	699,453	97,816	239,691	121,408	365,076	119,306	15
16	Surplus reserves 13/	84,173	2,416	104,082	2,316	245,330	19,560	193,821	11,128	45,468	37,585	56,864	7,772	16
17	Surplus and undivided profits 14/	457,903	10,933	508,097	34,590	1,117,125	121,333	1,475,806	59,463	339,622	95,282	280,037	52,880	17
18	Less deficit 15/	18,147	24,379	5,913	29,599	49,809	87,947	9,797	44,056	10,481	54,904	11,879	58,437	18
19	Total liabilities 12/	1,536,752	98,519	1,672,970	116,114	3,732,792	531,183	3,074,446	196,105	978,572	410,362	949,331	290,126	19
	Receipts, taxable:													
20	Gross sales 16/	1,441,132	99,981	1,684,851	129,397	3,010,550	342,575	3,322,237	225,272	468,501	128,424	895,589	198,100	20
21	Gross receipts from operations 17/	57,315	2,455	5,541	1,366	63,739	7,087	2,469	1,850	233,406	14,919	17,643	12,623	21
22	Interest	2,530	63	3,324	111	12,648	1,812	4,904	295	1,171	942	2,299	532	22
23	Rents and royalties 18/	1,960	215	4,351.	380	27,648	1,338	10,431	381	2,607	350	4,043	1,430	23
24	Net capital gain 19/	207	32	534	20	1,801	196	719	50	507	1,985	1,257	55	24
25	Net gain, sale of property other than capital assets 20/	129	9	124	46	796	127	232	75	617	45	197	50	25
26	Dividends, domestic corporations 21/	8,744	44	12,386	41	10,500	379	44,349	462	3,815	2,562	3,339	399	26
27	Dividends, foreign corporations 22/	5,078	(32)	3,631	41	10,173	169	35,259	38	363	7	5,741	9	27
28	Other receipts	8,956	540	7,038	1,034	26,060	2,427	12,536	763	3,075	598	9,458	1,673	28
	Receipts, partially and wholly tax-exempt:													
	Interest on Government obligations:													
29	Subject to excess-profits tax 23/	298	2	847	11	1,939	81	337	1	411	24	235	33	29
30	Wholly tax-exempt 24/	175	1	1,134	2	1,766	70	541	115	190	31	157	46	30
31	Total compiled receipts 25/	1,526,524	103,342	1,723,762	132,449	3,167,619	356,259	3,434,013	229,303	714,663	149,888	939,959	214,952	31
	Deductions:													
32	Cost of goods sold 26/	1,109,440	80,064	1,131,997	101,491	1,975,393	255,384	2,619,018	192,865	339,560	107,787	549,201	133,712	32
33	Cost of operations 27/	6,423	1,728	2,073	970	9,130	4,531	965	1,688	171,492	11,482	8,015	7,690	33
34	Compensation of officers	25,084	5,327	23,344	3,610	71,074	14,185	14,079	2,880	9,760	3,386	32,735	11,585	34
35	Rent paid on business property	5,442	1,340	7,088	1,532	12,674	2,313	4,510	610	2,804	766	7,034	3,933	35
36	Repairs 28/	19,186	684	20,744	1,758	52,327	4,016	50,443	2,975	14,528	3,815	8,126	2,131	36
37	Bad debts	2,682	366	2,566	786	10,574	2,741	4,146	3,182	611	278	4,366	2,360	37
38	Interest paid	8,271	759	4,484	651	11,471	4,168	7,685	1,097	2,880	2,514	3,533	3,495	38
39	Taxes paid 29/	29,695	2,237	45,294	3,258	78,050	9,764	58,216	4,105	17,412	4,870	22,454	6,233	39
40	Contributions or gifts 30/	380	4	639	1	1,274	17	1,495	7	118	2	415	10	40
41	Depreciation	29,993	2,549	43,678	3,428	84,527	12,338	49,519	8,110	21,421	7,903	22,794	9,136	41
42	Depletion	2,700	5	90	2	136	9	717	-	33	10	22	37	42
43	Net capital loss 19/	80	29	74	34	308	171	38	28	23	18	93	115	43
44	Net loss, sale of property other than capital assets 20/	88	33	217	440	1,342	1,176	396	854	578	1,037	399	586	44
45	Other deductions 31/	134,917	12,588	253,676	22,673	528,217	68,045	238,240	28,301	49,225	16,991	173,864	47,719	45
46	Total compiled deductions	1,374,380	107,713	1,535,966	140,635	2,836,495	378,858	3,049,469	246,702	630,445	160,858	833,051	228,742	46
47	Compiled net profit or net loss (31 less 46)	152,144	36/4,371	187,797	36/8,186	331,124	36/22,598	384,544	36/17,399	84,218	36/10,970	106,908	36/13,790	47
48	Net income or deficit 1/ (47 less 30)	151,968	36/4,372	186,663	36/8,187	329,358	36/22,668	384,004	36/17,514	84,028	36/11,001	106,750	36/13,836	48
49	Income tax	24,813	-	30,125	-	54,982	-	60,414	-	14,036	-	17,670	-	49
50	(Declared value) excess-profits tax	553	-	274	-	946	-	292	-	365	-	289	-	50
51	Total tax	25,366	-	30,399	-	55,928	-	60,706	-	14,400	-	17,959	-	51
52	Compiled net profit less total tax (47 less 51)	126,778	36/4,371	157,398	36/8,186	275,196	36/22,598	323,838	36/17,399	69,818	36/10,970	88,949	36/13,790	52
	Dividends paid:													
53	Cash and assets other than corporation's own stock	68,762	135	109,890	85	170,250	1,869	219,604	58	37,921	284	54,511	493	53
54	Corporation's own stock	370	-	1,316	(32)	3,545	-	262	-	-	-	879	-	54

For footnotes, see pages 19 and 20.

Table 1. - Corporation returns with balance sheets, 1939, by major industrial groups and by returns with net income and with no net income 1/: Number of returns, assets and liabilities as of December 31, 1939, or close of fiscal year nearest thereto, compiled receipts and compiled deductions, compiled net profit or loss, net income or deficit, income tax, (declared value) excess-profits tax, total tax, and dividends paid - Continued
(Money figures in thousands of dollars)

		Major industrial groups 2/ - Continued												
		Manufacturing - Continued		Public utilities								Trade		
		Manufacturing not allocable		Total public utilities		Transportation 3/		Communication		Other public utilities 4/		Total trade		
		Net income	No net income	Net income	No net income	Net income	No net income	Net income	No net income	Net income	No net income	Net income	No net income	
1	Number of returns with balance sheets 7/	668	717	9,761	8,983	6,217	6,633	1,372	1,128	2,172	1,222	60,745	63,882	1
	Assets:													
2	Cash 8/	16,632	2,063	1,126,058	456,150	570,072	371,769	108,089	16,486	447,897	67,896	1,283,562	217,001	2
3	Notes and accounts receivable (less reserve for bad debts)	36,654	7,792	1,030,086	363,430	429,855	265,754	152,021	20,647	448,211	77,029	4,255,947	967,718	3
4	Inventories	52,531	11,322	466,879	247,648	218,404	205,284	55,994	11,945	192,482	30,419	4,143,267	1,013,485	4
5	Investments, Government obligations 9/	4,359	218	122,789	23,756	53,970	21,279	1,669	82	67,150	2,395	204,658	14,253	5
6	Other investments	45,420	6,667	6,081,205	1,803,511	1,745,132	1,695,082	2,747,571	22,473	1,588,502	85,956	2,169,900	325,318	6
7	Net capital assets 10/	76,804	33,974	28,333,977	18,360,083	10,963,814	15,662,677	3,757,122	463,032	13,613,041	2,234,375	2,954,300	1,006,794	7
8	Other assets 11/	7,872	2,696	1,044,975	769,795	357,870	606,707	59,479	52,932	627,626	110,155	345,671	128,145	8
9	Total assets 12/	240,273	64,733	38,205,969	22,024,373	14,339,118	18,828,550	6,881,943	587,597	16,984,908	2,608,225	15,357,304	3,672,713	9
	Liabilities:													
10	Accounts payable	18,686	9,545	699,590	1,155,980	363,583	1,042,272	78,556	16,567	257,451	97,140	2,839,899	903,524	10
	Bonds, notes, mortgages payable:													
11	Maturity less than 1 year	8,609	4,969	277,105	668,457	80,978	589,726	7,278	3,771	188,848	74,960	938,363	388,758	11
12	Maturity 1 year or more	26,035	9,265	13,197,051	10,796,730	4,901,605	9,154,581	1,391,707	254,322	6,903,719	1,387,828	1,030,946	512,818	12
13	Other liabilities	8,608	2,807	1,298,536	2,284,300	519,736	2,115,685	199,516	70,861	579,284	97,753	592,081	178,366	13
14	Capital stock, preferred	30,781	7,441	2,564,228	1,150,286	570,157	864,580	161,721	10,679	1,832,350	255,027	1,020,116	297,353	14
15	Capital stock, common	76,937	38,295	14,151,840	5,755,910	4,376,393	4,899,758	4,305,935	184,920	5,471,512	671,251	4,952,940	1,551,270	15
16	Surplus reserves 13/	5,538	2,613	374,860	315,464	144,499	271,557	20,958	16,091	209,404	27,816	364,230	64,483	16
17	Surplus and undivided profits 14/	73,494	11,687	5,856,764	2,041,173	3,560,532	1,804,394	727,269	95,970	1,568,962	140,809	3,937,674	573,409	17
18	Less deficit 15/	8,413	21,889	213,984	2,123,927	178,366	1,913,983	8,997	65,583	26,622	144,361	318,944	797,268	18
19	Total liabilities 12/	240,273	64,733	38,205,969	22,024,373	14,339,118	18,828,550	6,881,943	587,597	16,984,908	2,608,225	15,357,304	3,672,713	19
	Receipts, taxable:													
20	Gross sales 16/	272,372	46,562	93,953	43,175	57,004	31,891	2,819	882	34,130	10,401	32,857,551	7,428,182	20
21	Gross receipts from operations 17/	1,480	1,074	8,517,948	3,729,078	4,007,271	3,172,120	1,364,615	141,727	3,146,061	415,231	607,291	279,132	21
22	Interest	716	116	65,064	25,262	29,602	22,705	8,674	439	26,788	2,118	63,144	10,299	22
23	Rents and royalties 18/	747	182	64,063	32,317	18,544	30,013	22,526	610	22,993	1,694	71,773	25,062	23
24	Net capital gain 19/	67	23	4,337	1,176	2,735	862	462	4	1,140	310	4,399	1,596	24
25	Net gain, sale of property other than capital assets 20/	30	42	6,252	1,320	2,829	1,272	228	(32)	3,195	48	3,724	1,619	25
26	Dividends, domestic corporations 21/	1,482	73	271,510	21,597	49,869	19,557	177,727	1,063	43,915	977	50,387	1,923	26
27	Dividends, foreign corporations 22/	922	(32)	5,314	530	65	474	1,485	-	3,764	56	40,285	86	27
28	Other receipts	1,628	254	32,335	22,245	16,486	18,861	2,348	626	13,502	2,758	327,373	71,958	28
	Receipts, partially and wholly tax-exempt:													
	Interest on Government obligations:													
29	Subject to excess-profits tax 23/	117	3	4,463	377	3,456	331	67	1	940	44	2,483	212	29
30	Wholly tax-exempt 24/	14	1	2,101	707	1,177	639	97	14	827	54	1,894	175	30
31	Total compiled receipts 25/	279,575	48,331	9,067,340	3,877,783	4,189,037	3,298,723	1,581,047	145,367	3,297,256	433,692	34,030,304	7,818,244	31
	Deductions:													
32	Cost of goods sold 26/	193,784	34,192	70,992	30,844	42,231	22,322	1,163	433	27,599	8,089	26,254,246	5,987,812	32
33	Cost of operations 27/	681	770	4,310,346	2,512,228	2,488,573	2,240,802	566,534	88,934	1,255,238	182,491	260,505	177,690	33
34	Compensation of officers	9,334	2,478	77,365	30,010	51,749	25,077	6,595	1,315	19,022	3,619	566,148	230,565	34
35	Rent paid on business property	1,388	620	110,436	63,072	44,947	45,238	32,120	10,975	33,369	6,858	490,844	180,327	35
36	Repairs 28/	2,218	525	21,840	11,385	17,635	8,307	1,563	1,162	2,643	1,916	67,959	21,246	36
37	Bad debts	926	317	20,408	6,902	6,612	4,933	4,846	764	8,950	1,205	108,479	45,716	37
38	Interest paid	1,810	637	591,046	545,822	214,455	454,103	56,975	9,159	319,615	82,560	95,402	38,445	38
39	Taxes paid 29/	5,177	1,105	730,424	297,420	258,064	248,905	130,860	9,188	341,500	39,328	340,147	94,234	39
40	Contributions or gifts 30/	68	1	3,060	44	346	37	773	3	1,941	4	6,598	485	40
41	Depreciation	5,188	1,552	729,148	195,809	163,599	122,708	180,986	17,837	384,563	55,264	212,990	71,624	41
42	Depletion	142	243	10,194	2,655	2,340	184	16	4	7,837	2,467	1,148	733	42
43	Net capital loss 19/	38	41	462	404	259	309	53	17	150	78	1,972	1,548	43
44	Net loss, sale of property other than capital assets 20/	331	104	3,131	4,453	1,206	2,772	700	46	1,225	1,635	2,947	5,385	44
45	Other deductions 31/	36,966	9,415	871,525	514,585	426,176	410,073	161,255	13,717	284,093	90,796	4,598,089	1,154,995	45
46	Total compiled deductions	258,048	52,000	7,550,377	4,215,635	3,718,191	3,585,770	1,144,440	153,554	2,687,746	476,311	33,007,476	8,010,804	46
47	Compiled net profit or net loss (31 less 46)	21,527	36/3,668	1,516,963	36/337,853	470,846	36/287,047	436,608	36/8,187	609,510	36/42,619	1,022,829	36/192,561	47
48	Net income or deficit 1/ (47 less 30)	21,513	36/3,669	1,514,862	36/338,559	469,669	36/287,685	436,511	36/8,201	608,683	36/42,673	1,020,935	36/192,735	48
49	Income tax	3,412	-	214,212	-	71,519	-	47,679	-	95,014	-	162,223	-	49
50	(Declared value) excess-profits tax	102	-	1,177	-	1,035	-	51	-	91	-	2,506	-	50
51	Total tax	3,515	-	215,389	-	72,554	-	47,731	-	95,105	-	164,729	-	51
52	Compiled net profit less total tax (47 less 51)	18,013	36/3,668	1,301,574	36/337,853	398,292	36/287,047	388,877	36/8,187	514,405	36/42,619	858,099	36/192,561	52
	Dividends paid:													
53	Cash and assets other than corporation's own stock	8,147	69	1,161,623	34,669	288,240	7,181	363,662	917	509,721	26,572	488,165	8,656	53
54	Corporation's own stock	150	-	1,584	52	834	1	113	(32)	637	51	9,666	109	54

For footnotes, see pages 19 and 20.

Table 1. - Corporation returns with balance sheets, 1939, by major industrial groups and by returns with net income and with no net income 1/: Number of returns, assets and liabilities as of December 31, 1939, or close of fiscal year nearest thereto, compiled receipts and compiled deductions, compiled net profit or loss, net income or deficit, income tax, (declared value) excess-profits tax, total tax, and dividends paid - Continued
(Money figures in thousands of dollars)

