U.S. Treasury Dept.

Press Releases

TREASURY DEPARTMENT

1945 NOV 13 PM 2 49

PUBLIC RELATIONS OFFICE

Treas Dept
Wash.

Press Service
No. V-129

FOR IMMEDIATE RELEASE
Thurs. November ~~13~~, 1945
14

The Bureau of Customs announced today preliminary figures showing the quantities of coffee entered for consumption during the period commencing October 1, 1945, as follows:

Country of Production	Quantity in Pounds ~~As of November 3, 1945~~
Signatory Countries:	
Brazil	167,120,255
Colombia	54,841,631
Costa Rica	5,534,190
Cuba	46
Dominican Republic	3,384,809
Ecuador	4,867,395
El Salvador	1,419,328
Guatemala	6,116,007
Haiti	180,610
Honduras	2,673,478
Mexico	5,581,619
Nicaragua	1,520
Peru	542,632
Venezuela	1,931,206
Non-Signatory Countries:	100,267
TOTAL	254,294,993

TREASURY DEPARTMENT
Washington

FOR IMMEDIATE RELEASE,
Wednesday, November 14, 1945

Press Service
No. V - 129

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Non-Signatory Countries:	100,267
TOTAL	254,294,993

TREASURY DEPARTMENT

1945 NOV 13 PM 2 49

PUBLIC RELATIONS OFFICE

Treas. Dept.
Black

Press Service
No. V-130

FOR IMMEDIATE RELEASE,
2 p.m. November ~~13,~~ 14, 1945

The Bureau of Customs announced today preliminary figures showing the quantities of wheat and wheat flour entered, or withdrawn from warehouse, for consumption under the import quotas established in the President's proclamation of May 28, 1941, as modified by the President's proclamations of April 13, 1942, and April 29, 1943, for the 12 months commencing May 29, 1945, as follows:

Country of Origin	Wheat		Wheat flour, semolina, crushed or cracked wheat, and similar wheat products	
	Established Quota	Imports May 29, 1945, to Nov. 3, 1945	Established Quota	Imports May 29, 1945, to Nov. 3, 1945
	(Bushels)	(Bushels)	(Pounds)	(Pounds)
Canada	795,000	794,421	3,815,000	1,066,866
China	-	-	24,000	-
Hungary	-	-	13,000	-
Hong Kong	-	-	13,000	-
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	-
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	794,421	4,000,000	1,066,866

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TREASURY DEPARTMENT
Washington

FOR IMMEDIATE RELEASE,
Wednesday, November 14, 1945

Press Service
No. V - 130

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, as modified by the President's proclamations of April 13, 1942, and April 29, 1943, for the 12 months commencing May 29, 1945, as follows:

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China	-	-	24,000	-
Hungary	-	-	13,000	-
Hong Kong	-	-	13,000	-
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	-
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	794,421	4,000,000	1,066,866

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TREASURY DEPARTMENT

1945 NOV 13 PM 2 49

PUBLIC RELATIONS OFFICE

Commodity	Established quota: Period and Country	Established quota: Quantity	Unit of Quantity	Imports as of November 3, 1945
Silver or black foxes, furs, and articles: Foxes valued under $250 each and whole furs and skins	May-Nov. 1945 All countries	52,176	Number	27,424
Tails	12 months from Dec. 1, 1944	5,000	Pieces	-
Paws, heads or other separated parts	"	500	Pound	500
Piece plates	"	550	Pound	-
Articles, other than piece plates	"	500	Unit	28

Treas. Wash. Press Service
Wash. No V-131

FOR IMMEDIATE RELEASE,
Wed. November ~~13~~ 14, 1945

The Bureau of Customs announced today preliminary figures showing the imports for consumption of commodities within quota limitations provided for under trade agreements, from the beginning of the quota periods to November 3, 1945, inclusive, as follows:

Commodity	Established Quota: Period and Country	Established Quota: Quantity	Unit of Quantity	Imports as of November 3, 1945
Whole Milk, fresh or sour	Calendar year	3,000,000	Gallon	24,379
Cream, fresh or sour	Calendar year	1,500,000	Gallon	1,100
Fish, fresh or frozen, filleted, etc., cod, haddock, hake, pollock, cusk and rosefish	Calendar year	17,668,311	Pound	Quota filled
White or Irish potatoes:	12 months from Sept. 15, 1945			
certified seed		90,000,000	Pound	4,722,657
other		60,000,000	Pound	96,178
Cuban filler tobacco unstemmed or stemmed (other than cigarette leaf tobacco), and scrap tobacco	Calendar year	22,000,000	Pound (unstemmed equivalent)	Quota filled
Red cedar shingles	Calendar year	1,727,242	Square	1,362,213
Molasses and sugar sirups containing soluble nonsugar solids equal to more than 6% of total soluble solids	Calendar year	1,500,000	Gallon	1,351,542

TREASURY DEPARTMENT
Washington

FOR IMMEDIATE RELEASE,
Wednesday, November 14, 1945

Press Service
No. V - 131

The Bureau of Customs announced today preliminary figures showing the imports for consumption of commodities within quota limitations provided for under trade agreements, from the beginning of the quota periods to November 3, 1945, inclusive, as follows:

Commodity	Established Quota		Unit of Quantity	Imports as of November 3, 1945
	Period and Country	Quantity		
Whole Milk, fresh or sour	Calendar year	3,000,000	Gallon	24,379
Cream, fresh or sour	Calendar year	1,500,000	Gallon	1,100
Fish, fresh or frozen, filleted, etc., cod, haddock hake, pollock, cusk and rosefish	Calendar year	17,668,311	Pound	Quota filled
White or Irish potatoes:	12 months from Sept. 15, 1945			
certified seed		90,000,000	Pound	4,722,657
other		60,000,000	Pound	96,178
Cuban filler tobacco unstemmed or stemmed (other than cigarette leaf tobacco), and scrap tobacco	Calendar year	22,000,000	Pound (unstemmed equivalent)	Quota filled
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Molasses and sugar sirups containing soluble nonsugar solids equal to more than 6% of total soluble solids	Calendar year	1,500,000	Gallon	1,351,542