		Major industrial groups 2/ - Continued												
		Trade - Continued												
		Wholesale		Retail										
				Total retail		Department, general merchandise, dry goods		Limited-price variety stores		Mail-order houses		Food stores		
		Net income	No net income	Net income	No net income	Net income	No net income	Net income	No net income	Net income	No net income	Net income	No net income	
1	Number of returns with balance sheets 7/	19,046	14,755	33,586	42,496	2,887	2,475	148	138	84	148	1,753	3,364	1
	Assets:													
2	Cash 8/	599,621	96,257	598,460	100,241	161,695	11,343	77,542	206	4,167	920	119,990	12,038	2
3	Notes and accounts receivable (less reserve for bad debts)	2,006,710	388,367	1,904,763	461,399	854,534	57,307	7,630	277	32,535	1,115	62,442	24,349	3
4	Inventories	1,804,437	347,431	1,959,332	551,794	716,954	72,115	132,241	1,697	12,446	2,408	218,886	27,698	4
5	Investments, Government obligations 9/	78,834	6,199	112,257	6,281	28,534	1,074	5,454	-	823	145	47,088	768	5
6	Other investments	1,343,631	142,353	606,258	139,290	265,765	8,589	92,018	18	563	1,223	55,808	13,287	6
7	Net capital assets 10/	674,174	240,014	1,979,498	621,754	807,265	71,339	254,962	767	6,340	1,709	237,554	118,275	7
8	Other assets 11/	118,310	50,422	197,301	62,059	48,255	5,912	42,547	142	1,847	1,194	24,989	5,328	8
9	Total assets 12/	6,615,717	1,271,042	7,357,869	1,942,818	2,883,001	227,679	612,393	3,108	58,722	8,715	766,756	201,743	9
	Liabilities:													
10	Accounts payable	1,433,393	377,903	1,192,053	415,646	567,721	32,244	33,424	752	4,416	1,249	125,138	38,019	10
	Bonds, notes, mortgages payable:													
11	Maturity less than 1 year	560,358	139,429	295,350	207,920	46,717	15,020	735	323	5,599	573	18,100	10,560	11
12	Maturity 1 year or more	462,191	148,176	497,148	302,070	217,463	41,619	28,836	215	5,239	1,500	42,379	40,376	12
13	Other liabilities	186,399	50,096	350,472	109,182	91,694	9,042	19,296	193	2,469	324	28,305	8,082	13
14	Capital stock, preferred	460,790	97,401	493,363	153,591	224,604	21,589	28,684	171	11,748	680	43,873	16,562	14
15	Capital stock, common	2,117,438	506,674	2,396,313	846,894	901,138	105,656	228,880	1,927	7,611	4,637	209,196	74,137	15
16	Surplus reserves 13/	172,820	17,668	167,799	41,793	84,953	1,867	15,069	1	2,327	72	15,574	5,538	16
17	Surplus and undivided profits 14/	1,385,740	189,358	2,078,471	308,691	761,953	40,485	257,586	189	19,507	2,531	289,047	37,581	17
18	Less deficit 15/	163,413	255,664	113,101	442,970	13,242	37,843	116	663	194	2,850	4,855	29,112	18
19	Total liabilities 12/	6,615,717	1,271,042	7,357,869	1,942,818	2,883,001	227,679	612,393	3,108	58,722	8,715	766,756	201,743	19
	Receipts, taxable:													
20	Gross sales 16/	15,668,745	2,914,312	14,575,552	3,778,354	3,892,415	350,887	918,411	7,456	109,696	16,123	3,038,914	529,335	20
21	Gross receipts from operations 17/	390,539	137,114	171,010	118,402	21,269	4,104	2,064	64	306	834	4,871	8,553	21
22	Interest	27,140	3,367	31,999	5,655	16,972	1,084	1,269	4	63	18	787	110	22
23	Rents and royalties 18/	17,256	4,703	46,179	15,705	16,464	2,019	8,670	11	20	54	2,744	1,373	23
24	Net capital gain 19/	1,894	597	2,017	723	380	82	8	-	18	18	527	77	24
25	Net gain, sale of property other than capital assets 20/	1,110	556	1,613	776	166	33	6	-	1	-	430	127	25
26	Dividends, domestic corporations 21/	32,629	949	16,107	680	8,088	106	1,083	(32)	15	15	1,670	88	26
27	Dividends, foreign corporations 22/	14,267	75	10,232	6	12	(32)	10,134	-	-	-	11	2	27
28	Other receipts	92,593	19,455	212,470	46,783	64,005	6,451	1,201	49	1,471	182	11,861	1,839	28
	Receipts, partially and wholly tax-exempt:													
	Interest on Government obligations:													
29	Subject to excess-profits tax 23/	956	76	1,346	112	336	22	8	-	8	5	488	5	29
30	Wholly tax-exempt 24/	918	55	741	92	332	24	1	-	12	1	89	19	30
31	Total compiled receipts 25/	16,248,049	3,081,259	15,069,266	3,967,287	4,020,438	364,791	942,856	7,583	111,609	17,252	3,062,391	541,528	31
	Deductions:													
32	Cost of goods sold 26/	13,647,441	2,575,266	10,551,970	2,830,300	2,659,646	252,142	580,489	5,173	68,012	10,348	2,395,998	413,674	32
33	Cost of operations 27/	155,891	84,508	85,353	76,997	5,116	1,101	-	48	1	560	2,177	6,418	33
34	Compensation of officers	250,850	70,487	251,210	134,878	36,201	8,480	3,442	350	1,305	596	18,229	9,869	34
35	Rent paid on business property	70,805	23,033	391,454	144,580	85,668	12,185	64,270	464	293	218	47,777	11,054	35
36	Repairs 28/	13,582	4,038	47,225	14,035	16,859	1,178	2,662	11	127	29	8,974	3,596	36
37	Bad debts	46,073	18,862	50,250	21,073	12,499	2,064	60	3	646	279	2,561	1,207	37
38	Interest paid	41,646	12,696	45,159	21,293	16,483	2,068	1,125	19	192	62	4,661	2,592	38
39	Taxes paid 29/	97,081	24,622	210,544	58,698	69,362	6,619	20,583	90	866	172	30,975	8,906	39
40	Contributions or gifts 30/	2,061	96	4,016	292	1,718	22	157	1	13	1	618	18	40
41	Depreciation	50,084	16,055	139,149	46,542	41,195	3,997	12,790	75	405	78	27,841	8,807	41
42	Depletion	453	190	572	462	101	2	-	-	-	-	5	41	42
43	Net capital loss 19/	909	559	781	803	135	62	10	4	2	2	65	77	43
44	Net loss, sale of property other than capital assets 20/	1,128	1,288	1,531	2,130	255	184	71	(32)	61	1	346	239	44
45	Other deductions 31/	1,477,882	311,114	2,765,292	721,616	892,915	84,247	187,971	1,557	35,438	5,950	459,470	83,104	45
46	Total compiled deductions	15,855,887	3,142,813	14,544,507	4,073,699	3,818,153	374,353	873,630	7,794	107,362	18,296	2,997,697	549,603	46
47	Compiled net profit or net loss (31 less 46)	392,162	36/61,554	524,760	36/106,412	202,285	36/9,563	69,226	36/211	4,247	36/1,043	64,694	36/8,074	47
48	Net income or deficit 1/ (47 less 30)	391,243	36/61,609	524,019	36/106,504	201,953	36/9,586	69,225	36/211	4,235	36/1,045	64,605	36/8,094	48
49	Income tax	60,879	-	84,481	-	33,723	-	11,737	-	730	-	10,576	-	49
50	(Declared value) excess-profits tax	1,507	-	734	-	96	-	4	-	1	-	108	-	50
51	Total tax	62,387	-	85,215	-	33,819	-	11,740	-	731	-	10,684	-	51
52	Compiled net profit less total tax (47 less 51)	329,775	36/61,554	439,545	36/106,412	168,466	36/9,563	57,486	36/211	3,516	36/1,043	54,010	36/8,074	52
	Dividends paid:													
53	Cash and assets other than corporation's own stock	181,284	4,575	256,489	3,619	99,422	450	45,338	3	2,362	32	40,963	734	53
54	Corporation's own stock	6,052	24	2,549	48	528	4	-	-	-	3	1,119	1	54

For footnotes, see pages 19 and 20.

Table 1. - Corporation returns with balance sheets, 1939, by major industrial groups and by returns with net income and with no net income 1/: Number of returns, assets and liabilities as of December 31, 1939, or close of fiscal year nearest thereto, compiled receipts and compiled deductions, compiled net profit or loss, net income or deficit, income tax, (declared value) excess-profits tax, total tax, and dividends paid - Continued
(Money figures in thousands of dollars)

		Major industrial groups 2/ - Continued												
		Trade - Continued												
		Retail - Continued												
		Package liquor stores		Drug stores		Apparel		Furniture and house furnishings		Eating and drinking places		Dealers in automobiles, accessories, tires, batteries		
		Net income	No net income	Net income	No net income	Net income	No net income	Net income	No net income	Net income	No net income	Net income	No net income	
1	Number of returns with balance sheets 7/	595	798	1,634	2,880	4,182	5,867	2,332	2,582	1,847	5,126	5,014	4,784	1
	Assets:													
2	Cash 8/	2,105	1,393	18,437	3,174	55,418	13,411	21,143	5,312	18,942	8,775	33,522	9,011	2
3	Notes and accounts receivable (less reserve for bad debts)	920	619	19,963	5,324	132,329	54,360	277,076	75,571	8,493	4,762	99,879	42,947	3
4	Inventories	6,210	5,150	64,268	26,156	185,654	90,842	103,738	38,907	9,161	6,801	166,986	81,132	4
5	Investments, Government obligations 9/	1	(32)	535	130	10,843	405	2,299	713	1,182	649	1,180	533	5
6	Other investments	158	133	7,869	2,257	44,420	16,948	14,742	9,338	22,961	15,229	15,063	6,797	6
7	Net capital assets 10/	2,199	2,854	41,439	17,565	101,735	38,712	53,344	25,562	86,854	95,264	84,235	41,674	7
8	Other assets 11/	411	642	5,316	1,586	15,850	7,433	8,091	4,905	5,773	6,132	15,734	8,420	8
9	Total assets 12/	12,004	10,791	157,827	56,192	546,249	222,111	480,435	160,307	153,365	137,612	416,600	190,514	9
	Liabilities:													
10	Accounts payable	4,621	4,814	25,162	16,402	89,077	64,154	73,525	30,939	17,752	33,281	59,595	48,628	10
	Bonds, notes, mortgages payable:													
11	Maturity less than 1 year	953	1,206	3,324	4,730	21,215	20,450	31,676	15,800	5,092	11,547	76,416	46,586	11
12	Maturity 1 year or more	858	1,120	10,721	6,129	36,911	17,500	23,663	19,374	14,846	49,863	43,118	29,726	12
13	Other liabilities	681	547	6,208	2,804	28,151	11,058	73,738	15,273	7,821	9,272	26,079	12,642	13
14	Capital stock, preferred	151	149	16,092	2,630	57,544	20,079	35,462	15,968	10,414	12,852	15,704	5,821	14
15	Capital stock, common	3,723	4,205	54,685	31,122	157,608	103,999	130,255	67,094	51,945	42,116	131,305	79,119	15
16	Surplus reserves 13/	12	30	1,975	154	7,353	2,694	15,881	5,980	1,563	7,608	6,925	1,840	16
17	Surplus and undivided profits 14/	1,502	678	42,733	6,736	161,019	36,384	109,865	23,381	47,890	14,459	75,040	19,377	17
18	Less deficit 15/	496	1,958	3,074	14,514	12,629	54,207	13,630	33,502	3,958	43,386	17,582	53,224	18
19	Total liabilities 12/	12,004	10,791	157,827	56,192	546,249	222,111	480,435	160,307	153,365	137,612	416,600	190,514	19
	Receipts, taxable:													
20	Gross sales 16/	42,113	33,931	425,967	145,140	1,214,559	457,115	509,407	163,906	319,727	306,005	2,002,823	847,920	20
21	Gross receipts from operations 17/	262	729	1,692	2,038	16,749	8,093	7,082	4,056	18,681	26,123	58,844	29,065	21
22	Interest	6	(32)	392	23	987	352	1,790	685	221	220	3,496	1,167	22
23	Rents and royalties 18/	82	23	1,190	538	4,688	1,533	1,636	687	1,970	2,813	1,220	723	23
24	Net capital gain 19/	8	2	45	12	72	32	124	37	39	65	82	105	24
25	Net gain, sale of property other than capital assets 20/	46	3	28	15	143	97	54	35	19	113	72	39	25
26	Dividends, domestic corporations 21/	(32)	(32)	1,156	13	642	54	276	128	943	9	305	46	26
27	Dividends, foreign corporations 22/	-	-	(32)	-	-	2	8	(32)	(32)	-	7	-	27
28	Other receipts	93	84	5,829	1,437	25,808	8,545	54,112	8,472	2,003	1,801	14,306	6,290	28
	Receipts, partially and wholly tax-exempt:													
	Interest on Government obligations:													
29	Subject to excess-profits tax 23/	(32)	-	5	(32)	170	4	38	14	22	14	20	5	29
30	Wholly tax-exempt 24/	-	-	5	2	36	8	30	15	15	3	10	5	30
31	Total compiled receipts 25/	42,609	34,773	434,308	149,219	1,263,855	475,835	574,555	178,034	343,641	337,167	2,081,185	885,364	31
	Deductions:													
32	Cost of goods sold 26/	32,527	26,286	293,850	105,597	797,381	302,477	276,102	103,026	186,164	174,256	1,712,549	738,339	32
33	Cost of operations 27/	195	581	563	1,375	7,902	2,898	936	1,461	11,463	16,797	40,114	23,564	33
34	Compensation of officers	2,612	2,248	8,087	7,064	36,165	21,238	21,104	10,959	10,735	13,187	39,221	17,346	34
35	Rent paid on business property	1,154	1,379	21,869	8,547	79,010	37,954	17,892	8,704	20,903	26,363	20,725	10,935	35
36	Repairs 28/	58	45	976	386	2,745	819	1,498	461	5,010	2,741	2,710	1,229	36
37	Bad debts	24	25	326	188	5,348	2,482	6,653	2,117	215	394	5,276	3,153	37
38	Interest paid	62	69	643	404	2,910	1,483	2,669	1,913	898	1,568	6,447	4,116	38
39	Taxes paid 29/	662	635	5,942	2,399	16,889	6,072	11,051	2,999	8,351	8,453	14,072	5,812	39
40	Contributions or gifts 30/	4	8	99	16	462	34	195	20	75	31	191	42	40
41	Depreciation	230	275	4,517	1,781	10,746	4,756	3,702	1,625	8,042	9,925	6,686	3,070	41
42	Depletion	(32)	-	5	33	16	17	2	16	4	33	183	42	42
43	Net capital loss 19/	1	9	11	24	64	79	46	40	18	51	79	77	43
44	Net loss, sale of property other than capital assets 20/	2	3	29	76	119	159	75	91	69	136	57	249	44
45	Other deductions 31/	4,339	3,971	84,000	24,998	263,037	111,201	210,522	52,594	79,637	94,797	208,535	88,159	45
46	Total compiled deductions	41,870	35,535	420,917	152,886	1,222,793	491,667	552,446	186,027	329,583	348,734	2,056,846	896,134	46
47	Compiled net profit or net loss (31 less 46)	739	36/762	13,391	36/3,667	41,061	36/15,832	22,109	36/7,992	14,058	36/11,566	24,338	36/10,769	47
48	Net income or deficit 1/ (47 less 30)	739	36/762	13,387	36/3,669	41,026	36/15,839	22,079	36/8,007	14,042	36/11,570	24,328	36/10,775	48
49	Income tax	93	-	2,038	-	6,592	-	3,500	-	2,130	-	3,402	-	49
50	(Declared value) excess-profits tax	8	-	25	-	58	-	68	-	36	-	64	-	50
51	Total tax	101	-	2,063	-	6,650	-	3,569	-	2,166	-	3,466	-	51
52	Compiled net profit less total tax (47 less 51)	638	36/762	11,328	36/3,667	34,412	36/15,832	18,540	36/7,992	11,892	36/11,566	20,872	36/10,769	52
	Dividends paid:													
53	Cash and assets other than corporation's own stock	73	10	6,340	27	15,442	417	7,426	176	6,942	111	6,904	222	53
54	Corporation's own stock	-	-	14	(32)	27	5	47	2	44	10	152	-	54

For footnotes, see pages 19 and 20.

Table 1. - Corporation returns with balance sheets, 1939, by major industrial groups and by returns with net income and with no net income 1/: Number of returns, assets and liabilities as of December 31, 1939, or close of fiscal year nearest thereto, compiled receipts and compiled deductions, compiled net profit or loss, net income or deficit, income tax, (declared value) excess-profits tax, total tax, and dividends paid - Continued

(Money figures in thousands of dollars)

		Major industrial groups 2/ - Continued											
		Trade - Continued											
		Retail - Continued										Trade not allocable	
		Filling stations		Hardware		Lumber and coal yards		Other retail trade		Retail trade not allocable			
		Net income	No net income	Net income	No net income	Net income	No net income	Net income	No net income	Net income	No net income	Net income	No net income
1	Number of returns with balance sheets 7/	633	1,072	1,276	1,697	4,114	3,560	5,970	7,028	1,117	977	8,113	6,631
	Assets:												
2	Cash 8/	6,273	1,148	4,612	2,056	27,948	10,892	39,468	18,227	7,200	2,334	95,481	20,503
3	Notes and accounts receivable (less reserve for bad debts)	12,649	5,823	25,272	13,877	160,005	74,230	164,437	79,218	46,599	21,620	344,474	117,952
4	Inventories	12,719	2,677	33,925	23,510	133,661	49,143	125,875	108,970	36,606	14,589	379,498	114,260
5	Investments, Government obligations 9/	5,528	21	162	62	4,202	1,106	3,885	421	542	255	13,567	1,773
6	Other investments	3,201	672	1,893	2,693	45,628	18,707	29,796	36,718	6,373	6,681	220,011	43,675
7	Net capital assets 10/	45,825	12,622	11,955	10,453	118,742	88,717	98,801	76,251	28,248	19,989	300,628	145,026
8	Other assets 11/	961	657	1,422	1,334	9,545	8,417	14,208	8,557	2,331	1,399	30,060	15,664
9	Total assets 12/	87,177	23,620	79,240	53,986	499,731	251,212	476,470	328,362	127,899	66,866	1,383,719	458,853
	Liabilities:												
10	Accounts payable	13,327	6,526	11,506	10,117	58,391	46,003	94,930	72,174	13,472	10,344	214,453	109,975
	Bonds, notes, mortgages payable:												
11	Maturity less than 1 year	2,275	2,078	8,529	6,080	32,000	27,190	33,208	39,995	9,512	5,781	82,655	41,408
12	Maturity 1 year or more	3,294	5,381	4,317	5,383	29,303	36,074	28,556	38,970	7,643	8,840	71,606	62,572
13	Other liabilities	5,872	1,183	2,485	1,911	14,863	8,602	34,937	23,805	7,873	4,445	55,210	19,087
14	Capital stock, preferred	1,098	363	1,644	2,685	19,221	18,270	20,714	29,199	6,411	6,573	65,962	46,361
15	Capital stock, common	41,372	9,879	33,853	31,844	227,172	127,257	166,194	135,596	51,375	30,327	439,189	197,702
16	Surplus reserves 13/	1,408	34	403	141	4,616	2,373	7,986	11,496	1,754	1,964	23,610	5,022
17	Surplus and undivided profits 14/	19,838	2,557	18,756	8,314	130,884	41,027	109,656	65,807	33,195	9,185	473,464	75,359
18	Less deficit 15/	1,308	4,381	2,253	12,490	16,719	55,565	19,710	88,680	3,335	10,593	42,430	98,634
19	Total liabilities 12/	87,177	23,620	79,240	53,986	499,731	251,212	476,470	328,362	127,899	66,866	1,383,719	458,853
	Receipts, taxable:												
20	Gross sales 16/	164,198	59,285	128,294	67,101	725,422	300,158	883,008	424,128	202,598	69,862	2,613,253	735,517
21	Gross receipts from operations 17/	1,330	2,434	547	495	8,847	7,453	26,276	20,832	2,191	3,530	45,742	23,617
22	Interest	71	17	623	158	2,089	552	2,601	1,076	635	188	4,005	1,277
23	Rents and royalties 18/	1,758	416	268	269	2,699	1,738	2,007	2,865	764	643	8,338	2,653
24	Net capital gain 19/	26	24	10	6	362	162	181	86	134	14	488	276
25	Net gain, sale of property other than capital assets 20/	106	10	12	7	252	203	189	74	88	20	1,001	287
26	Dividends, domestic corporations 21/	146	1	31	12	784	85	796	110	169	14	1,651	293
27	Dividends, foreign corporations 22/	(32)	-	(32)	-	5	1	54	(32)	(32)	-	15,785	5
28	Other receipts	1,010	302	1,579	668	8,980	2,682	14,974	6,071	7,238	1,931	22,309	5,721
	Receipts, partially and wholly tax-exempt:												
	Interest on Government obligations:												
29	Subject to excess-profits tax 23/	91	(32)	1	(32)	73	20	74	3	11	19	181	24
30	Wholly tax-exempt 24/	103	-	(32)	(32)	38	7	59	6	12	2	235	27
31	Total compiled receipts 25/	168,841	62,489	131,367	68,715	747,550	313,062	930,219	455,251	213,842	76,222	2,712,989	769,697
	Deductions:												
32	Cost of goods sold 26/	129,754	46,320	98,186	51,595	552,869	236,495	650,061	311,268	149,383	53,305	2,054,834	582,247
33	Cost of operations 27/	466	1,489	239	331	5,776	5,444	9,754	11,689	649	3,240	19,262	16,184
34	Compensation of officers	2,890	2,220	6,011	4,222	26,585	12,537	32,122	21,551	6,498	3,013	64,088	25,199
35	Rent paid on business property	2,913	2,423	2,105	2,080	4,003	3,179	19,605	17,636	3,267	1,461	28,585	12,713
36	Repairs 28/	1,779	214	156	116	2,737	1,383	2,353	1,566	582	260	7,152	3,173
37	Bad debts	405	293	947	522	6,860	3,671	6,328	3,216	2,099	1,459	12,156	5,781
38	Interest paid	388	328	731	466	3,681	2,554	3,291	2,976	980	675	8,597	4,456
39	Taxes paid 29/	3,971	1,217	1,804	1,114	11,313	5,292	11,728	7,615	2,976	1,302	32,522	10,914
40	Contributions or gifts 30/	17	4	42	9	176	41	194	38	58	6	521	98
41	Depreciation	2,991	869	825	567	8,416	4,172	8,685	5,555	2,078	992	25,757	9,027
42	Depletion	8	8	4	3	124	74	112	187	8	7	123	81
43	Net capital loss 19/	12	27	13	12	207	197	93	116	23	25	282	186
44	Net loss, sale of property other than capital assets 20/	17	12	4	67	195	437	205	342	26	133	288	1,967
45	Other deductions 31/	24,655	8,488	16,712	10,439	99,271	48,608	160,134	89,467	38,656	14,034	354,915	122,266
46	Total compiled deductions	161,267	63,911	127,777	71,542	722,215	324,084	904,666	473,221	207,283	79,913	2,607,082	794,292
47	Compiled net profit or net loss (31 less 46)	7,574	36/1,422	3,590	36/2,827	25,335	36/11,022	25,553	36/17,970	6,559	36/3,690	105,907	36/24,595
48	Net income or deficit 1/ (47 less 30)	7,471	36/1,422	3,590	36/2,827	25,297	36/11,029	25,495	36/17,976	6,547	36/3,692	105,673	36/24,622
49	Income tax	1,196	-	504	-	3,633	-	3,648	-	978	-	16,863	-
50	(Declared value) excess-profits tax	7	-	12	-	82	-	114	-	52	-	265	-
51	Total tax	1,203	-	516	-	3,715	-	3,762	-	1,030	-	17,127	-
52	Compiled net profit less total tax (47 less 51)	6,371	36/1,422	3,074	36/2,827	21,620	36/11,022	21,791	36/17,970	5,529	36/3,690	88,780	36/24,595
	Dividends paid:												
53	Cash and assets other than corporation's own stock	4,186	11	971	42	9,987	676	8,224	654	1,909	52	50,393	462
54	Corporation's own stock	3	6	23	-	356	1	111	4	125	13	1,065	37

For footnotes, see pages 19 and 20.

Table 1. - Corporation returns with balance sheets, 1939, by major industrial groups and by returns with net income and with no net income 1/: Number of returns, assets and liabilities as of December 31, 1939, or close of fiscal year nearest thereto, compiled receipts and compiled deductions, compiled net profit or loss, net income or deficit, income tax, (declared value) excess-profits tax, total tax, and dividends paid - Continued
(Money figures in thousands of dollars)

		Major industrial groups 2/ - Continued												
		Service												
		Total service		Personal service		Business service		Automobile repair services		Amusement		Other service, including schools		
		Net income	No net income	Net income	No net income	Net income	No net income	Net income	No net income	Net income	No net income	Net income	No net income	
1	Number of returns with balance sheets 7/	12,862	21,315	4,300	7,633	2,533	3,440	1,151	2,865	3,218	4,327	1,609	2,933	1
	Assets:													
2	Cash 8/	190,306	70,548	38,959	31,403	60,879	11,285	3,746	2,833	68,811	16,327	17,357	8,475	2
3	Notes and accounts receivable (less reserve for bad debts)	221,844	166,443	50,903	48,253	81,773	40,034	8,965	10,797	53,721	39,612	26,067	27,419	3
4	Inventories	137,509	80,759	21,020	17,212	9,227	5,108	4,616	5,378	96,544	45,820	5,985	7,180	4
5	Investments, Government obligations 9/	22,448	8,334	3,055	1,762	6,372	3,040	137	130	6,677	483	6,157	2,919	5
6	Other investments	354,271	240,546	46,319	63,147	55,924	17,049	1,872	2,629	229,015	109,733	20,816	47,859	6
7	Net capital assets 10/	1,245,871	1,364,557	523,947	944,059	111,097	40,668	31,073	61,136	505,917	217,283	72,897	99,707	7
8	Other assets 11/	79,720	72,073	24,557	31,249	21,859	7,522	1,900	2,995	24,492	19,529	6,827	10,663	8
9	Total assets 12/	2,251,967	2,003,261	708,759	1,137,086	347,130	124,705	52,308	85,898	985,178	448,787	156,104	204,223	9
	Liabilities:													
10	Accounts payable	207,703	259,642	42,553	98,152	57,724	35,123	7,512	15,086	87,049	71,349	12,606	39,033	10
	Bonds, notes, mortgages payable:													
11	Maturity less than 1 year	62,244	156,838	22,639	79,337	6,701	10,198	4,373	8,962	23,337	29,653	5,069	28,346	11
12	Maturity 1 year or more	498,234	790,316	207,363	562,206	20,599	20,442	10,480	35,444	241,419	146,960	18,102	22,872	12
13	Other liabilities	106,094	173,137	28,811	109,175	30,190	18,178	2,455	6,743	31,541	27,366	12,924	11,537	13
14	Capital stock, preferred	148,128	166,763	47,783	97,277	30,920	9,830	4,480	4,595	56,970	42,122	7,818	12,672	14
15	Capital stock, common	640,619	623,849	215,471	308,835	106,942	87,423	16,994	33,204	240,297	111,440	60,141	81,706	15
16	Surplus reserves 13/	43,818	114,810	6,863	38,419	13,029	4,326	565	257	17,344	63,623	6,000	8,184	16
17	Surplus and undivided profits 14/	639,818	311,231	168,754	158,567	89,661	24,522	8,813	8,199	329,384	80,371	42,390	39,155	17
18	Less deficit 15/	94,689	593,325	31,477	314,882	8,636	85,338	3,363	26,592	42,164	124,095	8,949	39,281	18
19	Total liabilities 12/	2,251,967	2,003,261	708,759	1,137,086	347,130	124,705	52,308	85,898	985,178	448,787	156,104	204,223	19
	Receipts, taxable:													
20	Gross sales 16/	314,954	337,006	166,551	186,630	51,358	36,625	54,496	72,666	16,310	18,425	23,546	22,453	20
21	Gross receipts from operations 17/	1,792,455	912,433	414,422	372,364	454,655	125,840	34,176	27,148	747,862	279,343	139,410	105,957	21
22	Interest	4,817	2,473	722	380	886	242	70	56	2,834	473	293	1,309	22
23	Rents and royalties 18/	39,896	35,048	16,527	21,274	2,509	1,582	1,674	3,013	17,176	6,800	2,002	2,371	23
24	Net capital gain 19/	1,411	777	593	257	239	78	122	36	286	253	168	152	24
25	Net gain, sale of property other than capital assets 20/	905	402	309	123	148	55	136	14	233	169	78	41	25
26	Dividends, domestic corporations 21/	16,358	4,383	1,234	365	3,737	93	22	20	10,717	3,703	629	201	26
27	Dividends, foreign corporations 22/	6,983	1,883	11	1	1,446	(32)	(32)	-	5,506	1,470	19	413	27
28	Other receipts	22,796	16,185	5,877	5,468	3,935	2,472	664	989	9,678	4,488	2,379	2,731	28
	Receipts, partially and wholly tax-exempt:													
	Interest on Government obligations:													
29	Subject to excess-profits tax 23/	301	156	43	25	79	77	5	(32)	43	10	130	43	29
30	Wholly tax-exempt 24/	217	109	53	28	66	29	3	(32)	42	8	54	45	30
31	Total compiled receipts 25/	2,201,093	1,310,855	606,342	586,914	519,058	167,094	91,368	103,943	810,686	315,142	168,708	135,716	31
	Deductions:													
32	Cost of goods sold 26/	188,042	211,720	87,500	110,225	37,279	26,215	39,053	50,194	8,496	10,879	14,619	14,068	32
33	Cost of operations 27/	811,822	461,663	192,194	183,686	249,111	73,623	14,698	10,840	298,968	140,332	56,090	52,550	33
34	Compensation of officers	108,136	69,131	31,446	26,125	38,103	15,221	4,765	6,914	18,269	10,083	15,217	10,476	34
35	Rent paid on business property	110,153	78,571	25,499	29,879	10,869	5,563	8,818	12,072	60,029	24,846	4,330	6,127	35
36	Repairs 28/	21,773	20,693	12,388	15,290	2,012	422	386	822	5,884	3,074	1,073	1,075	36
37	Bad debts	8,490	10,848	3,295	3,088	2,152	2,622	447	577	1,297	3,406	1,287	1,142	37
38	Interest paid	26,674	32,676	10,972	22,154	1,024	1,072	623	1,598	13,047	6,154	986	1,643	38
39	Taxes paid 29/	65,155	50,770	24,259	32,858	9,130	2,851	2,049	2,887	25,145	8,371	4,503	3,738	39
40	Contributions or gifts 30/	963	156	230	55	212	13	20	12	451	43	49	32	40
41	Depreciation	74,429	62,642	30,236	41,019	10,163	3,553	3,326	2,921	26,362	11,433	4,255	3,635	41
42	Depletion	257	141	51	55	29	4	7	3	86	52	83	24	42
43	Net capital loss 19/	375	450	112	159	100	97	14	35	74	84	75	67	43
44	Net loss, sale of property other than capital assets 20/	464	2,974	158	1,866	56	104	14	201	192	642	44	161	44
45	Other deductions 31/	609,759	397,583	156,330	162,662	119,063	44,668	13,824	18,926	267,395	119,169	51,424	51,286	45
46	Total compiled deductions	2,026,493	1,400,019	574,671	629,120	479,302	176,028	88,042	108,003	725,695	338,570	154,035	146,023	46
47	Compiled net profit or net loss (31 less 46)	174,600	36/89,163	31,672	36/42,206	39,756	36/8,934	3,326	36/4,060	84,991	36/23,428	14,673	36/10,307	47
48	Net income or deficit 1/ (47 less 30)	174,383	36/89,272	31,619	36/42,233	39,690	36/8,962	3,323	36/4,060	84,950	36/23,435	14,620	36/10,351	48
49	Income tax	26,130	-	4,642	-	6,022	-	468	-	12,721	-	2,25[illegible]	-	49
50	(Declared value) excess-profits tax	300	-	81	-	70	-	14	-	82	-	53	-	50
51	Total tax	26,430	-	4,723	-	6,092	-	482	-	12,803	-	2,306	-	51
52	Compiled net profit less total tax (47 less 51)	148,170	36/89,163	26,948	36/42,206	33,664	36/8,934	2,844	36/4,060	72,188	36/23,428	12,367	36/10,307	52
	Dividends paid:													
53	Cash and assets other than corporation's own stock	82,033	2,755	12,266	487	23,001	219	1,016	64	38,760	1,887	6,915	99	53
54	Corporation's own stock	940	69	128	3	83	64	-	-	415	1	314	(32)	54

For footnotes, see pages 19 and 20.

Table 1. - Corporation returns with balance sheets, 1939, by major industrial groups and by returns with net income and with no net income 1/: Number of returns, assets and liabilities as of December 31, 1939, or close of fiscal year nearest thereto, compiled receipts and compiled deductions, compiled net profit or loss, net income or deficit, income tax, (declared value) excess-profits tax, total tax, and dividends paid - Continued
(Money figures in thousands of dollars)

		Major industrial groups 2/ - Continued												
		Service - Continued		Finance, insurance, real estate, and lessors of real property										
		Service not allocable		Total finance, insurance, real estate, and lessors of real property		Banks and trust companies		Mortgage and title companies		Investment trusts and investment companies		Holding companies 5/		
		Net income	No net income	Net income	No net income	Net income	No net income	Net income	No net income	Net income	No net income	Net income	No net income	
1	Number of returns with balance sheets 7/	51	117	50,743	70,202	10,809	4,540	502	770	430	233	511	151	1
	Assets:													
2	Cash 8/	555	224	20,894,617	4,622,896	18,855,680	3,235,113	18,581	42,340	130,480	17,949	695,736	26,175	2
3	Notes and accounts receivable (less reserve for bad debts)	415	329	18,914,568	4,861,977	14,475,183	3,188,010	35,998	72,709	57,472	27,267	960,115	314,603	3
4	Inventories	118	62	17,806	24,212	-	-	-	-	-	-	-	-	4
5	Investments, Government obligations 9/	51	-	15,641,536	9,972,582	14,106,958	2,495,629	20,686	27,944	92,638	997	194,329	1,722	5
6	Other investments	325	129	32,221,142	27,832,377	6,053,151	1,580,304	75,666	343,219	2,422,207	488,945	16,420,176	1,993,464	6
7	Net capital assets 10/	940	1,703	8,120,311	9,978,953	973,497	329,047	24,602	57,669	9,758	7,543	83,386	8,624	7
8	Other assets 11/	85	115	1,375,265	1,496,943	357,462	102,734	2,881	15,619	20,957	8,981	250,058	36,674	8
9	Total assets 12/	2,488	2,561	97,185,245	58,789,939	54,821,931	10,950,836	178,415	559,499	2,733,512	551,682	18,603,797	2,381,260	9
	Liabilities:													
10	Accounts payable	258	899	1,152,148	1,386,383	-	-	10,238	17,431	38,826	8,036	122,226	88,555	10
	Bonds, notes, mortgages payable:													
11	Maturity less than 1 year	125	343	1,833,969	1,037,906	-	-	16,186	32,341	20,180	4,642	212,666	103,721	11
12	Maturity 1 year or more	270	2,392	7,694,982	8,249,047	-	-	28,797	381,447	406,798	228,001	3,752,889	658,558	12
13	Other liabilities	172	137	52,006,714	38,767,258	48,869,051	9,613,055	26,211	36,105	44,915	37,816	281,950	124,713	13
14	Capital stock, preferred	158	266	4,097,912	1,776,762	230,487	181,124	7,407	19,542	303,115	226,002	2,567,750	469,191	14
15	Capital stock, common	773	1,242	15,197,211	6,064,164	2,111,287	608,377	55,809	104,275	704,840	282,456	6,466,665	680,585	15
16	Surplus reserves 13/	16	1	3,088,821	1,046,148	583,894	200,028	7,252	17,194	189,105	54,725	1,863,247	314,158	16
17	Surplus and undivided profits 14/	816	418	13,197,117	4,939,987	3,030,347	490,623	31,091	57,504	1,232,618	214,052	3,537,352	337,127	17
18	Less deficit 15/	100	3,137	1,083,629	4,477,715	3,134	162,371	4,576	106,338	206,886	484,047	200,947	395,348	18
19	Total liabilities 12/	2,488	2,561	97,185,245	58,789.939	54,821,931	10,950,836	178,415	559,499	2,733,512	551,682	18,603,797	2,381,260	19
	Receipts, taxable:													
20	Gross sales 16/	2,693	207	48,705	33,832	-	-	-	-	-	-	-	-	20
21	Gross receipts from operations 17/	1,930	1,780	2,121,274	547,439	222,761	51,577	14,781	5,660	11,167	3,037	24,474	3,725	21
22	Interest	11	12	1,115,602	1,000,947	723,357	174,303	4,336	10,500	19,274	2,331	145,799	11,410	22
23	Rents and royalties 18/	9	8	755,501	931,713	71,416	24,165	1,767	12,664	982	295	2,718	248	23
24	Net capital gain 19/	3	1	128,964	24,847	95,655	12,095	707	1,083	9,970	1,596	4,276	200	24
25	Net gain, sale of property other than capital assets 20/	1	(32)	49,087	22,443	1,537	329	115	101	294	307	124	10	25
26	Dividends, domestic corporations 21/	18	(32)	1,011,409	67,926	17,950	4,615	272	533	98,852	6,838	634,398	10,583	26
27	Dividends, foreign corporations 22/	-	-	67,258	1,617	476	22	2	-	3,257	224	56,157	327	27
28	Other receipts	264	37	86,583	44,977	25,344	9,735	1,226	3,010	510	918	10,459	1,017	28
	Receipts, partially and wholly tax-exempt:													
	Interest on Government obligations:													
29	Subject to excess-profits tax 23/	1	-	235,508	54,403	217,558	24,400	285	194	635	14	1,522	7	29
30	Wholly tax-exempt 24/	(32)	-	180,069	237,686	154,993	45,894	116	1,354	532	6	518	6	30
31	Total compiled receipts 25/	4,930	2,045	5,799,961	2,967,830	1,531,046	347,135	23,608	35,099	145,470	15,567	880,445	27,533	31
	Deductions:													
32	Cost of goods sold 26/	1,095	140	37,686	28,189	-	-	-	-	-	-	-	-	32
33	Cost of operations 27/	761	633	86,810	94,157	353	216	456	796	246	1,608	7,228	1,887	33
34	Compensation of officers	336	312	33/298,061	33/124,757	143,982	39,815	3,478	2,000	2,718	1,381	9,541	590	34
35	Rent paid on business property	609	84	111,135	74,243	38,591	8,419	549	460	453	307	2,748	175	35
36	Repairs 28/	31	9	43,509	59,255	11,864	3,649	249	939	183	4	64	14	36
37	Bad debts	11	12	154,932	143,547	120,780	62,779	874	6,734	1,160	4,779	4,979	7,067	37
38	Interest paid	23	55	549,902	426,416	188,864	63,612	1,564	10,716	13,164	8,639	154,201	36,023	38
39	Taxes paid 29/	70	66	294,536	291,072	77,640	20,237	1,358	3,199	3,215	717	9,202	1,010	39
40	Contributions or gifts 30/	1	(32)	3,944	210	1,830	7	23	2	94	-	193	-	40
41	Depreciation	87	81	164,293	219,025	39,214	13,088	689	2,260	318	58	2,938	265	41
42	Depletion	-	4	17,072	4,419	83	39	2	20	29	87	428	-	42
43	Net capital loss 19/	1	8	14,334	34,617	10,600	23,704	38	504	281	169	142	46	43
44	Net loss, sale of property other than capital assets 20/	1	1	11,636	70,493	7,287	11,267	955	3,550	148	303	111	248	44
45	Other deductions 31/	1,723	871	34/2,110,868	34/1,912,775	465,981	123,195	9,725	17,301	24,442	7,465	44,732	7,574	45
46	Total compiled deductions	4,748	2,275	35/3,898,717	35/3,483,175	1,107,069	370,026	19,961	48,479	46,450	25,516	236,309	54,899	46
47	Compiled net profit or net loss (31 less 46)	182	36/230	1,901,243	36/515,345	423,977	36/22,892	3,647	36/13,381	99,020	36/9,949	644,136	36/27,366	47
48	Net income or deficit 1/ (47 less 30)	182	36/230	1,721,174	36/753,032	268,983	36/68,786	3,531	36/14,735	98,489	36/9,955	643,617	36/27,372	48
49	Income tax	24	-	126,453	-	14,161	-	474	-	2,742	-	29,222	-	49
50	(Declared value) excess-profits tax	1	-	834	-	253	-	7	-	33	-	22	-	50
51	Total tax	24	-	127,287	-	14,414	-	481	-	2,775	-	29,244	-	51
52	Compiled net profit less total tax (47 less 51)	157	36/230	1,773,956	36/515,345	409,562	36/22,892	3,166	36/13,381	96,246	36/9,949	614,892	36/27,366	52
	Dividends paid:													
53	Cash and assets other than corporation's own stock	73	(32)	1,355,782	64,745	193,444	19,103	2,875	1,201	131,252	5,988	528,324	1,110	53
54	Corporation's own stock	-	-	40,150	1,347	3,528	1,090	3	-	118	-	32,450	-	54

For footnotes, see pages 19 and 20.