Commodity	Established quota: Period and Country	Established quota: Quantity	Unit of Quantity	Imports as of November 3, 1945
Silver or black foxes, furs, and articles: Foxes valued under $250 each and whole furs and skins	May-Nov. 1945 All countries	52,176	Number	27,424
Tails	12 months from Dec. 1, 1944	5,000	Pieces	-
Paws, heads or other separated parts	"	500	Pound	500
Piece plates	"	550	Pound	-
Articles, other than piece plates	"	500	Unit	28

COTTON CARD STRIPS made from cottons having a staple of less than 1-3/16 inches in length, 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 made from cottons having a staple less than 1-3/16 inches in length 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, 1944 to Nov. 3, 1945	ESTABLISHED 33-1/3% of Total Quota	Imports Sept. 20, 1944 to Nov. 3, 1945 1/
United Kingdom......	4,323,457	-	1,441,152	-
Canada.............	239,690	-	-	-
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	-
TOTALS	5,482,509	69,627	1,599,886	-

1/ Included in total imports, column 2.

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FOR IMMEDIATE RELEASE
November 1[illegible], 1945
16

V-132

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, as amended by the proclamations of December 19, 1940, March 31, 1942, and June 29, 1942, during the period September 20, 1944, to **November 3, 1945.**

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, 1944, to **Nov. 3, 1945**	Staple length 1-1/8" or more but less than 1-11/16": Established Quota 45,656,420	Staple length 1-1/8" or more but less than 1-11/16": Imports Sept. 20, 1944, to **Nov. 3, 1945**
Egypt and the Anglo-Egyptian Sudan........	783,816			3,664,712
Peru....................	247,952	98,799		1,532,021
British India...........	2,003,483	102,529		
China...................	1,370,791	-		-
Mexico..................	8,883,259	8,883,259		-
Brazil..................	618,723	618,723		-
Union of Soviet Socialist Republics...	475,124	-		-
Argentina...............	5,203	-		-
Haiti...................	237	-		-
Ecuador.................	9,333	-		-
Honduras................	752	-		-
Paraguay................	871	-		-
Colombia................	124	-		-
Iraq....................	195	-		-
British East Africa.....	2,240	-		-
Netherlands East Indies.	71,388	-		-
Barbados................	-	-		-
Other British West Indies 1/............	21,321	-		-
Nigeria.................	5,377	-		-
Other British West Africa 2/	16,004	-		-
Other French Africa 3/..	689	-		-
Algeria and Tunisia.....	-	-		-
	14,516,882	9,703,310	45,656,420	5,196,733

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, November 14, 1945.

Press Service
No. V-132

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Netherlands East Indies....	71,388	-		-
Barbados...................	-	-		-
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Algeria and Tunisia........	-	-		-
	14,516,882	9,703,310	45,656,420	5,196,733

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Germany.................	76,329	-	25,443	-
Italy...................	21,263	-	7,088	-
TOTALS	5,482,509	69,627	1,599,886	-

1/ Included in total imports, column 2.

oOo

Mr. Shaeffer

V-133

November 7, 1945

TO MR. D. W. BELL:

During the month of October, 1945, the following market transactions took place in direct and guaranteed securities of the Government:

Sales	none
Purchases	$250,000
Net purchases	$250,000

(Sgd) Joseph Greenberg

Joseph Greenberg
Assistant Commissioner of Accounts

Copy to: Mr. Heffelfinger
Mr. Shaeffer
Miss Sanford

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TREASURY DEPARTMENT
Washington

FOR IMMEDIATE RELEASE,
Thursday, November 15, 1945.

Press Service
No. V-133

During the month of October, 1945, market transactions in direct and guaranteed securities of the Government for Treasury investment and other accounts resulted in net purchases of $250,000, Secretary Vinson announced today.

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Form D-60
U.S. TREASURY DEPARTMENT
Fiscal Service
Bureau of Accounts

EXPEDITE

~~Remarks~~:
Mr. Shaeffer
R. 4408
Please substitute
this for the copy
you receive from
Mr Bell's office on which
I made an error.
Maud
R 4330

XXXXX

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.

KKRMX

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. Subject to these reservations, tenders for $200,000 or less from any one bidder at 99.905 entered on a fixed-price basis will be accepted in full. Payment of accepted tenders at the prices offered must be made or completed at the Federal Reserve Bank in cash or other immediately available funds on **November 23, 1945**.

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

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TREASURY DEPARTMENT

Washington

U-134

FOR RELEASE, MORNING NEWSPAPERS,
Friday, November 16, 1945.

The Secretary of the Treasury, by this public notice, invites tenders for $ **1,300,000,000**, or thereabouts, of **90**-day Treasury bills, to be issued on a discount basis under competitive and fixed-price bidding as hereinafter provided. The bills of this series will be dated **November 23, 1945**, and will mature **February 21, 1946**, when the face amount will be payable without interest. They will be issued in bearer form only, and in denominations of $1,000, $5,000, $10,000, $100,000, $500,000, and $1,000,000 (maturity value).

Tenders will be received at Federal Reserve Banks and Branches up to the closing hour, two o'clock p.m., Eastern **Standard** time, **Monday, November 19, 1945**. 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 2 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

TREASURY DEPARTMENT
Washington

FOR RELEASE, MORNING NEWSPAPERS
Friday, November 16, 1945

The Secretary of the Treasury, by this public notice, invites tenders for $1,300,000,000, or thereabouts, of 90-day Treasury bills, to be issued on a discount basis under competitive and fixed-price bidding as hereinafter provided. The bills of this series will be dated November 23, 1945, and will mature February 21, 1946, when the face amount will be payable without interest. They will be issued in bearer form only, and in denominations of $1,000, $5,000, $10,000, $100,000, $500,000, and $1,000,000 (maturity value).

Tenders will be received at Federal Reserve Banks and Branches up to the closing hour, two o'clock p. m., Eastern Standard time, Monday, November 19, 1945. Tenders will not be received at the Treasury Department, Washington. Each tender must be for an even multiple of $1,000, and the price offered must be expressed on the basis of 100, with not more than three decimals, e. g., 99.925. Fractions may not be used. It is urged that tenders be made on the printed forms and forwarded in the special envelopes which will be supplied by Federal Reserve Banks or Branches on application therefor.

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Immediately after the closing hour, tenders will be opened at the Federal Reserve Banks and Branches, following which public announcement will be made by the Secretary of the Treasury of the amount and price range of accepted bids. Those submitting tenders will be advised of the acceptance or rejection thereof. The Secretary of the Treasury expressly reserves the right to accept or reject any or all tenders, in whole or in part, and his action in any such respect shall be final. Subject to these reservations, tenders for $200,000 or less from any one bidder at 99.905 entered on a fixed-price basis will be accepted in full. Payment of accepted tenders at the prices offered must be made or completed at the Federal Reserve Bank in cash or other immediately available funds on November 23, 1945.

V - 134

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-

It is also important to note that the data on receipts and disbursements contained in this report are not comparable with the income and deductions data contained in corporation income tax returns. Therefore, it is not possible to determine from these data amounts which would be comparable with the net taxable income of taxable corporations.

A limited number of the reports are available, copies of which may be obtained by addressing a request to the Commissioner of Internal Revenue, attention ~~AT:PB~~, Washington 25, D. C., for a copy of the report entitled "Supplement to Statistics of Income for 1943, Part 2."

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Com: PR

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F.M.V.
Nov. 15 1945

Type of Organization For Which Returns are Required	Subsection of Section 101 Under which Exemption is Granted	Number of ~~Returns~~ Filed
Organizations whose primary functions are business activities:		
Mutual savings banks - savings department	(2)	471
Mutual savings banks - life insurance department	(2)	30
Building and loan or savings and loan associations (not Federal), and cooperative banks organized in Massachusetts	(4)	4,178
Cooperative banks except those organized in Massachusetts and credit unions (not Federal)	(4)	4,351
Cemetery companies	(5)	1,384
Local benevolent life insurance associations	(10)	206
Mutual ditch or irrigation companies	(10)	884
Mutual telephone companies	(10)	505
Mutual organizations not elsewhere classified	(10)	1,067
Mutual insurance organizations (not life or marine)	(11)	1,701
Farmers' cooperative marketing and purchasing organizations	(12)	5,595
Crop financing organizations	(13)	32
Holding companies for other tax-exempt organizations	(14)	1,213
Federal credit unions	(15)	3,207
Federal savings and loan associations	(15)	1,353
National farm loan associations	(15)	1,989
Production credit associations	(15)	510
Federal intermediate credit banks, Federal land banks, banks of cooperatives, production credit corporations, etc.	(15)	26
Total		28,702
Grand total		102,155

The report does not represent a complete summary of all tax exempt organizations as some such organizations were excused by law from filing returns and some of those required to file may ~~have~~ not HAVE done so by the time the report was prepared.

TREASURY DEPARTMENT
Washington [redacted].

FOR RELEASE, MORNING NEWSPAPERS,
Saturday, November 17, 1945

Press Service
No. V-135

Secretary of the Treasury Vinson today made public data tabulated from returns of certain classes of organizations exempt from tax under section 101 of the Internal Revenue Code in a report entitled "Supplement to Statistics of Income for 1943, Part 2," prepared under the direction of Commissioner of Internal Revenue Joseph D. Nunan, Jr.

The returns from which the data were tabulated were required to be filed by section 54(f) of the Code, as added by section 117 of the Revenue Act of 1943, and are being made available in accordance with section 63 of the Code.

The first returns required to be filed covered the years beginning after December 31, 1942 which include returns for the calendar year 1943, and for part years and fiscal years ~~returns for period~~s beginning in 1943.

The report includes all of the first year filings in those instances in which the return was received prior to September 1, 1945.

The number of returns received by each of the classes of organizations included in Sections A and B of the report are as follows:

Type of Organization For Which Returns are Required	Subsection of Section 101 Under which Exemption is Granted	Number of Returns Filed
Organizations whose primary functions are nonbusiness activities:		
Labor organizations	(1)	32,646
Agricultural and horticultural organizations	(1)	1,271
Literary, scientific, educational or charitable organizations, hospitals, foundations, funds, etc.	(6)	12,132
Business leagues, chambers of commerce, boards of trade, etc.	(7)	6,864
Local associations of employees, civic leagues, social welfare, etc.	(8)	10,313
Social clubs for pleasure or recreation	(9)	9,531
Employees' beneficiary associations	(16)	531
Teachers' retirement fund associations	(17)	6
United States employees' beneficiary associations	(19)	159
Total		73,453

TREASURY DEPARTMENT
Washington

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Total		73,453

Type of Organization For Which Returns are Required	Subsection of Section 101 Under which Exemption is Granted	Number of Returns Filed
Organizations whose primary functions are business activities:		
Mutual savings banks - savings department	(2)	471
Mutual savings banks - life insurance department	(2)	30
Building and loan or savings and loan associations (not Federal), and cooperative banks organized in Massachusetts	(4)	4,178
Cooperative banks except those organized in Massachusetts and credit unions (not Federal)	(4)	4,351
Cemetery companies	(5)	1,384
Local benevolent life insurance associations	(10)	206
Mutual ditch or irrigation companies	(10)	884
Mutual telephone companies	(10)	505
Mutual organizations not elsewhere classified	(10)	1,067
Mutual insurance organizations (not life or marine)	(11)	1,701
Farmers' cooperative marketing and purchasing organizations	(12)	5,595
Crop financing organizations	(13)	32
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Total		28,702
Grand total		102,155

The report does not represent a complete summary of all tax exempt organizations as some such organizations were excused by law from filing returns and some of those required to file may not have done so by the time the report was prepared.