Table 1. - Corporation returns with balance sheets, 1939, by major industrial groups and by returns with net income and with no net income 1/: Number of returns, assets and liabilities as of December 31, 1939, or close of fiscal year nearest thereto, compiled receipts and compiled deductions, compiled net profit or loss, net income or deficit, income tax (declared value) excess-profits tax, total tax, and dividends paid - Continued
(Money figures in thousands of dollars)

		Major industrial groups 2/ - Continued											
		Finance, insurance, real estate, and lessors of real property - Continued											
		Other corporations holding securities 6/		Security and commodity-exchange brokers and dealers		Commercial credit and finance companies		Industrial and personal loan companies		Other finance companies		Insurance carriers, agents, etc.	
		Net income	No net income	Net income	No net income	Net income	No net income	Net income	No net income	Net income	No net income	Net income	No net income
1	Number of returns with balance sheets 7/	1,979	1,132	829	1,127	1,362	932	1,453	572	462	1,163	3,072	3,124
	Assets:												
2	Cash 8/	146,958	22,627	74,314	60,265	189,899	10,742	31,248	2,708	21,352	15,500	466,951	1,002,823
3	Notes and accounts receivable (less reserve for bad debts)	337,995	156,747	95,552	54,681	1,675,308	82,780	424,562	34,676	20,713	76,121	106,663	35,010
4	Inventories	3,404	309	-	-	1,980	811	1,612	628	347	485	-	-
5	Investments, Government obligations 9/	105,827	23,773	71,655	73,814	3,946	528	1,626	2,447	1,523	3,800	893,984	7,298,260
6	Other investments	3,409,366	1,597,579	183,350	136,421	79,868	34,982	55,737	12,801	75,015	154,787	2,267,116	19,867,061
7	Net capital assets 10/	83,071	26,956	7,331	15,898	9,785	3,672	8,516	1,917	58,846	104,153	124,911	281,788
8	Other assets 11/	31,168	15,007	23,320	21,792	12,040	2,587	5,837	2,545	4,186	18,049	511,994	1,020,219
9	Total assets 12/	4,117,790	1,842,997	455,522	362,872	1,972,827	136,103	529,138	57,721	181,981	372,894	4,371,619	29,505,162
	Liabilities:												
10	Accounts payable	142,437	164,895	104,485	75,770	206,929	13,014	24,343	6,951	10,962	33,209	107,603	36,606
	Bonds, notes, mortgages payable:												
11	Maturity less than 1 year	94,832	126,679	82,492	51,414	930,888	33,069	165,178	15,208	5,909	11,075	5,337	4,129
12	Maturity 1 year or more	250,895	403,463	19,630	22,965	141,744	35,104	90,217	14,659	4,026	133,132	6,957	3,780
13	Other liabilities	25,659	62,887	27,787	82,143	98,982	6,125	16,023	4,121	11,115	43,661	2,303,240	28,014,290
14	Capital stock, preferred	386,196	201,490	39,978	22,586	113,452	11,417	65,723	3,940	17,578	22,716	19,403	5,497
15	Capital stock, common	1,576,798	604,298	74,945	81,155	261,671	26,247	100,809	13,671	88,491	99,842	535,172	234,558
16	Surplus reserves 13/	173,920	174,868	13,537	9,915	60,778	8,581	8,394	729	12,817	16,965	6,800	2,954
17	Surplus and undivided profits 14/	1,640,853	517,246	102,233	111,064	160,075	14,176	60,127	4,043	42,384	117,971	1,394,155	1,244,417
18	Less deficit 15/	173,801	412,830	9,564	94,139	1,691	11,630	1,677	5,601	11,301	105,676	7,047	41,070
19	Total liabilities 12/	4,117,790	1,842,997	455,522	362,872	1,972,827	136,103	529,138	57,721	181,981	372,894	4,371,619	29,505,162
	Receipts, taxable:												
20	Gross sales 16/	2,783	444	-	-	3,344	2,991	1,728	521	4,235	447	-	-
21	Gross receipts from operations 17/	4,717	714	53,099	33,717	145,396	9,443	36,951	3,196	2,149	2,336	1,339,836	242,385
22	Interest	28,175	7,778	2,564	1,905	40,200	5,430	71,159	4,974	426	3,502	47,090	754,696
23	Rents and royalties 18/	2,736	185	283	1,260	594	248	494	126	31,330	7,303	14,330	176,258
24	Net capital gain 19/	4,768	464	769	1,134	231	29	133	12	331	479	2,140	1,139
25	Net gain, sale of property other than capital assets 20/	148	43	31,371	9,826	223	26	57	3	74	276	263	17
26	Dividends, domestic corporations 21/	161,017	4,992	3,121	905	8,069	36	1,069	13.	6,410	340	54,487	29,342
27	Dividends, foreign corporations 22/	5,567	216	31	11	140	(32)	-	(32)	41	3	1,021	709
28	Other receipts	2,065	837	3,252	2,054	5,298	556	2,666	207	340	975	5,909	2,719
	Receipts, partially and wholly tax-exempt:												
	Interest on Government obligations:												
29	Subject to excess-profits tax 23/	1,745	56	677	161	53	4	26	19	51	42	11,166	29,061
30	Wholly tax-exempt 24/	1,946	507	1,987	1,323	16	6	62	43	8	190	17,088	187,488
31	Total compiled receipts 25/	215,667	16,237	97,155	52,296	203,565	18,768	114,345	9,114	45,395	15,892	1,493,330	1,423,814
	Deductions:												
32	Cost of goods sold 26/	2,157	429	-	-	2,998	2,769	1,351	389	3,353	375	-	-
33	Cost of operations 27/	129	11	15,968	12,244	1,720	1,538	4,176	555	777	1,172	16,591	11,460
34	Compensation of officers	7,545	2,023	18,003	8,419	10,838	2,626	6,826	1,308	2,169	1,540	33/32,578	33/13,710
35	Rent paid on business property	672	235	3,065	4,139	3,674	569	3,787	481	397	305	16,106	3,161
36	Repairs 28/	209	19	68	119	338	67	112	18	107	590	1,319	1,528
37	Bad debts	1,931	5,388	582	4,276	10,589	3,429	6,172	1,429	147	11,742	2,203	4,429
38	Interest paid	14,435	14,809	2,263	2,006	23,595	1,916	14,004	1,987	698	3,158	2,131	44,285
39	Taxes paid 29/	5,361	966	3,310	2,007	5,839	467	3,444	293	977	1,744	47,216	53,315
40	Contributions or gifts 30/	726	(32)	84	6	112	3	99	1	8	2	305	12
41	Depreciation	1,103	237	496	507	1,900	170	770	87	2,195	3,255	5,503	36,490
42	Depletion	247	1	2	3	5	(32)	1	-	32	22	5	2
43	Net capital loss 19/	1,131	519	70	4,412	45	76	27	26	32	165	502	184
44	Net loss, sale of property other than capital assets 20/	252	538	41	1,247	48	40	53	60	53	4,693	1,027	2,233
45	Other deductions 31/	12,691	19,660	37,791	26,959	80,589	7,820	42,203	4,339	21,138	11,203	34/1,158,459	34/1,358,062
46	Total compiled deductions	48,586	44,835	81,944	66,344	142,292	21,491	83,025	10,972	32,081	39,967	35/1,283,944	35/1,528,872
47	Compiled net profit or net loss (31 less 46)	167,081	36/28,598	15,211	36/14,048	61,273	36/2,723	31,320	36/1,858	13,314	36/24,075	209,386	36/105,058
48	Net income or deficit 1/ (47 less 30)	165,135	36/29,106	13,224	36/15,371	61,257	36/2,728	31,258	36/1,901	13,306	36/24,265	192,298	36/292,546
49	Income tax	7,174	-	1,707	-	9,036	-	4,974	-	1,935	-	22,329	-
50	(Declared value) excess-profits tax	22	-	61	-	25	-	13	-	20	-	66	-
51	Total tax	7,196	-	1,768	-	9,061	-	4,987	-	1,954	-	22,396	-
52	Compiled net profit less total tax (47 less 51)	159,885	36/28,598	13,443	36/14,048	52,212	36/2,723	26,333	36/1,858	11,360	36/24,075	186,990	36/105,058
	Dividends paid:												
53	Cash and assets other than corporation's own stock	148,469	1,816	7,135	790	46,531	453	18,511	102	11,554	1,140	103,800	23,744
54	Corporation's own stock	584	42	152	-	791	5	1,162	-	62	(32)	828	50

For footnotes, see pages 19 and 20.

Table 1. - Corporation returns with balance sheets, 1939, by major industrial groups and by returns with net income and with no net income 1/: Number of returns, assets and liabilities as of December 31, 1939, or close of fiscal year nearest thereto, compiled receipts and compiled deductions, compiled net profit or loss, net income or deficit, income tax, (declared value) excess-profits tax, total tax, and dividends paid - Continued
(Money figures in thousands of dollars)

		Major industrial groups 2/ - Continued												
		Finance, insurance, real estate, and lessors of real property - Continued						Construction		Agriculture, forestry and fishery				
		Real estate, including lessors of buildings		Lessors of real property, except buildings		Finance, insurance, real estate, and lessors of real property not allocable				Total agriculture, forestry, and fishery		Agriculture and services		
		Net income	No net income	Net income	No net income	Net income	No net income	Net income	No net income	Net income	No net income	Net income	No net income	
1	Number of returns with balance sheets 7/	25,064	51,421	1,520	1,735	2,750	3,302	5,291	8,871	2,491	4,557	2,303	4,057	1
	Assets:													
2	Cash 8/	159,249	152,203	36,203	9,574	67,967	24,879	107,634	38,625	36,260	13,387	32,483	11,215	2
3	Notes and accounts receivable (less reserve for bad debts)	303,604	504,014	56,387	34,371	365,017	280,988	330,970	197,991	51,251	48,369	43,992	40,205	3
4	Inventories	5,035	18,331	3,292	1,145	2,136	2,503	75,824	44,992	86,971	50,926	82,095	49,399	4
5	Investments, Government obligations 9/	56,787	22,361	13,669	811	77,909	20,496	30,093	11,040	25,861	4,235	25,259	4,021	5
6	Other investments	554,084	1,020,716	126,718	75,390	498,688	526,707	94,316	59,922	175,487	100,180	165,659	82,470	6
7	Net capital assets 10/	4,672,000	8,006,673	1,883,881	902,691	180,727	232,322	189,417	136,275	403,701	463,736	358,824	370,271	7
8	Other assets 11/	94,124	190,006	45,424	40,773	15,815	21,958	33,569	19,359	24,001	17,233	14,204	14,535	8
9	Total assets 12/	5,844,882	9,914,305	2,165,573	1,064,755	1,208,259	1,109,853	861,823	508,203	803,532	698,066	722,515	572,116	9
	Liabilities:													
10	Accounts payable	295,119	762,301	20,323	67,655	68,657	111,959	161,262	132,888	105,840	84,573	84,697	67,513	10
	Bonds, notes, mortgages payable:													
11	Maturity less than 1 year	199,291	551,652	24,433	38,173	76,577	65,802	43,722	56,859	34,399	67,342	33,684	64,289	11
12	Maturity 1 year or more	2,204,513	5,633,123	604,187	475,234	184,330	259,580	33,758	61,466	58,986	157,133	55,452	137,419	12
13	Other liabilities	164,382	625,647	55,642	72,785	81,759	43,912	125,977	59,060	21,291	36,844	18,913	27,241	13
14	Capital stock, preferred	164,193	402,179	109,423	54,459	73,207	156,622	35,400	28,773	13,753	34,929	11,102	25,499	14
15	Capital stock, common	1,805,239	2,494,278	977,988	409,849	437,497	424,573	231,249	186,290	381,247	337,310	348,188	289,022	15
16	Surplus reserves 13/	85,386	212,389	32,095	9,466	51,595	44,174	23,618	7,423	22,722	5,311	22,036	4,397	16
17	Surplus and undivided profits 14/	1,193,352	1,379,758	427,077	190,193	345,455	261,813	229,147	83,983	201,778	176,309	178,472	121,806	17
18	Less deficit 15/	266,593	2,147,023	85,593	253,059	110,819	258,584	22,308	108,539	36,485	201,687	30,029	165,070	18
19	Total liabilities 12/	5,844,882	9,914,305	2,165,573	1,064,755	1,208,259	1,109,853	861,823	508,203	803,532	698,066	722,515	572,116	19
	Receipts, taxable:													
20	Gross sales 16/	24,536	22,466	3,130	576	8,949	6,387	333,337	243,306	320,947	129,834	292,163	118,328	20
21	Gross receipts from operations 17/	147,166	172,072	84,592	9,841	34,186	9,736	1,067,159	474,243	67,371	34,549	63,717	30,507	21
22	Interest	12,550	13,641	1,076	785	19,596	9,692	1,895	977	1,600	833	1,384	753	22
23	Rents and royalties 18/	568,427	690,379	45,610	9,300	14,813	9,282	4,050	3,465	5,366	3,470	5,197	3,256	23
24	Net capital gain 19/	5,727	3,751	936	395	3,321	2,469	893	676	1,588	1,347	899	668	24
25	Net gain, sale of property other than capital assets 20/	13,434	10,807	303	227	1,145	471	1,177	676	466	208	236	157	25
26	Dividends, domestic corporations 21/	10,292	4,218	2,513	249	12,958	5,263	5,733	534	5,262	1,359	4,977	1,350	26
27	Dividends, foreign corporations 22/	123	32	3	12	442	62	270	74	1,533	15	1,531	15	27
28	Other receipts	13,014	18,817	12,981	1,388	5,519	2,742	14,199	5,475	4,673	3,372	4,317	3,024	28
	Receipts, partially and wholly tax-exempt:													
	Interest on Government obligations:													
29	Subject to excess-profits tax 23/	845	255	274	12	672	179	423	94	770	58	758	55	29
30	Wholly tax-exempt 24/	849	427	173	18	1,780	425	322	150	159	173	148	171	30
31	Total compiled receipts 25/	796,964	936,864	151,591	22,804	101,381	46,708	1,429,459	729,669	409,735	175,218	375,328	158,284	31
	Deductions:													
32	Cost of goods sold 26/	16,933	17,815	2,139	429	8,755	5,983	264,354	197,661	233,495	104,407	211,763	94,832	32
33	Cost of operations 27/	35,618	60,490	1,145	369	2,404	1,812	866,259	413,789	18,851	21,093	17,092	18,634	33
34	Compensation of officers	47,588	44,412	2,711	1,410	10,285	5,521	58,823	36,891	10,327	7,853	9,456	7,034	34
35	Rent paid on business property	37,649	54,442	1,393	337	2,051	1,212	6,095	5,233	11,981	2,489	11,807	2,345	35
36	Repairs 28/	26,884	50,996	1,081	402	1,030	909	8,860	3,900	6,487	2,811	6,084	2,379	36
37	Bad debts	3,088	19,185	193	986	2,234	11,324	2,908	6,548	1,171	1,241	1,107	1,116	37
38	Interest paid	102,850	213,341	23,069	13,309	9,063	12,616	4,159	4,149	4,910	8,062	4,471	6,758	38
39	Taxes paid 29/	118,869	199,712	11,753	2,979	6,152	4,427	20,033	10,850	8,748	6,732	7,905	5,779	39
40	Contributions or gifts 30/	353	168	36	3	82	5	269	49	55	16	48	12	40
41	Depreciation	100,992	155,684	4,889	3,341	3,285	3,582	26,435	12,522	15,706	9,901	13,622	8,575	41
42	Depletion	289	294	15,586	3,745	363	206	81	44	807	791	324	112	42
43	Net capital loss 19/	884	3,845	89	146	492	823	311	367	130	348	118	316	43
44	Net loss, sale of property other than capital assets 20/	1,171	41,221	132	1,473	358	3,622	296	648	167	1,217	153	822	44
45	Other deductions 31/	176,814	301,203	9,769	10,034	26,534	17,961	101,171	71,634	57,468	33,070	55,129	30,323	45
46	Total compiled deductions	669,982	1,162,806	73,986	38,964	73,088	70,003	1,360,055	764,286	370,304	200,032	339,080	179,038	46
47	Compiled net profit or net loss (31 less 46)	126,981	36/225,942	77,605	36/16,160	28,292	36/23,295	69,404	36/34,618	39,432	36/24,814	36,248	36/20,754	47
48	Net income or deficit 1/ (47 less 30)	126,132	36/226,370	77,432	36/16,178	26,513	36/23,720	69,082	36/34,768	39,273	36/24,987	36,100	36/20,925	48
49	Income tax	17,613	-	12,441	-	2,645	-	10,522	-	5,506	-	5,032	-	49
50	(Declared value) excess-profits tax	266	-	20	-	27	-	437	-	129	-	120	-	50
51	Total tax	17,879	-	12,460	-	2,672	-	10,959	-	5,635	-	5,152	-	51
52	Compiled net profit less total tax (47 less 51)	109,102	36/225,942	65,145	36/16,160	25,621	36/23,295	58,445	36/34,618	33,796	36/24,814	31,097	36/20,754	52
	Dividends paid:													
53	Cash and assets other than corporation's own stock	69,525	6,200	71,595	943	22,767	2,154	26,322	1,190	21,664	1,231	19,698	930	53
54	Corporation's own stock	206	148	35	-	231	12	462	4	117	19	75	19	54

For footnotes, see pages 19 and 20.