It is also important to note that the data on receipts and disbursements contained in this report are not comparable with the income and deductions data contained in corporation income tax returns. Therefore, it is not possible to determine from these data amounts which would be comparable with the net taxable income of taxable corporations.

A limited number of the reports are available, copies of which may be obtained by addressing a request to the Commissioner of Internal Revenue, attention Com:PR, Washington 25, D. C., for a copy of the report entitled "Supplement to Statistics of Income for 1943, Part 2."

oOo

Nations in uncovering and taking control of assets held by our enemies in and through the territory subject to their jurisdiction.

In February and March of this year an attempt was made to facilitate the solution of this problem in the course of negotiations conducted with Switzerland by representatives of the French, British, and United States Governments. As a result of these negotiations the Swiss agreed effectively to freeze German assets within Switzerland and to take an effective census of the assets held in Switzerland by persons located in Axis and Axis-occupied countries. For a time some of us believed that an important step forward in resolving this problem had been taken. Our belief, however, was very seriously undermined by our discovery in Germany of evidence indicating that immediately after the departure from Switzerland of the Allied representatives, and less than a month prior to V-E Day, the Swiss Government as a result of negotiations with representatives of the Nazi Government, agreed to take measures on behalf of Germany tending to nullify the commitments which they had just given to us. I think the bearing of this discovery upon the difficulty of our problem in unfreezing the Swiss assets in this country is apparent.

To us who have been engaged in fighting the financial side of the war, it is clear that throughout the war neutral territory was the de facto battlefield on which some of the most important of the financial battles were waged. Although the military phase of operations has ceased and a military surrender has been signed, we must fully realize that victory will not have been obtained by the United Nations in the financial phases of the war until German and Japanese assets ~~in the neutral countries~~ throughout the world are under the complete control of the appropriate United Nations authorities.

undertook to liberalize its restrictions on the transfer to the United States of funds held in France by American nationals. We expect to receive similar commitments from the governments of other liberated countries.

Germany and Japan, and possibly other ex-enemy areas, will remain under American or Allied military control for some time. During this period the American public and American business and financial institutions will demand that facilities be provided for transactions necessary to protect American property, remittances, and possibly private trade transactions. Every step in this direction will have to be taken in coordination with our Allies. The machinery for handling such transactions will have to be created by Foreign Funds Control in the light of the facilities which are made available by the military authorities, and new licensing techniques will have to be developed. Furthermore, Foreign Funds Control will be called upon for an interim period to maintain strict control over any dollar exchange that may accrue to Germany or Japan in order to see that such dollars are used only for purposes consistent with our post-war policies with respect to these enemy countries.

~~The class of country~~ Countries remaining to be dealt with, in the defrosting program, ~~is~~ are the neutrals--Portugal, Spain, Sweden, and Switzerland. The primary problem is that of ensuring that the Germans will not be successful, even after their defeat on the battlefield, in retaining uncontrolled possession of funds or assets held in or through neutral countries. It is evident from what I have already said about the tactics of the Germans and the manner in which they used the neutrals that our problem is more difficult in the case of these countries than in the case of other countries. This difficulty is of course increased by the tendency of neutral governments to insist that as neutrals they have no interest in or concern with the problem of assisting the United

authorizes the unblocking of assets held in the United States by persons and institutions in France upon the certification of the French Government that the funds are the property of a French national. The issuance of a similar license with respect to Belgium is imminent. It is our expectation that unfreezing licenses will be issued with respect to most of the liberated countries before the end of this year and that the bulk of the assets of these countries will be certified and unfrozen in the near future.

By proceeding in this fashion we have placed upon the government of the liberated country the primary responsibility for protecting the interests of its own nationals in their frozen assets in this country, and also of ensuring that no assets are released which have been held by persons or firms in the liberated countries as cloaks for our enemies. As an illustration of this latter problem, I might mention another instance of material just discovered in Germany. Evidence uncovered this summer clearly indicates that securities worth approximately five million dollars held in this country by a number of New York banks for the account of Rotterdamsche Bank were held by Rotterdamsche Bank, in turn, for a Swiss holding company known as Konsortialfond This holding company is, in turn, owned by another Swiss dummy known as Uma of Chur, Switzerland, the predominate interest in which is owned by Henkel and Company of Germany. We must make sure that German assets in this country are not unfrozen simply because they were cloaked through countries which the Germans subsequently occupied.

In connection with the French unfreezing, you will no doubt have observed that the French Government in its letter to the Secretary of the Treasury

warning neutrals against the purchase of looted valuables. This action was supplemented in February 1944 by a more specific declaration relating directly to gold. Investigations within Germany now show that the German Government after remelting large quantities of this looted gold and placing prewar dates on the new bars, sold substantial amounts of this looted gold to neutral countries.

Although I have cited but a few examples, I think that the material submitted shows what I mean when I say that we have obtained some support for premises upon which we had chosen to base our operations in the early days when many things were not as clear as they are now.

In the few remaining minutes I would like to review briefly the progress that has been made during the last year in the lifting of foreign funds controls and to indicate briefly the nature of the problems remaining to be dealt with. During this period the progress in unfreezing has been most rapid with respect to the United Nations which had been occupied by Axis interests - such as France, Belgium, Holland, Norway, and Denmark. The funds held by the governments and central banks of these countries have been released. The restrictions on financial communication have been completely removed. Shortly after liberation general licenses were issued authorizing current trade transactions with Belgium and France. Treasury representatives have been stationed in the capitals of the liberated countries and negotiations are under way with all of them with respect to the release of privately owned funds in this country. A broad unfreezing license has already been issued with respect to France. In addition to removing all controls with respect to transactions not involving old blocked funds, this license

Von Schnitzler's reply to Colonel Pickenbrock is as follows:

"Dear Colonel: I thank you very much for your kind note of March 15 and take the liberty of expressing my best wishes for your front command.

"I and my colleagues working here at Frankfurt on foreign business have always considered it a duty of honor to be always at your disposal for your special tasks. This will, of course, be the same in the future after your successor, Lieutenant Colonel Hansen, has taken over.

"With cordial regards and heil Hitler, I remain,

"Yours very devoted,

V. Schnitzler."

Also pertinent to this point is the following excerpt from a letter of November 9, 1943, from the Wirtschaftspolitische Abteilung of the German Government to Dr. Oberhoff, of I. G. Farben:

"Lieutenant Colonel Becher is shortly going to Spain on orders of the ABwehr" (which was the Wehrmacht Intelligence). "However, since it is not supposed to be known there that he is attached to this agency, he is to be camouflaged by becoming part of some firm. "Since Becher is a wool merchant by trade, it was first thought advisable to place him with a wool purchasing firm from Sofindus. For special reasons this is not possible, and the RMW is now inquiring whether the I. G. would be able to find a place for Mr. Becher."

Another major premise of this country's financial warfare program was that the Germans during the war were acquiring much-needed foreign exchange by selling to neutral countries gold which had been looted by them from the central banks of the countries which they had occupied. It was upon this premise that a United Nations' declaration of January 5, 1943, was issued

assistance by I.G.) with the condition that I.G. retains the option to acquire these interests directly or through third persons.

"The central finance administration (Zentral-Finanzverwaltung) is endeavoring by special installation and constructions, to bridge existing difficulties in connection with credit terms. It has made a special effort, by the foundation of financing companies closely tied to our foreign banking friends, to create organizations which through complete independence from Germany have proven themselves as contact and intermediary posts. . . ."

Our further premise that the camouflaged firms were being effectively used as channels to finance subversive wartime operations has also been amply justified by the materials found in Germany. In this connection I would like to refer to the following interchange of letters which has already been presented before the Kilgore Subcommittee:

On March 15, 1943, Colonel Pickenbrock, Chief of Counterespionage Section I, Wehrmacht Supreme Command, wrote as follows to Dr. Georg von Schnitzler of I. G. Farben:

"Dear Herr Dr. von Schnitzler: I would like to inform you that I am shortly leaving Berlin and my present office, to take over a command at the front. I feel particularly urged to thank you for the valuable cooperation which you have extended to my office. I shall always retain pleasant memories of the personal and official collaboration with you.

"I should like to take this opportunity of asking you to give the same support to my successor, Lieutenant Colonel Hansen.

"With many thanks and heil Hitler, I remain,

"Yours very devoted,

Pickenbrock."

For example, I would like to quote for you some excerpts from a confidential memorandum on this subject circulated by I. G. Farben's legal adviser to its top directors in June 1939. The memorandum consists of an exploration of the merits of alternative methods of camouflaging I. G. Farben's foreign holdings. The part I will now quote gives their conclusions concerning two alternative methods of cloaking Farben ownership of a company located in what would be to Germany an enemy country:

"This review shows that the least risk of seizure in time of war exists for the selling organization if the interest owners are neutrals living in neutral countries. Such a distribution of business interests has the further advantage of forestalling any scruples which may arise in the conscience of an enemy national between his national sentiment and his faithfulness to I. G. A further advantage is that the Neutral, in case of war, generally retains his freedom of movement, while enemy nationals are frequently called in the service, regardless in what form, and therefore cannot take care of business interests."

The following excerpts from the minutes of the meeting that was held are also of interest:

"The selling apparatus of I. G. in foreign countries is principally organized in such a manner that the I.G. or its subsidiaries do not openly possess any interest in the representations. . . .

"While earlier the business interest in the representations was mostly held by persons, nationals of the respective country, or by companies as trustees for I.G., this system has been more and more abandoned during the last few years in favor of an arrangement under which business interest is acquired by persons or firms with their own means (eventually under credit

[redacted] had moved their files and records out of their office buildings in order to protect them from destruction from bombing and that the important German financial records were scattered in mines, caves, monasteries, and beer halls throughout Germany. In many instances the records had been despatched to outlying destinations at which they never arrived because of the breakdown in German transportation facilities. As a consequence one of our first problems was to find the location of the critical files and records as well as of the important people who had also wandered far and wide.

I will have time to mention only a few examples of the type of information that is being unearthed in these investigations.

One of the important premises of Foreign Funds Control had been that the Germans were attempting to use the neutral countries to cloak German holdings and wartime financial operations. It was upon this premise that the extension of the freezing control to the neutral countries in June 1941 was based. This assumption was not based upon pure guesswork but was the result of our observations during the early stages of Foreign Funds Control that the more important of the business enterprises which we believed to be German-controlled/ were ostensibly owned by companies located in neutral countries. You will be interested to know that in files and records of important German companies we found much evidence indicating serious concern about means and methods of effectively camouflaging their foreign interests. In typical German manner the subject was carefully explored by the top personnel of their legal divisions, discussed at meetings of boards of directors, and all of the considerations, pro and con, were carefully recorded and preserved in their files.