Table 1. - Corporation returns with balance sheets, 1939, by major industrial groups and by returns with net income and with no net income 1/: Number of returns, assets and liabilities as of December 31, 1939, or close of fiscal year nearest thereto, compiled receipts and compiled deductions, compiled net profit or loss, net income or deficit, income tax, (declared value) excess-profits tax, total tax, and dividends paid - Continued
(Money figures in thousands of dollars)

		Major industrial groups 2/ - Continued						
		Agriculture, forestry, and fishery - Continued				Nature of business not allocable, except trade		
		Forestry		Fishery				
		Net income	No net income	Net income	No net income	Net income	No net income	
1	Number of returns with balance sheets 7/	95	287	93	213	724	2,185	1
	Assets:							
2	Cash 8/	2,803	1,689	974	484	10,529	8,139	2
3	Notes and accounts receivable (less reserve for bad debts)	4,988	6,556	2,271	1,607	24,162	38,915	3
4	Inventories	2,697	590	2,179	937	8,196	6,297	4
5	Investments, Government obligations 9/	393	188	209	27	2,412	1,552	5
6	Other investments	5,700	16,475	4,128	1,235	37,565	47,535	6
7	Net capital assets 10/	36,960	83,451	7,916	10,014	40,359	117,406	7
8	Other assets 11/	9,361	2,052	437	646	2,587	23,902	8
9	Total assets 12/	62,902	111,000	18,115	14,950	125,810	243,747	9
	Liabilities:							
10	Accounts payable	18,966	11,470	2,178	5,590	11,563	32,860	10
	Bonds, notes, mortgages payable:							
11	Maturity less than 1 year	279	2,380	436	673	5,374	27,261	11
12	Maturity 1 year or more	2,453	17,859	1,081	1,856	9,903	41,421	12
13	Other liabilities	2,128	9,266	250	337	5,258	18,497	13
14	Capital stock, preferred	835	8,923	1,816	506	3,890	35,542	14
15	Capital stock, common	27,683	41,471	5,375	6,818	61,602	190,945	15
16	Surplus reserves 13/	324	641	362	273	2,520	4,182	16
17	Surplus and undivided profits 14/	15,696	51,071	7,610	3,432	47,034	94,994	17
18	Less deficit 15/	5,462	32,081	994	4,536	21,334	201,955	18
19	Total liabilities 12/	62,902	111,000	18,115	14,950	125,810	243,747	19
	Receipts, taxable:							
20	Gross sales 16/	10,483	4,392	18,301	7,114	55,210	22,631	20
21	Gross receipts from operations 17/	1,392	1,127	2,262	2,915	8,889	5,898	21
22	Interest	189	76	26	5	765	389	22
23	Rents and royalties 18/	133	173	36	42	1,698	1,149	23
24	Net capital gain 19/	676	532	13	147	706	256	24
25	Net gain, sale of property other than capital assets 20/	208	29	22	22	245	183	25
26	Dividends, domestic corporations 21/	257	8	29	(32)	1,111	280	26
27	Dividends, foreign corporations 22/	1	-	(32)	-	15	31	27
28	Other receipts	184	308	172	40	1,367	844	28
	Receipts, partially and wholly tax-exempt:							
	Interest on Government obligations:							
29	Subject to excess-profits tax 23/	11	2	1	1	44	19	29
30	Wholly tax-exempt 24/	2	1	9	(32)	32	14	30
31	Total compiled receipts 25/	13,536	6,648	20,871	10,286	70,084	31,695	31
	Deductions:							
32	Cost of goods sold 26/	6,375	3,593	15,357	5,982	43,725	19,311	32
33	Cost of operations 27/	647	555	1,112	1,904	3,922	2,858	33
34	Compensation of officers	283	401	588	417	2,954	1,929	34
35	Rent paid on business property	22	65	152	79	901	694	35
36	Repairs 28/	74	67	329	365	547	383	36
37	Bad debts	8	44	56	81	394	1,735	37
38	Interest paid	361	1,087	78	217	651	1,819	38
39	Taxes paid 29/	587	795	257	158	1,598	1,453	39
40	Contributions or gifts 30/	6	3	1	1	15	4	40
41	Depreciation	1,621	473	463	853	1,464	1,617	41
42	Depletion	483	678	(32)	1	162	52	42
43	Net capital loss 19/	8	27	5	5	36	137	43
44	Net loss, sale of property other than capital assets 20/	6	278	7	117	26	725	44
45	Other deductions 31/	867	1,487	1,472	1,260	8,647	6,573	45
46	Total compiled deductions	11,347	9,555	19,877	11,439	65,042	39,289	46
47	Compiled net profit or net loss (31 less 46)	2,189	36/2,907	994	36/1,153	5,041	36/7,596	47
48	Net income or deficit 1/ (47 less 30)	2,187	36/2,909	985	36/1,153	5,009	36/7,610	48
49	Income tax	322	-	153	-	670	-	49
50	(Declared value) excess-profits tax	6	-	3	-	16	-	50
51	Total tax	328	-	156	-	686	-	51
52	Compiled net profit less total tax (47 less 51)	1,861	36/2,907	838	36/1,153	4,355	36/7,596	52
	Dividends paid:							
53	Cash and assets other than corporation's own stock	1,729	289	237	11	2,364	1,014	53
54	Corporation's own stock	40	-	2	-	49	9	54

For footnotes, see pages 19 and 20.

Table 2. - Corporation returns with balance sheets, 1939, by total assets classes: Number of returns, assets and liabilities as of December 31, 1939, or close of fiscal year nearest thereto, compiled receipts and compiled deductions, compiled net profit or net loss, net income or deficit, income tax, (declared value) excess-profits tax, total tax, and dividends paid

(Total assets classes and money figures in thousands of dollars)

		Total assets classes 12/											
		Total	Under 50	50 under 100	100 under 250	250 under 500	500 under 1,000	1,000 under 5,000	5,000 under 10,000	10,000 under 50,000	50,000 under 100,000	100,000 and over	
1	Number of returns with balance sheets 7/	412,759	226,877	60,256	58,119	27,447	17,232	17,337	2,537	2,217	342	395	1
	Assets:												
2	Cash 8/	34,053,552	336,673	276,545	622,318	812,163	1,227,553	4,144,336	2,031,368	5,485,261	2,458,173	16,679,162	2
3	Notes and accounts receivable (less reserve for bad debts)	39,450,518	969,010	933,380	1,921,671	2,064,065	2,485,301	6,770,440	2,772,935	6,186,147	2,528,569	12,818,999	3
4	Inventories	17,718,090	743,538	661,353	1,245,955	1,130,287	1,239,747	3,140,253	1,243,575	3,008,853	1,343,698	3,960,831	4
5	Investments, Government obligations 9/	27,352,547	12,509	23,364	122,866	279,392	554,473	2,422,438	1,364,010	3,747,128	1,666,174	17,160,193	5
6	Other investments	81,154,891	186,138	247,753	715,734	1,022,890	1,559,921	6,464,897	3,799,807	11,408,821	5,771,547	49,979,382	6
7	Net capital assets 10/	100,226,097	1,739,218	2,011,216	4,287,196	4,091,660	4,698,530	12,404,412	5,992,132	14,887,073	9,248,382	40,866,278	7
8	Other assets 11/	6,845,610	153,842	138,438	274,549	248,408	290,025	805,075	409,332	1,043,874	744,022	2,740,045	8
9	Total assets 12/	306,801,306	4,140,927	4,292,048	9,188,289	9,648,866	12,055,552	36,149,852	17,613,160	45,767,157	23,740,565	144,204,891	9
	Liabilities:												
10	Accounts payable	14,505,771	1,138,168	753,289	1,283,188	968,258	980,616	2,289,245	897,845	1,903,047	849,483	3,442,633	10
	Bonds, notes, mortgages payable:												
11	Maturity less than 1 year	8,027,029	477,035	370,617	670,241	621,276	678,207	1,493,195	547,559	935,217	416,172	1,817,509	11
12	Maturity 1 year or more	49,388,156	735,110	853,474	1,936,686	1,819,345	2,012,209	5,232,243	2,645,411	6,971,844	5,252,394	21,929,442	12
13	Other liabilities	98,016,319	317,242	258,818	771,236	1,430,787	2,506,224	9,251,227	4,726,652	12,840,866	5,975,752	59,937,514	13
14	Capital stock, preferred	17,255,302	181,225	176,013	457,635	557,721	725,420	2,304,977	1,129,391	3,282,543	1,905,824	6,534,753	14
15	Capital stock, common	73,481,904	2,622,177	1,910,163	3,583,584	3,238,444	3,612,440	9,267,807	4,243,476	10,368,987	5,117,560	29,517,266	15
16	Surplus reserves 13/	7,847,231	30,601	36,614	96,312	124,335	200,372	774,295	462,111	1,508,570	894,249	3,719,771	16
17	Surplus and undivided profits 14/	51,301,985	550,283	686,636	1,664,195	1,897,084	2,520,205	7,853,589	4,006,672	9,547,047	4,081,833	18,514,441	17
18	Less deficit 15/	13,022,390	1,910,913	753,575	1,274,787	1,008,384	1,180,141	2,296,726	1,045,958	1,590,765	752,702	1,208,438	18
19	Total liabilities 12/	306,801,306	4,140,927	4,292,048	9,188,289	9,648,866	12,055,552	36,149,852	17,613,160	45,767,157	23,740,565	144,204,891	19
	Receipts, taxable:												
20	Gross sales 16/	100,059,943	7,630,026	5,747,907	9,678,439	7,789,492	7,932,064	17,673,292	6,499,233	14,891,061	5,363,924	16,834,505	20
21	Gross receipts from operations 17/	21,560,725	1,795,011	921,731	1,409,693	1,107,238	970,368	2,170,288	993,878	3,141,994	1,718,475	7,332,050	21
22	Interest	2,405,295	14,887	15,678	48,171	71,791	102,789	315,235	131,636	307,561	144,549	1,252,999	22
23	Rents and royalties 18/	2,207,253	151,788	136,151	276,854	226,796	216,994	418,592	150,981	215,011	96,508	317,577	23
24	Net capital gain 19/	205,860	7,330	4,296	7,929	7,453	11,071	36,691	18,173	33,811	12,853	66,253	24
25	Net gain, sale of property other than capital assets 20/	107,937	9,941	6,547	10,352	15,204	14,202	24,263	8,290	9,496	4,955	4,687	25
26	Dividends, domestic corporations 21/	1,860,454	4,401	3,426	13,923	19,393	33,427	165,279	90,936	318,749	165,588	1,045,332	26
27	Dividends, foreign corporations 22/	246,979	376	64	1,319	902	1,491	11,281	7,223	45,281	41,804	137,237	27
28	Other receipts	977,859	82,543	64,074	110,856	86,902	88,928	196,210	84,814	128,541	45,516	89,475	28
	Receipts, partially and wholly tax-exempt:												
	Interest on Government obligations:												
29	Subject to excess-profits tax 23/	315,344	182	326	2,009	4,445	7,713	33,075	18,486	48,128	18,509	182,471	29
30	Wholly tax-exempt 24/	437,291	228	297	1,589	5,482	12,319	47,007	22,634	59,407	24,449	263,879	30
31	Total compiled receipts 25/	130,364,940	9,696,712	6,900,498	11,561,155	9,335,099	9,391,365	21,091,213	8,026,284	19,199,041	7,637,129	27,526,464	31
	Deductions:												
32	Cost of goods sold 26/	76,007,070	5,926,226	4,536,251	7,631,879	6,063,045	6,156,173	13,397,643	4,769,724	10,946,016	3,867,236	12,712,876	32
33	Cost of operations 27/	10,820,847	1,000,511	523,669	813,569	647,249	517,300	1,018,591	400,582	1,282,180	647,471	3,969,725	33
34	Compensation of officers 33/	2,620,518	613,105	316,761	435,196	288,692	233,963	358,861	92,910	148,556	40,547	91,926	34
35	Rent paid on business property	1,560,171	302,528	119,493	160,447	106,420	100,357	210,709	72,259	154,771	79,176	254,012	35
36	Repairs 28/	1,079,498	44,184	32,377	58,618	58,309	64,123	172,231	83,077	211,322	73,992	281,265	36
37	Bad debts	685,794	53,416	38,330	62,129	52,076	52,660	115,767	57,027	85,485	31,048	137,855	37
38	Interest paid	2,725,508	54,295	56,096	119,217	113,199	129,773	323,627	149,233	374,269	257,625	1,148,176	38
39	Taxes paid 29/	3,915,672	156,531	122,385	228,054	216,129	234,569	616,100	264,598	598,672	357,484	1,121,150	39
40	Contributions or gifts 30/	30,271	1,393	1,111	2,075	1,775	2,029	5,874	2,668	5,334	2,114	5,898	40
41	Depreciation	3,377,905	137,250	108,244	196,467	176,716	197,307	498,937	228,671	588,326	276,188	969,799	41
42	Depletion	426,989	4,260	4,609	9,806	12,703	17,235	62,595	32,639	82,559	44,152	156,432	42
43	Net capital loss 19/	60,819	5,439	3,382	8,222	4,282	5,273	16,680	4,642	9,663	464	2,773	43
44	Net loss, sale of property other than capital assets 20/	145,788	16,567	7,708	10,906	16,637	13,236	33,270	14,369	20,660	3,045	9,388	44
45	Other deductions 31/ 34/	19,672,001	1,501,307	989,480	1,631,240	1,329,861	1,351,340	3,156,259	1,313,134	3,126,477	1,307,642	5,965,261	45
46	Total compiled deductions 35/	123,128,851	9,817,013	6,859,894	11,367,826	9,087,095	9,075,339	19,987,142	7,485,533	17,634,290	6,988,183	24,826,535	46
47	Compiled net profit or net loss (31 less 46)	7,236,089	36/120,301	40,604	193,309	248,004	316,026	1,104,071	540,751	1,564,751	648,946	2,699,929	47
48	Net income or deficit 1/ (47 less 30)	6,798,798	36/120,529	40,307	191,720	242,521	303,707	1,057,063	518,117	1,505,345	624,496	2,436,050	48
49	Income tax	1,202,070	17,166	20,119	49,840	57,873	70,923	207,087	95,184	243,288	105,812	334,778	49
50	(Declared value) excess-profits tax	15,387	1,076	887	1,484	1,428	1,456	3,749	1,313	2,313	670	1,012	50
51	Total tax	1,217,457	18,242	21,005	51,323	59,301	72,380	210,836	96,497	245,601	106,482	335,789	51
52	Compiled net profit less total tax (47 less 51)	6,018,632	37/138,543	19,599	141,985	188,703	243,646	893,235	444,254	1,319,150	542,463	2,364,140	52
	Dividends paid:												
53	Cash and assets other than corporation's own stock	5,638,695	49,198	54,444	138,130	174,899	218,642	740,400	372,622	1,154,274	548,352	2,187,734	53
54	Corporation's own stock	86,277	942	837	2,892	4,965	5,770	18,999	10,521	4,717	7,915	28,718	54

For footnotes, see pages 19 and 20.

FOOTNOTES

1/ "Net income" or "Deficit" is the amount reported for (declared value) excess-profits tax computation (item 28, page 1, Forms 1120 and 1120A) and is equal to the difference between "Total income" and "Total deductions" (items 14 and 27, respectively, page 1, Forms 1120 and 1120A).

2/ In general, corporations are classified industrially on the one business activity which accounts for the largest percentage of "Total receipts." Therefore, the industrial groups contain corporations not engaged exclusively in the industries in which they are classified. The industrial classification is based on the Standard Industrial Classification, issued by the Division of Statistical Standards, Bureau of the Budget, Executive Office of the President.

3/ Includes toll roads and toll bridges which were included in "Other public utilities" for 1938, and excludes natural gas pipe lines which are included in "Other public utilities" (see note 4).

4/ Includes natural gas pipe lines which were included in "Transportation" for 1938, and excludes toll roads and toll bridges which are included in "Transportation" (see note 3).

5/ Consists of corporations who at any time during the taxable year owned 50 percent or more of the voting stock of another corporation and whose income from such stock was 50 percent or more of the amount of dividends received.

6/ Consists of corporations (other than investment trusts and investment companies) who (a) at no time during the taxable year owned 50 percent or more of the voting stock of another corporation or (b) at any time during the taxable year owned 50 percent or more of the voting stock of another corporation but whose income from such stock was less than 50 percent of the amount of dividends received.

7/ Excludes number of returns of inactive corporations and number of returns with fragmentary balance sheet data.

8/ Includes cash in till and deposits in bank.

9/ Consists of obligations of States, Territories, and political subdivisions thereof, the District of Columbia, and United States possessions; obligations of the United States; and obligations of instrumentalities of the United States.

10/ Unlike 1938, includes intangibles.

11/ Unlike 1938, excludes intangibles.

12/ Adjustments of assets and liabilities are made in tabulating the data, when certain conditions appear on the balance sheet, as follows: (1) a negative amount reported in assets is transferred to its appropriate place under liabilities and "Total assets" and "Total liabilities" are increased by this negative amount, (2) a deficit in surplus shown under assets is transferred to liabilities and "Total assets" and "Total liabilities" are decreased by the amount of the deficit, and (3) reserves for depreciation, depletion, and bad debts when shown under liabilities are used to reduce corresponding asset accounts and "Total assets" and "Total liabilities" are reduced by the amount of such reserves.

13/ Consists of reserves reported by corporations under the caption "Surplus reserves" (item 13, Schedule O, page 5, Form 1120, and Schedule M, page 4, Form 1120A).

14/ Consists of positive amounts of "Paid-in or capital surplus" and "Earned surplus and undivided profits" (items 15 and 16, Schedule O, page 5, Form 1120 and Schedule M, page 4, Form 1120A).

15/ Consists of negative amounts of "Paid-in or capital surplus" and "Earned surplus and undivided profits" (items 15 and 16, Schedule O, page 5, Form 1120 and Schedule M, page 4, Form 1120A).

16/ Gross sales less returns and allowances where inventories are an income-determining factor. For "Cost of goods sold," see "Deductions."

17/ Gross receipts from operations where inventories are not an income-determining factor. For "Cost of operations," see "Deductions."

18/ Consists of gross amounts received. Repairs, interest, taxes, other expenses, depreciation, and depletion are included in the proper deduction items.

19/ Excludes property used in trade or business of a character which is subject to the allowance for depreciation. Net capital loss is limited to $2,000, except for certain losses of banks and trust companies.

20/ Consists of net gain or loss from property used in trade or business of a character which is subject to the allowance for depreciation.

FOOTNOTES - CONTINUED

21/ Dividends from domestic corporations subject to taxation under Chapter 1 of the Internal Revenue Code (column 2, Schedule G, page 3, Form 1120 and column 2, Schedule E, page 2, Form 1120A) which is the amount used for the computation of the dividends received credit. Dividends from corporations organized under the China Trade Act, 1922, and corporations entitled to the benefits of Section 251 of the Internal Revenue Code (corporations receiving a large portion of their gross income from sources within a possession of the United States) are included in "Other receipts."

22/ Reported in column 3, Schedule G, page 3, Form 1120 and in column 3, Schedule E, page 2, Form 1120A, and not used for the computation of dividends received credit.

23/ Consists of interest on United States savings bonds and Treasury bonds owned in principal amount over $5,000 reported as item 8, page 1, Forms 1120 and 1120A.

24/ Consists of interest on obligations of States, Territories, and political subdivisions thereof, the District of Columbia, and United States possessions; obligations of the United States issued on or before September 1, 1917, Treasury notes, Treasury bills, and Treasury certificates of indebtedness; United States savings bonds and Treasury bonds owned in principal amount of $5,000 or less; and obligations of instrumentalities of the United States.

25/ Excludes nontaxable income other than interest on tax-exempt obligations reported in Schedule P, page 5, Form 1120 and in Schedule A, page 2, Form 1120A.

26/ Includes taxes which are reported in "Cost of goods sold."

27/ Includes taxes which are reported in "Cost of operations."

28/ The cost of incidental repairs, including labor and supplies, which do not add materially to the value of the property or appreciably prolong its life. For 1938, this item was included in "Other deductions."

29/ Excludes (1) Federal income and (declared value) excess-profits taxes, (2) taxes reported in "Cost of goods sold" and "Cost of operations," and (3) income and profits taxes, paid to foreign countries and United States possessions, claimed as a credit against income tax.

30/ Limited to 5 percent of net income before deduction of contributions or gifts.

31/ Unlike 1938, excludes "Repairs" (see note 28).

32/ Less than $500.

33/ Excludes compensation of officers of life insurance companies which file Form 1120L.

34/ Includes special deductions of life insurance companies relating to reserve for dividends and reserve funds required by law.

35/ Includes special deductions of life insurance companies relating to reserve for dividends and reserve funds required by law, but excludes compensation of officers of life insurance companies which file Form 1120L.

36/ Compiled net loss or deficit.

37/ Compiled net loss after total tax payment.

Commission to Great Britain and Sweden in 1938. He was a member of the General Staff of the United States Army in the World War, 1917-18, serving as Assistant Director of Purchase, Storage and Traffic.

Trained as an electrical engineer and now a life member of the corporation and a member of the executive committee of the Massachusetts Institute of Technology, from which he was graduated in 1895, Mr. Swope has devoted much attention to industrial and labor problems. He is the author of "Stabilization of Industry," published in 1931 and often referred to as "the Swope plan" of industrial organization.

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MLS

For release ~~to morning~~ am's Saturday, January 24. 29-88

Secretary Morgenthau today announced the appointment of Gerard Swope to be a Special Assistant to the Secretary of the Treasury.

Mr. Swope is to act as general adviser to the Secretary on a great variety of business problems that arise in the conduct of the Department.

In accepting the position in the Treasury Department, to which he will devote his full time, Mr. Swope is resigning the Chairmanship of the New York City Housing Authority, which he has held for the last two years, and also his directorship in the National City Bank of New York.

Mr. Swope, who retired as President of the General Electric Company on January 1, 1940, has long been active in public affairs. He was a member of the Industrial Advisory Board of the National Recovery Administration in 1933, first Chairman of the Business Advisory Council for the Department of Commerce, Chairman of the Coal Arbitration Board and a member of the first National Labor Board in the same year, a member of the President's Advisory Council on Social Security in 1937 and 1938 and Chairman of the Industrial Relations

TREASURY DEPARTMENT
Washington

FOR RELEASE, MORNING NEWSPAPERS,
Saturday, January 24, 1942.
1/23/42

Press Service
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TREASURY DEPARTMENT
Washington

FOR IMMEDIATE RELEASE,
Friday, January 23, 1942.

Press Service
No. 29-89

The Treasury, through its Division of Foreign Funds Control, announced today the denial of an application for a license to authorize the Silesian-American Corporation and its trustees to obtain a loan from European interests for the purpose of paying the Silesian-American Corporation 7% bonds which matured on August 1, 1941.

Other applications to obtain funds from the same sources previously had been denied.

-oOo-

29-90

For Monday am's

Irving Berlin has written another song for the Treasury Department.

"I Paid My Income Tax Today," the copyright of which ~~Berlin~~ has been turned over to Secretary Morgenthau, has ~~is~~ just come off the presses as a companion piece to Berlin's "Any Bonds Today?"

The Treasury's first patriotic song was written by request. But, on a visit to Washington several weeks ago, Berlin learned about the Department's intensive preparations for unprecedented income tax collections this spring, and volunteered to do a "popular" tune ~~song~~ on the subject.

The words of the new song are as follows:

TREASURY DEPARTMENT
Washington

FOR RELEASE, MORNING NEWSPAPERS,
MONDAY, January 26, 1942.

Press Service
No. 29-90

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The words of the new song are as follows:

VERSE
I said to my Uncle Sam
"Old Man Taxes, here I am."
And he was glad to see me.
Mr. Small Fry, yes indeed,
Lower brackets that's my speed,
But he was glad to see me.

1st CHORUS
I PAID MY INCOME TAX TODAY.
I never felt so proud before,
To be right there with the millions more
Who paid their income tax today.
I'm squared up with the U.S.A.
You see those bombers in the sky,
Rockefeller helped to build them,
So did I.
I PAID MY INCOME TAX TODAY.

2nd CHORUS
I PAID MY INCOME TAX TODAY.
A thousand planes to bomb Berlin.
They'll all be paid for, and I chipped in,
That cert'nly makes me feel okay.
Ten thousand more and that ain't hay!
We must pay for this war somehow,
Uncle Sam was worried but he isn't now,
I PAID MY INCOME TAX TODAY.

3rd CHORUS
I PAID MY INCOME TAX TODAY.
I never cared what Congress spent.
But now I'll watch over ev'ry cent,
Examine ev'ry bill they pay,
They'll have to let me have my say
I wrote the Treasury to go slow
Careful, Mr. Henry Junior, that's my dough,
I PAID MY INCOME TAX TODAY.

-oOo-

I PAID MY INCOME TAX TODAY

Words and Music by

IRVING BERLIN

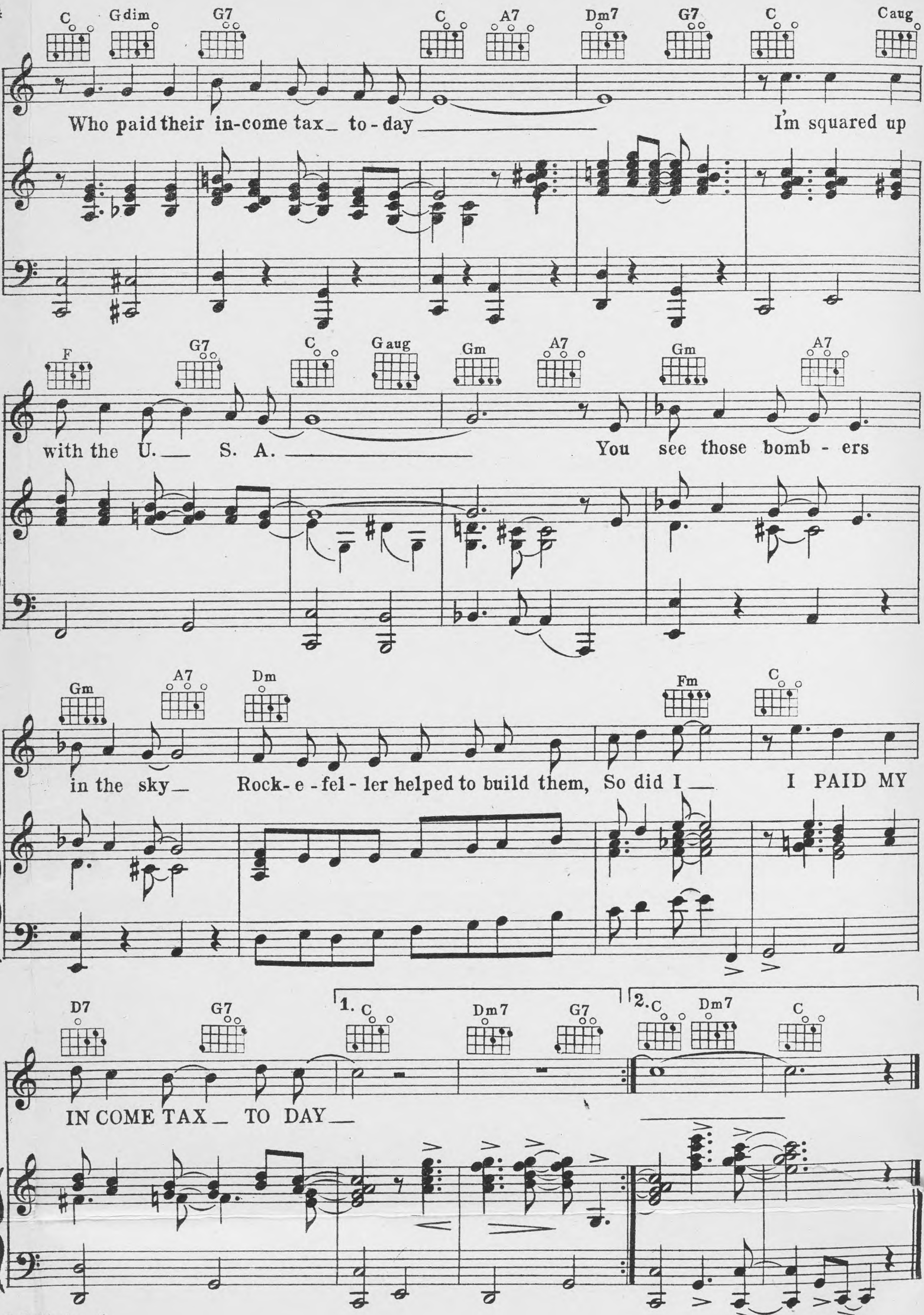
I Paid My Income Tax Today

By IRVING BERLIN

Moderately Bright Bounce Tempo

+) *Symbols for Guitar, Chords for Ukulele and Banjo.*


C
Cdim
G7
G9
C
Cdim
G7
G9
Mis-ter Small Fry, yes in-deed_ Low-er brack-ets that's my speed_ But
B7
Am
B7
Em
G dim
Dm7
G7
he ___ was glad_ to see me.___
CHORUS
C
F
G7
C
G7
I PAID MY IN-COME TAX_ TO DAY___ I
mf-f
C
G dim
Dm7
G7
C
G dim
Dm7
G7
nev-er felt_ so proud be-fore_ To be right there with the mil-lions more_


C Gdim G7 C A7 Dm7 G7 C Caug
Who paid their in-come tax_ to-day I'm squared up
F G7 C G aug Gm A7 Gm A7
with the U._ S. A. You see those bomb - ers
Gm A7 Dm Fm C
in the sky_ Rock-e-fel-ler helped to build them, So did I_ I PAID MY
D7 G7 1. C Dm7 G7 2. C Dm7 C
IN COME TAX_ TO DAY_

2nd CHORUS

I paid my Income Tax today,

A thousand planes to bomb Berlin.

They'll all be paid for, and I chipped in,

That cert'nly makes me feel okay.

Ten thousand more and that ain't hay!

We must pay for this war somehow,

Uncle Sam was worried but he is n't now,

I paid my Income Tax today.

3rd CHORUS

I paid my Income Tax today,

I never cared what Congress spent.

But now I'll watch over ev'ry cent,

Examine ev'ry bill they pay,

They'll have to let me have my say

I wrote the Treasury to go slow

Careful, Mr. Henry Junior, that's my dough,

I paid my Income Tax today.

"The program [redacted] avoids delays all along the line by expediting purchases and deliveries."

In addition to speed in purchasing and delivery, Mr. Mack said the Government would benefit from the standpoint of price as a result of placement of large quantity orders at one time instead of small orders over a period of mo

In planning the office furniture purchasing program and its operation, John M. Brower and Edwin R. Dibrell ~~of the Purchase Division~~ of the War Production Board have been working actively with the Treasury's Procurement Division. Mr. Dibrell has been detailed to the Division, and assisted in laying the groundwork and developing ~~utmost~~ close cooperation between ~~the several agencies and~~ the Division and other Government agencies.

-oOo-

1/23/42

1. Obtaining estimates of requirements of the armed services and Executive departments, and agencies for a six-month period.

2. Broadening of specifications for wooden desks and files formerly purchased, retaining a satisfactory standard of quality which can be made by most manufacturers in the industry.

3. Revision of normal purchasing procedure and eliminating all possible routine to permit placement of orders received from the services on the day on which they arrive.

4. Setting up within the Division of a control plan which sets forth the amount of production each manufacturer is able to devote to Governmental orders, and for which he has received an award. This allocation program provides an opportunity to spread the purchase orders for office furniture as widely as possible among qualified manufacturers.

Commenting on this streamlined buying technique, Procurement Director Clifton E. Mack declared that speed is its essence.

"A requisition from the Army or Navy or any other Federal agency in effect will be now a requisition for merchandise which is actually on the production line and in the process of being turned out," he said.

ciently broadened to make possible the procurement of articles of a satisfactory standard of quality which could be produced by most of the manufacturers in the industry. Although contracts will be awarded on a competitive basis, the orders will be spread through the industry to take full advantage of existing facilities. ~~a program which is in line with Secretary Morgenthau's policy.~~

To effect required conservation of metals critically needed, especially steel, wood is being substituted wherever possible in buying office furniture. This is in line with directives of the Army, Navy and the Office of Production Management to minimize the consumption of materials essential to the prosecution of the war.

Concurrently with the calling for quotations on wood files, work was going ahead on meeting estimated requirements of wood chairs. At a meeting held here, chair manufacturers were told of new specifications and were asked for suggestions.

Steps to speed procurement of office furniture and to avoid unnecessary complications within agencies of the Government themselves were:

For Monday a.m.'s
~~MONDAY, A. M. Release,~~

~~January 26, 1942.~~

29-91

Moving quickly to speed purchases, the Treasury's Procurement Division prepared today to place with wood office furniture manufacturers orders which before the year-end may exceed their 1939 sales of $48,000,000.

Into this operation went the Division's new streamlined buying technique to expedite ~~speed the~~ delivery of office furniture urgently required by the armed services and other Federal agencies.

One of the first steps in the huge furniture buying program was the call last week for quotations on approximately 150,000 wood files to meet the needs of the Government, particularly the military forces, for the next six months. Quotations and other information requested will be the basis for the award of contracts. Under authority granted by the President, the Division is now empowered to make purchases by direct negotiation, by simply writing or telephoning manufacturers for prices on specified articles.

Since Governmental requirements for office furniture for 1942 are expected to ~~will undoubtedly~~ exceed the sales of the entire industry in 1939, specifications are being suffi-

TREASURY DEPARTMENT
Washington

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Monday, January 26, 1942.

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The women of America who have glorified our past and prayed for our future will respond to the needs of the day as American women have always answered their country's call.

Our fathers handed down to us from their fathers a mighty nation, strong and united, fearing no enemy, bowing to no master, and yielding to no force.

We are the temporary trustees of this proud inheritance. It is for us to pass it on to our children as we received it -- strong and free. This we shall do.

These taxes will soon be increased to all-out proportions. They will impose sacrifices on every one of us. Yet we welcome them because we are resolved to profit from the examples of those other peoples who taxed themselves too little and too late — and who lost all.

Let us remember that today taxes serve a vital purpose, the purpose of self preservation, the purpose of preserving the American concept of freedom: Freedom of Speech, Freedom of Worship, Freedom from Want, and Freedom from Fear.

No one knows how long this war will last. But of this much I am sure: Whether it lasts two years or five, those years will see America at its best. Men will fight and die for those principles that have made America worth living in and worth dying for.

From these figures you can judge whether a sales tax is necessary to bring home to our people the necessity and the cost of bringing our enemies to their knees.