Germany. This afforded an opportunity not only to obtain information which would be of vital assistance in carrying to completion the objectives of the Foreign Funds Control program but also to check firsthand on some of the premises and assumptions on which our own operations had been based. Shortly after V-E Day a group of Foreign Funds Control personnel proceeded to Frankfurt to join a program of investigations which had already been started by Colonel Bernard Bernstein, who prior to his entry into the Army had, as Assistant General Counsel of the Treasury Department, played an important role in the establishment and development of Foreign Funds Control. Although the program of investigations in Germany has been in effect for only six months, during most of which time we were working under the somewhat difficult conditions prevailing in what had just been an active theater of combat, the results of these investigations have been of far-reaching character. In addition to the ordinary handicaps that would be expected (such as difficulty of communication, lack of ordinary clerical and stenographic assistance, etc.) we found that most important German ~~enter-~~ enterprises

often provided clues to other types of activity. Observations with respect to the transfer of funds from Panama to Argentina early in the war led to the discovery of a large ring engaged in the smuggling of currency into this hemisphere. Examination of a transaction involving the remittance of funds from a news agency in Spain to a journalist in Central America brought forth the fact that the journalist had served in Germany from 1931 to 1939 at which time he had left carrying letters commending him on his sympathies toward the Nazi Government. His news despatches from Central America were anti-American and pro-German. Not only were remittances to him through American channels prevented but his activities were brought to the attention of other appropriate authorities of this Government. In another instance an individual in Colombia was the beneficiary of an air mail transfer of $15,000 from Buenos Aires and the payee of several checks issued in Costa Rica. One of the checks was endorsed by a person known to us to be an important dealer in black market currency. Investigation of this transaction indicated that the recipient was engaged in smuggling highly strategic platinum for shipment to Germany through a neutral country and that he was also suspected of espionage. These are but a few examples of the many instances in which we were able to trace the prohibited transaction to its final destination, and to measure our achievement in terms of its practical effect upon the war effort.

With the cessation of hostilities, the Treasury was requested by the Army to supply trained personnel and to assist in formulating and executing a program of investigations into the financial institutions in

Early in 1940 controls were placed over the importation into this country of securities. These controls were subsequently extended to the importation of currency. These measures were taken in order to prevent the sale within the United States of securities and currency looted in occupied countries by the Axis, and to drive down the value in free foreign exchange which might be obtained by the Germans selling these valuables in the black markets of neutral countries. To supplement the import controls, special regulations were applied to bearer securities containing a stamp or marking indicating that they had ever been physically situated within any of the occupied countries. It was not until the war had progressed to a stage where we were re-occupying countries that had been overrun by the Axis that we could fully evaluate the effects of these measures. We were delighted to find that the Germans had flatteringly disregarded dollar bearer shares which contained the type of stamps at which our regulations had been aimed. We have been informed that ~~no one~~ persons in any neutral countr~~y~~ies would not risk buying securities containing such stamps.

Because of the strength of the dollar it has become the medium of exchange used most widely in international transactions. As a consequence ~~of this fact~~, controls over the use of financial facilities enabled this Government to control many financial operations where the parties at both ends of the transaction were in foreign countries. Controls over the financial aspects of transactions effectively supplemented other controls over the physical movement of goods, such as the blockade. Even goods that are being smuggled must somehow or other be paid for. Our controls not only enhanced the difficulty of acquiring materials but

into World War I. By applying our freezing controls long before we were even attacked in this war, we caught the enemy off guard and increased tremendously his difficulties in financing subversive operations within this country. We were exceedingly pleased to receive from Mr. Hoover, who was directly responsible for the internal security of this country, expressions of opinion in his reports supporting this position. We were also pleased to note that German saboteurs who were landed on our coastline by submarine had to bring with them substantial amounts of currency with which to finance their operations. Certainly such additional baggage would not have been carried under such hazardous conditions if ample amounts of funds were available to German operatives from local sources. It may also be illuminating to mention an example of the kind of an operation which was carried out by the enemy in one of our neighboring countries prior to the establishment of its financial controls. During a two month period an operating branch of a well-known German company borrowed funds totalling $900,000 from a local bank, ostensibly for ordinary commercial operations. A later examination of the records of this company showed that the entire sum of money had been immediately turned over to the local German Embassy. This transaction was uncovered when the German company was subsequently vested by the cooperating government under its program of financial warfare. In the United States such operations were prevented by the application of freezing measures well prior to our entry into the war. (many - Stop)

5 I shall also cite other examples in connection with particular facets of Foreign Funds Control operations and at this point merely ask you to note that they also bear upon this general fundamental objective.

question: "Was it worth it?" This is a question which a responsible governmental official must have always before him and it is not always an easy task to decide whether the possible results to be achieved by a particular step warrant the cost that it will impose upon the Government and the people whom it affects. It was particularly difficult during the time of war when the information concerning operations of our enemies was sparse and when the clouds of enemy propaganda, intrigue, and subtly planted rumor made it difficult to take exact measurements on the stars by which we were charting our course. I know you will be glad, however, to hear me say that the information which we have been able to obtain now that the war is over and which enables us to check the correctness of some of our assumptions and the effectiveness of many of our operations--this information has, in general, tended to support our position and has in many instances amply justified the measures that we have taken. Within the limitations of the time allotted to me I would like to briefly mention some examples bearing upon the effectiveness of our joint efforts during this period.

Turning first to ~~one of the most~~ a fundamental objective~~s~~ of Foreign Funds Control, namely that of preventing the enemy from using the financial facilities of the United States to finance its wartime operations in this hemisphere, I might refer to Mr. J. Edgar Hoover's reports on the absence during this war of any large-scale enemy sabotage. We know that during the last war the Germans derived funds running into the millions from German-owned enterprises within the United States to finance the large-scale sabotage operations which took place in this country after our entry

which raised new and hitherto unresolved problems or required special investigations.