I have talked to you at such length about the sales tax because I look upon it as the start of a vicious spiral of rising prices. I know that you, who are leaders of your communities, can warn every household in the country against this threat. And I earnestly hope that you will do so. Speedy and extensive discussion by the women of America will make our country increasingly aware of its dangers.

In conclusion, I want to ask you to think of the United States as your home -- as the very house in which you and your family live their lives. If you lose it, you lose everything.

The taxes you pay now are literally to secure protection and to pay insurance on your own home.

higher wages. These higher wages would mean higher prices for the goods you buy -- and thus the spiral would go up and up and up, increasing prices all along the line, causing higher war costs and bigger deficits, and necessitating still more taxes.

Another argument advanced for a sales tax is that it would give all the people an opportunity to contribute directly to the nation's war chest. We believe they now have this opportunity. Today a married couple without dependents earning $29.00 a week pays an income tax. A single person earning $14.50 a week pays an income tax. Surely we do not wish to impose taxes on those earning less than these amounts.

In 1940 - 7,600,000 income tax returns were filed.
In 1941 - 15,200,000 income tax returns were filed.
In 1942 - 22,000,000 income tax returns will be fil

Surely these figures show that all the people above a subsistence level have already been given the opportunity to contribute to the Federal Government.

In varying ways and degrees, the same thing is true of the medicine that you buy at the drug store and the food from the butcher or grocer. The price is higher, even if nominally there's no sales tax added to these exempted articles.

Some sales tax advocates suggest that it be levied on manufacturers or wholesalers instead of retailers. I'll grant that this would simplify the administration of the tax. But it also has its disadvantages. Let's take a carpet, for example. The wholesaler pays the tax when he buys from the manufacturer. Naturally he adds that tax--plus something for profit _on_ the tax -- when he sells to the retailer. Then the retailer does exactly the same thing when he sells the carpet to you. What's the result? You pay _two_ price increases instead of one -- and each increase is larger than the amount of the tax.

Any type of sales tax will increase the cost of living and make effective price control exceedingly difficult if not in fact impossible. The increased cost in living would cause labor to seek and obtain adds those taxes, plus something for profit, onto the sales price of the clothes which he made. And when you or your husband buy those clothes, you pay an increased price for them even if it isn't marked on the ticket as a sales tax.

MMM

Federal-State-and-local tax load is already out of proportion with that of their economically more fortunate fellows.

Some people who favor the sales tax believe that its oppressive result on the poor can be avoided by exempting food, clothing and medicines. But let me point out that under our war program a preponderant part of our civilian production is going to be in these very essentials. If they are excluded from the tax, there won't be very much left to tax. If they are not excluded, the burden of the tax falls too heavily on those who can least afford to pay it -- the individuals living on $14.50 a week.

As a matter of fact, even if it were feasible to exempt certain necessities, I very much question whether the exemption would prevent price increases in these articles.

For example, take the case of a clothing manufacturer. He would pay a sales tax on the materials he bought and on his machines. These added taxes constitute for him another cost of doing business and naturally, like any businessman, he wants to earn a profit on this additional investment. So he

We know also that a sales tax would be a difficult and expensive tax to collect, whereas increases in the rates of existing taxes would not require more than a nominal increase in administrative costs. The Federal government already has the machinery set up and in action for collecting the other kinds of taxes. But we have no machinery set up, no men trained for collecting a sales tax. We should have to establish a whole new tax organization different from and in addition to our existing tax organization. That is a big job, the expense of which would eat heavily into the ~~rather~~ comparatively slim revenue that a moderate sales tax would bring into the Treasury.

We also feel that a sales tax is undesirable because it works a disproportionate hardship on the low-income groups who are least able to stand it -- the people who spend substantially all their income on the very necessities of life. The Treasury believes that, insofar, as possible, it is sound policy to guard against disproportionate increases in the tax burden on these low-income groups. There is much evidence that their combined to prepare for future tax payments by systematically setting aside a part of the family income as it comes in.

Up to this point I have been speaking primarily of income taxes. In our opinion, they represent sound government financial policy. They are levied against those citizens who can best afford to pay, and the better-to-do men and women pay higher rates and larger taxes than the less fortunate.

But there are other taxes, notably the sales tax, which we at the Treasury are reluctant to see incorporated in our federal plan of taxation. I should like to take a few minutes to explain to you, and through you to the women of your communities, why the Treasury regards the Sales Tax as a "last resort" measure.

First of all, we are not convinced that it would be effective in raising a very great amount of revenue. Tax experts have estimated that a 2% tax on the sale of everything except food, clothes, and medicines would bring in only about $500 million. True, that is a great deal of money -- but it is a relatively small fraction of our total additional tax needs -- $7 billion.

Thås increase is due partly to increased production and higher national income -- and partly to tax legislation enacted by a courageous Congress during the last two years. But we cannmt hope that a national income already at the $100 billion level will continue to rise much farther. Further government income must be primarily from new taxes and higher tax rates.

This will not be easy on any of us, but it can be done. ~~But~~ And we all know that this is no time to complain of tax burdens when so many Americans are contributing all their energies and even their lives to the Nation's great task.

The women of America arrange the family budgets. You spend the family money. You decide what to have and what to do without. You decide how much is to be taken out of each pay envelope or salary check and put away for savings -- and taxes.

So on behalf of your Government, I ask you, as the leaders of the women of America, to cooperate by seeing to it that income taxes are paid promptly. And I cannot urge you too strongly to persuade your members everywhere

To pay entirely with borrowed money would be merely to postpone the day of reckoning. Taxes may seem painful; in reality they are relatively painless. For all <u>other</u> methods of paying for the war mean the accumulation of a debt to burden America for decades to come. They mean a heavy and continuing cost in the future, but no smaller hardship now. They mean a haphazard rather than a planned distribution of the burden.

The task before us is unparalleled. War expenditures alone in the coming fiscal year will be $56,000,000,000. That is more than the combined Federal Government expenditures for all purposes in the six years from 1935 through 1940.

Fortunately we have made a start toward meeting this tremendous cost. The Federal Government's receipts will have more than tripled in the space of three years; rising from $5,303,000,000 in fiscal 1940, to an estimated $17,261,000,000 in fiscal 1943 under <u>existing</u> tax ~~rates~~ LAWS to control the rising course of prices and keep the cost of living within reasonable bounds. You women who are the economists and the purchasing agents of the families of the nation don't need any argument from me to convince you how important that is. You've already seen the price of almost everything you buy start upward. You are paying more today -- considerably more -- for the food on your family's table and the clothes on your family's backs than you did a year ago. You have seen the cost of living increase more than 10% in the last year. This is serious, but a far greater increase impends unless we can prevent it. One of our best weapons against this very real war-time danger is to pay for the war as little as possible on credit, as much as possible with cash.

And that means TAXES.

more of them than they can put into the air.

We are going to win it with stronger, heavier tanks -- with bigger guns -- with more battleships and cruisers and destroyers and submarines.

We are going to win with millions of soldiers and sailors better trained, better fed, better clothed, and better armed than our enemies.

And we are going to win with the bravery and sacrifice and faith of a hundred and thirty million free people laboring as one to "secure the blessing of liberty to ourselves and to our posterity".

It is our job in the Treasury to raise the money to finance this titanic effort. It will require a great deal of money. But no American questions that it is worth a very high price and very great sacrifice to preserve our civilization.

Part of the cost of war will be financed by borrowing. That is, by the sale of bonds which must be repaid in years of peace.

But, insofar as is possible, we should pay for this war as we go along. When we do this we help

And so it is eminently proper that you thoughtful, earnest citizens, who have grown up in the free air of our democracy, should thus draw closer to your government in a time of crisis and anxiety, to consult with us who are, in a very real sense, your servants.

This is a time of crisis. Through no fault of its own, America is again engaged in a great war to determine whether this nation or any nation dedicated to freedom can endure.

The tragic fate of Austria, Czechoslovakia, Poland, Denmark, and Norway -- of Luxembourg, Holland, Belgium and France -- of Roumania, Bulgaria, Yugoslavia, Albania and Greece -- warns us of the penalty of losing.

But we are not going to lose. We are going to win this war.

We are going to win it with bigger and faster planes than the enemy has, and scores of thousands

I am honored that you have asked me to speak to you at this most momentous meeting in all the history of the General Federation of Women's Clubs. More than that, I am grateful for the opportunity to discuss with you national problems of great importance.

We at the Treasury have a message which we believe ought to be delivered to every woman in the United States. We hope that as representative women of the nation you will carry this message to your membership in every city and town and village.

America has demonstrated a capacity for self-government unequalled in any age or in any nation. Part and parcel of that ability to govern ourselves, without dictation from super-parties or supermen, is the American tradition that no problem of government is the exclusive concern of any officer of government -- but rather that it is the common problem of every citizen.

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But, insofar as is possible, we should pay for this war as we go along. When we do this we help to control the rising course of prices and keep the cost of living ~~down~~ within reasonable bounds. You women who are the economists and the purchasing agents of the families of the nation don't need any argument from me to convince you how important that is. You've already seen the price of almost everything you buy start upward. ~~You've seen eggs go fromx25¢xaxdozenxto up and meat go up. You've seen potatoes jump from 29¢ to 40¢ for fifteen pounds; sugar from 5¢ to 6¢ per pound; bread from 8¢ to 9¢.~~ You are paying more today--considerably more--for the food on your family's table and the clothes on your family's backs than you did a year ago. ~~So far this is not very serious, but it is threatening~~. One of our best weapons against this very real war-time danger is to pay for the war as little as possible on credit, as much as possible with cash.

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General

Draft for an address by Assistant Secretary Sullivan
before the ~~National~~ General Federation of Women's Clubs
January 26, 1942

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I am honored that you have asked me to speak to you at this most momentous meeting in all the history of the ~~National~~ General Federation of Women's Clubs. More than that, I am grateful for the opportunity to discuss with you national problems of great importance.

We at the Treasury have a message which we believe ought to be delivered to every woman in the United States. ~~You, the~~ We hope that as representative~~s~~ women of the nation~~'s women~~, you will ~~can~~ carry ~~that~~ this message to your membership in every city and town and village.

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Your meeting is at once a tribute and a symbol of the way of life which we are struggling to safeguard against the forces of tyranny and barbarism. It is a symbol of our earlier victory against enemies of freedom and progress. And it is a tribute to the success Democracy has achieved that the women of America spring so vigorously to its defense.

Saturday, January 24, 1942.

TREASURY DEPARTMENT
Washington

FOR RELEASE, AFTERNOON NEWSPAPERS, ~~Tuesday, September 30, 1941.~~

Press Service
No. ~~27-78~~ 29-92

(The following address by John L. Sullivan, Assistant Secretary, before the ~~Annual Meeting of the American Bar Association at Indianapolis, Indiana~~ General Federation of Women's Clubs in Washington, D.C., is scheduled for delivery at ~~12:30 p.m., Central~~ 1 p.m. Eastern Standard Time, ~~Tuesday, September 30, 1941.)~~ ~~Saturday, January 24,~~ 1942,

~~I am happy to have this privilege of meeting with you and~~ I am especially grateful for the opportunity to discuss with you intergovernmental tax relations. Scarcely a day passes in our tax work at the Treasury that Federal-State relations in some area of taxation do not come up for consideration. They will doubtless require even more attention as defense financing efforts keep pace with our growing needs.

The Treasury is giving the problem of tax coordination extensive study just now and I propose here to outline the general point of view from which we are approaching the subject. The dictionary defines coordination as "putting into harmonious relation," and that well describes our objective: harmonious relationship among Federal, State, and municipal taxing and fiscal operations.

In striving for that goal we cannot ignore the historical development of our political institutions. Because of this background there may be instances where the attainment of

Saturday January 24, 1942, and is for release upon delivery ~~at that time~~.)

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TREASURY DEPARTMENT
Washington

FOR RELEASE, AFTERNOON NEWSPAPERS,
Saturday, January 24, 1942.

Press Service
No. 29-92

(The following address by John L. Sullivan, Assistant Secretary, before the General Federation of Women's Clubs in Washington, D.C., is scheduled for delivery at 1 p.m., Eastern Standard Time, Saturday, January 24, 1942, and is for release upon delivery at that time.)

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But, insofar as is possible, we should pay for this war as we go along. When we do this we help to control the rising course of prices and keep the cost of living within reasonable bounds. You women who are the economists and the purchasing agents of the families of the nation don't need any argument from me to convince you how important <u>that</u> is. You've already seen the price of almost everything you buy start upward. You are paying more today--considerably more--for the food on your family's table and the clothes on your family's backs than you did a year ago. You have seen the cost of living increase more than 10% in the last year. This is serious, but a far greater increase impends unless we can prevent it. One of our best weapons against this very real war-time danger is to pay for the war as <u>little</u> as possible on credit, as <u>much</u> as possible with cash.

And that means TAXES.

To pay entirely with borrowed money would be merely to postpone the day of reckoning. Taxes may seem painful; in reality they are relatively painless. For all <u>other</u> methods of paying for the war mean the accumulation of a debt to burden America for decades to come. They mean a heavy and continuing cost in the future, but no smaller hardship now. They mean a haphazard rather than a planned distribution of the burden.

The task before us is unparalleled. War expenditures alone in the coming fiscal year will be $56,000,000,000. That is more than the combined Federal Government expenditures for all purposes in the six years from 1935 through 1940.

Fortunately we have made a start toward meeting this tremendous cost. The Federal Government's receipts will have more than tripled in the space of three years; rising from $5,303,000,000 in fiscal 1940, to an estimated $17,261,000,000 in fiscal 1943 under existing tax laws.

This increase is due partly to increased production and higher national income--and partly to tax legislation enacted by a courageous Congress during the last two years. But we cannot hope that a national income already at the $100 billion level will continue to rise much farther. Further government income must be primarily from new taxes and higher tax rates.

This will not be easy on any of us, but it can be done. And we all know that this is no time to complain of tax burdens when so many Americans are contributing all their energies and even their lives to the Nation's great task.

The women of America arrange the family budgets. You spend the family money. You decide what to have and what to do without. You decide how much is to be taken out of each pay envelope or salary check and put away for savings--and taxes.

So on behalf of your Government, I ask you, as the leaders of the women of America, to cooperate by seeing to it that income taxes are paid promptly. And I cannot urge you too strongly to persuade your members everywhere to prepare for future tax payments by systematically setting aside a part of the family income as it comes in.

Up to this point I have been speaking primarily of income taxes. In our opinion, they represent sound government financial policy. They are levied against those citizens who can best afford to pay, and the better-to-do men and women pay higher rates and larger taxes than the less fortunate.

But there are other taxes, notably the sales tax, which we at the Treasury are reluctant to see incorporated in our Federal plan of taxation. I should like to take a few minutes to explain to you, and through you to the women of your communities, why the Treasury regards the Sales Tax as a "last resort" measure.

First of all, we are not convinced that it would be effective in raising a very great amount of revenue. Tax experts have estimated that a 2% tax on the sale of everything except food, clothes, and medicines would bring in only about $500 million. True, that is a great deal of money--but it is a relatively small fraction of our total additional tax needs--$7 billion.

We know also that a sales tax would be a difficult and expensive tax to collect, whereas increases in the rates of existing taxes would not require more than a nominal increase in administrative costs. The Federal government already has the machinery set up and in action for collecting the other kinds of taxes. But we have no machinery set up, no men trained for collecting a sales tax. We should have to establish a whole new tax organization different from and in addition to our existing tax organization. That is a big job, the expense of which would eat heavily into the comparatively slim revenue that a moderate sales tax would bring into the Treasury.

We also feel that a sales tax is undesirable because it works a disproportionate hardship on the low-income groups who are least able to stand it--the people who spend substantially all their income on the very necessities of life. The Treasury believes that, insofar as possible, it is sound policy to guard against disproportionate increases in the tax burden on these low-income groups. There is much evidence that their combined Federal-State-and-local tax load is already out of proportion with that of their economically more fortunate fellows.

Some people who favor the sales tax believe that its oppressive result on the poor can be avoided by exempting food, clothing and medicines. But let me point out that under our war program a preponderant part of our civilian production is going to be in these very essentials. If they are excluded from the tax, there won't be very much left to tax. If they are not excluded, the burden of the tax falls too heavily on those who can least afford to pay it--the individuals living on $14.50 a week.

As a matter of fact, even if it were feasible to exempt certain necessities, I very much question whether the exemption would prevent price increases in these articles.

For example, take the case of a clothing manufacturer. He would pay a sales tax on the materials he bought and on his machines. These added taxes constitute for him another cost of doing business and naturally, like any businessman, he wants to earn a profit on this additional investment. So he adds those taxes, plus something for profit, onto the sales price of the clothes which he made. And when you or your husband buy those clothes, you pay an increased price for them even if it isn't marked on the ticket as a sales tax.

In varying ways and degrees, the same thing is true of the medicine that you buy at the drug store and the food from the butcher or grocer. The price is higher, even if nominally there's no sales tax added to these exempted articles.

Some sales tax advocates suggest that it be levied on manufacturers or wholesalers instead of retailers. I'll grant that this would simplify the administration of the tax. But it also has its disadvantages. Let's take a carpet, for example. The wholesaler pays the tax when he buys from the manufacturer. Naturally he adds that tax--plus something for profit on the tax--when he sells to the retailer. Then the retailer does exactly the same thing when he sells the carpet to you. What's the result? You pay two price increases instead of one--and each increase is larger than the amount of the tax.

Any type of sales tax will increase the cost of living and make effective price control exceedingly difficult if not in fact impossible. The increased cost in living would cause labor to seek and obtain higher wages. These higher wages would mean higher prices for the goods you buy--and thus the spiral would go up and up and up, increasing prices all along the line, causing higher war costs and bigger deficits, and necessitating still more taxes.

Another argument advanced for a sales tax is that it would give all the people an opportunity to contribute directly to the nation's war chest. We believe they now have this opportunity. Today a married couple without dependents earning $29.00 a week pays an income tax. A single person earning $14.50 a week pays an income tax. Surely we do not wish to impose taxes on those earning less than these amounts.

In 1940-- 7,600,000 income tax returns were filed.

In 1941--15,200,000 income tax returns were filed.

In 1942--22,000,000 income tax returns will be filed.

Surely these figures show that all the people above a subsistence level have already been given the opportunity to contribute to the Federal Government.

From these figures you can judge whether a sales tax is necessary to bring home to our people the necessity and the cost of bringing our enemies to their knees.