In addition to carrying on the front line operations just referred to, the banks made a substantial contribution to the development of the Foreign Funds Control program and the formulation of policy. This was done primarily through a subcommittee of the Foreign Exchange Committee which we have generally referred to informally as the Loree Committee. Established in the early days of the Control, it served as an important integrating link between "headquarters" and the banks - our "front line forces." Through this Committee, the staff of Foreign Funds Control received many valuable suggestions from the banking community. Wherever possible, plans, programs, and drafts of general licenses were submitted to this Committee in their formative stages, thus enabling us to obtain suggestions and criticisms and to obtain in advance some idea of how our plans could be implemented in the workaday world. To be sure, we were not always able to accept suggestions and criticisms and sometimes we were unable to explain; in fact, sometimes we, too, were requested by other arms of the Government to do certain things as part of our over-all governmental policy and we ourselves were not always told the whys and wherefores. There is no question, however, but that the administration of Foreign Funds Control profited immensely by the frank interchange of ideas between Foreign Funds Control and the banking community that was made possible through the Loree Committee.

Having indicated as I have just done my realization of the time and effort spent by the financial community on these controls, I feel that I would not have touched the fundamental issue if I did not also discuss the

At the inception of the Control the Treasury selected the twelve Federal Reserve Banks to act as its field offices in administering Foreign Funds Control. Each of these Federal Reserve Banks maintained close contacts with the banks and other institutions in its district, thus providing an effective regional administration of the policies established by the Control. 3/ Instead of attempting to license operations on an individual application basis, the Treasury Department, in the form of general licenses, delegated broad powers to the financial community to handle broad areas of financial transactions without reference even to the Federal Reserve Banks; complete responsibility was placed upon the banks to see that only properly authorized transactions were effected thereunder and that any limiting terms and conditions were adhered to. Because of the role played by the banks the Treasury was able to handle the entire Foreign Funds Control program with a staff which over the five year period averaged less than a thousand people (including clerks, clerical, stenographic, and other non-professional help) and which even at its peak (reached shortly after Pearl Harbor) never exceeded two thousand employees. These figures include all employees on the Foreign Funds Control payroll in the twelve Federal Reserve Banks. In contrast, it is interesting to know that Germany, in administering a rather similar program, was using several hundred thousand governmental employees. The great majority of the transactions effected under the controls were handled by the banks without the filing of any applications and without any reference to the Federal Reserve Banks or the Treasury.

The ~~small staff~~ group of people working in the Treasury and in the Federal Reserve Banks constituted, in effect, a staff designed to develop the broad outlines of the program, to formulate policy, and to handle the complicated

As an indication of American preparedness in the realm of financial warfare, I might point out that our controls were in such shape by 1941 that when the Jap attack on Pearl Harbor plunged us into the military war as an active participant, the only additional steps which were needed in this field, as a result of our position as a belligerent, were the cessation of communication with territory which became "enemy" in character and the establishment of an Alien Property Custodian with the power to vest and handle enemy-owned property. Even a published American blacklist was in effect prior to Pearl Harbor.

The problem of freezing as such was comparatively simple. The difficult problem consisted not of keeping idle funds frozen but rather of permitting funds to be used within a framework of controls that enabled those transactions necessary to the functioning of our economy to proceed smoothly while at the same time ensuring that transactions originating as apparently ordinary commercial transactions did not constitute financial operations of the Axis designed to facilitate their aggressive war and to operate against the Allied nations.

The problem was to protect ourselves and our occupied friends without interfering with the tremendous financial and economic effort required of our wartime economy--this, despite the fact that the controls, relating as they did to assets valued at $8,000,000,000, applied to a substantial segment of our economy.

One of the primary reasons why we were able to accomplish this seemingly impossible task was because of the reliance which we placed upon the banks and financial institutions of this country as the primary enforcers and administrators of Foreign Funds Control and because of the splendid manner in which they discharged this responsibility.

but also a brief indication of the chief types of problems which remain to be dealt with by Foreign Funds Control before it goes out of existence.

It will be recalled that Foreign Funds Control was established in April 1940 when the Germans, without warning, invaded Norway and Denmark. The controls were established for the purpose of protecting the assets held in the United States by these friendly countries and their nationals. During 1940 the controls were extended to Belgium, the Netherlands, France, and other European countries occupied by what at that time seemed the insuperable military power of the Axis. In the summer of 1941 the controls were extended to the Axis powers themselves. In taking this step we were using the newly-developed instrument of Foreign Funds Control not only to protect the assets of the occupied countries, but also to prevent American financial institutions from being ~~used by the~~ imposed upon by Axis in carrying out their program of financial warfare. At the same time these controls were extended to the European neutrals in close proximity to Germany in order to prevent neutral cloaks from being used to cover Axis financial operations. Thus, six months before Pearl Harbor this Government had in operation a system of effective controls over international financial transactions and over all assets in this country owned by persons in Germany, Japan, and Italy who were later to declare war against the United States; in the Axis satellite countries; in the friendly countries occupied by the Axis; and in the neutrals who were surrounded by Axis might. The total value of the assets within the United States subject to the freezing controls was estimated at $8,000,000,000. In addition the controls applied to transactions running into figures of the same proportions but involving funds other than those held in this country in blocked accounts.

3 Hershey Hotel

THE CONTRIBUTION OF AMERICAN BANKS TO FOREIGN FUNDS CONTROL

10.30 am

Speech delivered by Orvis A. Schmidt, Director, Foreign Funds Control, before the Bankers' Association for Foreign Trade Meeting, Hershey, Pennsylvania, November 16, 1945.