I have talked to you at such length about the sales tax because I look upon it as the start of a vicious spiral of rising prices. I know that you, who are leaders of your communities, can warn every household in the country against this threat. And I earnestly hope that you will do so. Speedy and extensive discussion by the women of America will make our country increasingly aware of its dangers.

In conclusion, I want to ask you to think of the United States as your home--as the very house in which you and your family live their lives. If you lose it, you lose everything.

The taxes you pay now are literally to secure protection and to pay insurance on your own home.

These taxes will soon be increased to all-out proportions. They will impose sacrifices on everyone of us. Yet we welcome them because we are resolved to profit from the examples of those other peoples who taxed themselves too little and too late--and who lost all.

Let us remember that today taxes serve a vital purpose, the purpose of self preservation, the purpose of preserving the American concept of freedom: Freedom of Speech, Freedom of Worship, Freedom from Want, and Freedom from Fear.

No one knows how long this war will last. But of this much I am sure: Whether it lasts two years or five, those years will see America at its best. Men will fight and die for those principles that have made America worth living in and worth dying for.

The women of America who have glorified our past and prayed for the future will respond to the needs of the day as American women have always answered their country's call.

Our fathers handed down to us from their fathers a mighty nation, strong and united, fearing no enemy, bowing to no master, and yielding to no force.

We are the temporary trustees of this proud inheritance. It is for us to pass it on to our children as we received it--strong and free. This we shall do.

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TREASURY DEPARTMENT
Washington

(The following address by SECRETARY MORGENTHAU before the Defense Rally of the United Automobile Workers is scheduled to be delivered at the State Fair Coliseum in Detroit, Michigan, at 4 P. M., Eastern Standard Time, Sunday, January 25, 1942, and is for release upon delivery at that time.)

It is a good and wholesome experience for any official from Washington to come here to Detroit to meet a great audience of automobile workers. We in Washington are much too accustomed to think that we sit at the very center of the war effort. For the past few weeks we have seen our Capital City become, in a sense, the capital of the world, the scene of wartime planning on a world-wide scale. The officials and admirals and generals of many countries are working together in Washington at this very moment, planning the military, naval, and economic strategy that will bring Japan and Germany to their knees.

Yet all our strategy, no matter how brilliant, cannot accomplish its decisive purpose until the materials of victory have rolled from America's assembly lines. All the individual daring and bravery of our men in uniform cannot win the war unless they are backed by the mass production of the implements of war. The real heart of the war effort is, therefore, not in Washington but right here in your workshops and factories. The big push begins here. The great offensive against the Axis is under way here in your State of Michigan, next door to you in Ohio and Pennsylvania, and wherever the skill and energy of working men and women are producing the weapons of victory. You in this hall are in the front lines in this phase of the war, and I am genuinely proud to be here among you today.

This is not the first time that I have been privileged to visit the Detroit industrial area in recent months. Some of you know that I had the pleasure of attending a meeting of shop stewards at Pontiac in November. I came back to Washington from that meeting heartened and invigorated as seldom before. In that one evening I heard more sound common sense than I had heard in many meetings, in Washington or elsewhere. From that day I have been convinced that American labor has been ahead of all of us in its willingness to produce armaments to win the war, whatever the sacrifices, whatever the consequences.

There is every reason for the rank and file of American labor to be out in the forefront in its understanding of the war and in its response to wartime needs. In the first place, this is a people's war, to an extent never before known in any of the great struggles of human history. This war is a people's uprising against tyrants who are trying to push us back into the Dark Ages. It is being fought by the people and it can only be won by the people's efforts, by your efforts. Upon your skill, your sweat, your willingness to dedicate yourselves to war production, the ultimate outcome will very largely depend.

In the second place, this is a war against the enemies of the free labor movement in this and every other country. Nobody needs to stand before any group of labor men and women in this country to tell it what Fascism means. When the Blackshirts bullied their way to power in Italy twenty years ago, when others praised Mussolini for making the trains run on time, American labor instantly knew Fascism for what it was. When Hitler crushed Germany's trade unions, you of American labor knew at once that he would crush yours if he ever had the chance.

Labor has never been dazzled by the military accomplishments of the dictators. Labor has never made the mistake of imagining that Fascism was in any sense a "new order" or that its medieval tyrannies could supply us with any guideposts to our own future. Now, at last, the life-and-death struggle has come, just as the rank and file of labor foresaw that it would. As Hitler said -- truthfully, for once!-- "two worlds are in conflict; one of them must break asunder." We can tell him now that it is his world, not ours, which will break and die.

But there is a third and still more compelling reason why labor has an immeasurable stake in this war. Labor in this country and elsewhere looks to a better world, a freer and a more secure future. Everything that labor has fought for a hundred years to attain will be lost forever if the dictators should win. Everything that labor seeks, for its children and its children's children, is bound up with the success of the free countries in the present struggle.

I think I can describe those aims in a very few words by telling you about a great picture in the Grand Central Station in New York. It is a unique picture because it happens to be the biggest phot-mural in the world; we of the Treasury put it there to help the sale of Defense Bonds and Stamps, and we made it big enough to cover an entire wall of the Station concourse, so that everybody could see it.

But what makes me so proud of it is not its size, but its message and its spirit. The first of its three huge photographs shows an American farmer and his land, and the caption under it says, "That we may defend the land we love." The second is a panel of children's faces, with the caption, "That these may face a future unafraid." And the last shows a worker looking up at a factory, and under it is the caption, "That we may build a better world."

Those happen to be the objectives of the Defense Savings Bond campaign, but I also know that they are the objectives of American labor, and they are the greatest of the aims for which we are fighting this war.

It may seem unfeeling of me even to mention Defense Savings Bonds to an audience in which so many of you have temporarily lost your jobs, suddenly and through no fault of your own, because of the change-over to war production in the automobile industry. I know what you in the Detroit area have been suffering in temporary unemployment, and I wish as fervently as you do for the day when your plants will be back in full production again, and when those of you who are walking the streets will be back at your benches once more. Certainly I would never ask or expect any of you who are out of a job to buy Defense Bonds or Stamps. We have a slogan at the Treasury: "Let's make every payday Bond Day." That does not apply to those who have no payday and no regular income. The Treasury will never ask anyone to buy Defense Bonds if it means taking food from his children or clothing and shelter from his family.

The other day a Chicago advertising agency sent us an elaborate sales promotion plan based, frankly enough (and these were its words) upon "the traditional dread among the American people of being held up to public ridicule and scorn." The idea of this misguided plan was to label as a slacker everyone who did not buy a bond. We replied that we disapproved and did not countenance anything of the sort. We replied that we did not believe in the effectiveness of intimidating Americans, and that if any such tactics were proposed, we would avoid them like the plague.

But for those who do receive regular pay, those who have good jobs at good wages, there is a greater need than ever to "make every payday Bond Day." You who are working in the Detroit area have just seen with your own eyes what a great economic dislocation can bring. You have seen friends and neighbors hard at work one day and thrown onto their unemployment insurance the next, as part of the price of preparing this country's factories for war. You know that those who have built up a reserve of savings are better able to meet an unforeseen shock than those who have not guarded themselves against it. Isn't it better to be prepared in time? Isn't it better to safeguard your future by setting aside a part of your earnings now, every week and every payday? Your country needs the money, and you need the security that these double-purpose bonds will bring.

I am often asked three questions about Defense Bonds which must, I am sure, be in your minds. The first is, "Can I get my money out if I need it?" The answer is yes -- any time after sixty days from the date you bought your bond. The second is, "What happens if I lose my bond?" The answer is that we at the Treasury have a record of every bond and its owner; we can supply you with another if you identify yourself, and we will be glad to keep your bond for you at the Treasury if you wish us to keep it safe for you. The third question is, "Will I lose money on these bonds the way so many people lost on the Liberty Bonds?" The answer is that you can't lose. These bonds, unlike the old Liberty Bonds, are registered in your name. You cannot trade them on the market or offer them in payment of a debt. You will always get back from the Government your one hundred cents on every dollar, and the longer you hold them, the more they will grow in value.

Moreover, Defense Bonds not only help to pay for the guns and tanks and planes that will win the war; they also pay for labor, your labor. Every time you buy a $75 bond you pay for the services of a skilled worker for an entire week; every time you buy a Bond or even a Defense Stamp you are enabling the United States Government to pay you for your work, and you are hastening the day when our fighting men will be able to carry the war to Tokyo and Berlin.

About a month ago two of your brothers in the Dodge local, Mr. Rubin and Mr. Swetz, came to see me in Washington, to discuss ways and means of hastening the conversion of their plants to war production. Together we accomplished something, because those two men had the initiative to come to my office, and also because of the fine cooperation of Mr. Patterson, the Undersecretary of War, Mr. Stettinius, the Lend-Lease Administrator, and Mr. K. T. Keller, of the Chrysler Corporation.

But what I shall always remember about that meeting is the spirit that your representatives showed. I argued then, and I have said it for months to everyone who would listen, that the only way to arm this country in time was to order the complete and immediate stoppage of all automobile production, and the quickest possible conversion of the plants. Your representatives knew that that would mean immediate unemployment for great numbers of men; yet when I asked them how they felt about it they answered, without a moment's hesitation, "We can take it; we want it done."

That was just a sample of the spirit I have found among American labor ever since we at the Treasury started the Defense Savings program. It is a sample of the spirit that the whole country has discovered in the weeks since Pearl Harbor. It is the spirit that is going to win the war.

I said in Cleveland yesterday that the pioneers who settled this Middle Western country did not let danger or hardship frighten them. They regarded every danger as a challenge, every hardship as an adventure. That is the spirit with which you are meeting this crisis, the greatest that free men have ever undergone.

You workers of Detroit are in the forefront of the fight, and I am confident that you will see it through until the fight is won.

-oOo-

TREASURY DEPARTMENT
Washington

FOR IMMEDIATE RELEASE
Monday, January 26, 1942.

Press Service
29-94

The Treasury Department announced today that a staff of Treasury representatives under Thurman Hill, Special Assistant to the [redacted] General Counsel of the Treasury Department, has begun an investigation of the records and personnel of the American Bosch Corporation, whose main plant is located at Springfield, Massachusetts. The majority of the capital stock of the American Bosch Corporation is beneficially owned by foreign interests. Accordingly, the corporation is under the freezing control of the Treasury Department.

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H.M.Jr.

TREASURY DEPARTMENT
Washington

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Press Service
No. 29-94

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FOR RELEASE, MORNING news PAPERS, ~~MONDAY, JANUARY 26,~~ 1942.
Tuesday January 27,

29-95

~~It was announced today by the Treasury Department that~~ The nation's leading investment organizations have offered their services entirely on a volunteer basis to acquaint investors with the Government's plan of saving for taxes by the purchase of Treasury Tax Savings Notes, and to aid in the sale of the Notes, Secretary Morgenthau announced today.

The offer of cooperation was made at a meeting with Treasury officials by James F. Burns, Jr., President of the Association of Stock Exchange Firms; Wallace H. Fulton, Executive Director of the National Association of Securities Dealers; Emil Schram, President of the New York Stock Exchange; and John S. Fleek, President of the Investment Bankers Association of America. These investment organizations represent some 3,500 member firms in all parts of the United States with an estimated sales personnel totaling about 20,000.

The Treasury has accepted this offer and has printed a special folder to help them explain to investors the reasons why they should invest funds regularly for future tax payments, particularly Federal income taxes, gift taxes, and estate taxes.

The representatives of the various firms represented by the cooperating associations will point out to clients the desirability of these Tax Savings Notes as an important part of a well-balanced investment plan.

In letters to their members, the Investment Bankers Association, National Association of Securities Dealers, the New York Stock Exchange, and the Association of Stock Exchange Firms say:

> "The facilities of the Industry are again placed at the disposal of the United States Government and the Treasury Department for the purpose of acquainting the public with the advantages of purchasing Tax Savings Notes.
>
> "These Notes offer an opportunity to render a worthwhile investment service to our customers and, at the same time, contribute materially, through our specialized knowledge and experience, to the nation's war effort. It is good investment advice to urge people to set aside for tax payments a portion of income as it is received."

TREASURY DEPARTMENT
Washington

FOR RELEASE, MORNING NEWSPAPERS,
Tuesday, January 27, 1942.
1/26/42

Press Service
No. 29-95

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Roosevelt, yet the word "impossible" had been struck out of his dictionary. Nothing was impossible to him, and he proved it. He is proving it today and every day.

In the same way the road ahead of our country must seem dark at times. We as a nation have been struck a blow while we were not looking. Our whole world has been stricken with the disease of conquest and tyranny, a diseas which we shall have to stamp out before we can live in peace and happiness and well-being again. But if anyone should ever have his doubts, if anyone should suppose for one moment that the job is too big for us, let him think of the example of Franklin Roosevelt, and then carry on.

trips together. Then, too, he was an inspiration to all of us. When others grumbled, he was always cheerful; when others had their doubts, he was always optimistic. I remember particularly one cold autumn day when he spoke 14 times from an open car. This was the stricken man whom we had accompanied to Warm Springs only a few years before. He was winning his fight. He was waging his war with every ounce of the energy and determination within him.

This determination to beat all hardships, to conquer all handicaps, is being created in these United States day by day. Now, listen, Mr. Hitler, Mr. Mussolini, and Mr. Mikado! I want you to take a look at the spirit of Warm Springs, for that is the spirit of America today and it is something which you can never beat, no matter how long you try.

Many times in those early days at Warm Springs the road ahead must have seemed dark and painful to Franklin toward one another, an attitude toward life which subsequently came to be known as the "spirit of Warm Springs."

In reality that was the spirit of Franklin Roosevelt. He blew the breath of life and courage into that place through the example he set, through the reserves of courage that he summoned. He had already made up his mind that he had "nothing to fear but fear itself." 68

He never spoke to me then about the disease that 78 struck him, nor has he spoken about it since. He was fighting his fight alone. He was determined to show that he could take it, with the same grim and gay spirit that the people of London showed when a different kind of scourge fell upon them.

In later years when Franklin Roosevelt had re-entered state politics in New York, we went on a number of campaign

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DRAFT OF SECRETARY MORGENTHAU'S BROADCAST
FOR THE INFANTILE PARALYSIS CAMPAIGN,
JANUARY 26, 1942.

Tonight I should like to speak to you for a very few minutes, not as Secretary of the Treasury, but as an old friend and neighbor of Franklin Roosevelt. I feel very deeply that it will help our country to surmount the dangers and obstacles of this hour if all of us remember how Franklin Roosevelt conquered the obstacles that at one time shadowed his whole life.

It is more than twenty years since the President was stricken with infantile paralysis. The very first year that he went to Warm Springs, Mrs. Morgenthau and I went with him. It did not take us long to discover that he had brought a new spirit to Warm Springs. Even in the very first winter, we saw that the patients there had a certain cheerful optimism, a kindly and helpful relationship

(The following talk by SECRETARY MORGENTHAU on behalf of the "President's Birthday celebration" is scheduled to be broadcast over the Blue Network at <u>10:45 p.m., Eastern Standard Time, January 26, 1942, and is for release upon delivery at that time.</u>)

29-96

file Copy

TREASURY DEPARTMENT
Washington

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In reality that was the spirit of Franklin Roosevelt. He blew the breath of life and courage into that place through the example he set, through the reserves of courage that he summoned. He had already made up his mind that he had "nothing to fear but fear itself."

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In later years when Franklin Roosevelt had re-entered state politics in New York, we went on a number of campaign trips together. Then, too, he was an inspiration to all of us. When others grumbled, he was always cheerful; when others had their doubts, he was always optimistic. I remember particularly one cold autumn day when he spoke 14 times from an open car. This was the stricken man whom we had accompanied to Warm Springs only a few years before. He was winning his fight. He was waging his war with every ounce of the energy and determination within him.

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TREASURY DEPARTMENT

Washington

FOR RELEASE, MORNING NEWSPAPERS,
Tuesday, January 27, 1942.
1/26/42

Press Service
29-9~~5~~7

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 January 28 and to mature April 29, 1942, which were offered on January 23, were opened at the Federal Reserve Banks on January 26.

The details of this issue are as follows:

Total applied for - $371,501,000
Total accepted - 150,074,000

Range of accepted bids: (Excepting two tenders totaling $105,000)

High	- 99.975	Equivalent	rate	approximately	0.099	percent
Low	- 99.934	"	"	"	0.261	"
Average price	- 99.942	"	"	"	0.231	"

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

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TREASURY DEPARTMENT
Washington

FOR RELEASE, MORNING NEWSPAPERS,
Tuesday, January 27, 1942.
1/26/42

Press Service
No. 29-97

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PRESS RELEASE

The Bureau of Customs announced today that preliminary reports from the collectors of customs show imports of cattle weighing 700 pounds or more each (other than cows imported specially for dairy purposes), under the tariff rate quotas for the first quarter of the calendar year 1942, provided for in the trade agreement with Canada, as allocated between Canada and other foreign countries in the President's proclamation of December 22, 1941, as follows:

Established Quota First Quarter 1942	Head	Entered, or Withdrawn from Warehouse, for Consumption Jan. 1 to 17, 1942, Incl.
Canada	51,720	21,580 Head
Other foreign countries	8,280	(Tariff rate quota filled)

(Prepared - Appeals and Protests (Quota Unit) Bureau of Customs).

HMJr

TREASURY DEPARTMENT
Washington

FOR RELEASE, MORNING NEWSPAPERS,
Wednesday, January 28, 1942.
1/27/42

Press Service
No. 29-98

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Other foreign countries	8,280	(Tariff rate quota filled)

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29-99

For Immediate Release

Secretary Morgenthau today witnessed a screening of the first completed print of the Treasury's new Donald Duck income tax picture, "The New Spirit," and gave his approval for release of the film this weekend.

Between that time and March 16, millions of Americans will see the fast-moving color short, in which Donald learns of the vital importance to the nation's war effort of prompt tax payments. The Office of the Co-ordinator of Government Films has arranged with the War Activities Committee of the Motion Picture Industry for distribution of the film to 12,000 theaters in that period.

Walt Disney broke all of his production records, leading his crew of artists and technicians in working around the clock seven days a week, in order to get the picture set for a maximum number of showing before the income tax deadline. They turned out in less than two months a finished product that normally requires at least six months.

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