Last year about this time it was my privilege to discuss at the Bankers' Session of the National Foreign Trade Convention some of the problems involved in lifting foreign funds control. I was very appreciative of the opportunity of explaining the general problems with which we were confronted in removing our controls and our program for dealing with them. I am exceedingly happy to be asked this year to discuss again the subject of foreign funds control. My feeling is prompted primarily by the hope that before another year rolls around we will have removed so many of the controls and pushed the defrosting program to such a point that this group will no longer be interested in the subject. In this connection you may be interested to know that in our latest appearance before the Bureau of the Budget in connection with our appropriation for the coming fiscal year we stated that this would be the last time that the Treasury Department would request an appropriation for Foreign Funds Control as such--we feel that by the end of that fiscal year the program will be so far completed that any remaining problems will no longer justify the existence of a separate bureau.

I, ~~Hence~~, welcome this opportunity, while the subject is still of interest, to give you an indication of some of the accomplishments of Foreign Funds Control and of the contributions of the banks to the success of the program. I shall endeavor to give you not only a sort of "liquidators' report" on the progress of the liquidation of our controls

TREASURY DEPARTMENT
Washington — doute

(The following address by Orvis A. Schmidt, Director, Foreign Funds Control, before the Bankers' Association for Foreign Trade at the Hotel Hershey, Hotel, Pennsylvania, is scheduled for delivery at 10:30 AM, EWT, Friday, November 16, 1945, and is for release at that time.)

V-136

TREASURY DEPARTMENT

Washington

(The following address by Orvis A. Schmidt, Director, Foreign Funds Control, before the Bankers' Association for Foreign Trade at the Hotel Hershey, Hershey, Pennsylvania, is scheduled for delivery at 10:30 AM, EWT, Friday, November 16, 1945, and is for release at that time.)

THE CONTRIBUTION OF AMERICAN BANKS TO FOREIGN FUNDS CONTROL

Last year about this time it was my privilege to discuss at the Bankers' Session of the National Foreign Trade Convention some of the problems involved in lifting foreign funds control. I was very appreciative of the opportunity of explaining the general problems with which we were confronted in removing our controls and our program for dealing with them. I am exceedingly happy to be asked this year to discuss again the subject of foreign funds control. My feeling is prompted primarily by the hope that before another year rolls around we will have removed so many of the controls and pushed the defrosting program to such a point that this group will no longer be interested in the subject. In this connection you may be interested to know that in our latest appearance before the Bureau of the Budget in connection with our appropriation for the coming fiscal year we stated that this would be the last time that the Treasury Department would request an appropriation for Foreign Funds Control as such--we feel that by the end of that fiscal year the program will be so far completed that any remaining problems will no longer justify the existence of a separate bureau.

Hence, I welcome this opportunity, while the subject is still of interest, to give you an indication of some of the accomplishments of Foreign Funds Control and of the contributions of the banks to the success of the program. I shall endeavor to give you not only a sort of "liquidators' report" on the progress of the liquidation of our controls but also a brief indication of the chief types of problems which remain to be dealt with by Foreign Funds Control before it goes out of existence.

It will be recalled that Foreign Funds Control was established in April 1940 when the Germans, without warning, invaded Norway and Denmark. The controls were established for the purpose of protecting the assets held in the United States by these friendly countries and their nationals. During 1940 the controls were extended to Belgium, the Netherlands, France, and other European countries occupied by what at that time seemed the insuperable military power of the Axis. In the summer of 1941 the controls were extended to the Axis powers themselves. In taking this step we were using the newly-developed instrument of Foreign Funds Control not only to protect the assets of the occupied countries, but also to prevent American financial institutions from being imposed upon by the Axis in carrying out their program of financial warfare. At the same time these controls were extended to the European neutrals in close proximity to Germany in order to prevent neutral cloaks from being used to cover Axis financial operations. Thus, six months before Pearl Harbor this Government had in operation a system of effective controls over international financial transactions and over all assets in this country owned by persons in Germany, Japan, and Italy who were later to declare war against the United States; in the Axis satellite countries; in the friendly countries occupied by the Axis; and in the neutrals who were surrounded by Axis might. The total value of the assets within the United States subject to the freezing controls was estimated at $8,000,000,000. In addition the controls applied to transactions running into figures of the same proportions but involving funds other than those held in this country in blocked accounts.

As an indication of American preparedness in the realm of financial warfare, I might point out that our controls were in such shape by 1941 that when the Jap attack on Pearl Harbor plunged us into the military war as an active participant, the only additional steps which were needed in this field, as a result of our position as a belligerent, were the cessation of communication with territory which became "enemy" in character and the establishment of an Alien Property Custodian with the power to vest and handle enemy-owned property. Even a published American blacklist was in effect prior to Pearl Harbor.

The problem of freezing as such was comparatively simple. The difficult problem consisted not of keeping idle funds frozen but rather of permitting funds to be used within a framework of controls that enabled those transactions necessary to the functioning of our economy to proceed smoothly while at the same time ensuring that transactions originating as apparently ordinary commercial transactions did not constitute financial operations of the Axis designed to facilitate their aggressive war and to opera te against the Allied nations.

The problem was to protect ourselves and our occupied friends without interfering with the tremendous financial and economic effort required of our wartime economy--this, despite the fact that the controls, relating as they did to assets valued at $8,000,000,000, applied to a substantial segment of our economy.

One of the primary reasons why we were able to accomplish this seemingly impossible task was because of the reliance which we placed upon the banks and financial institutions of this country as the primary enforcers and administrators of Foreign Funds Control and because of the splendid manner in which they discharged this responsibility.

At the inception of the Control the Treasury selected the twelve Federal Reserve Banks to act as its field offices in administering Foreign Funds Control. Each of these Federal Reserve Banks maintained close contacts with the banks and other institutions in its district, thus providing an effective regional administration of the policies established by the Control.

Instead of attempting to license operations on an individual application basis, the Treasury Department, in the form of general licenses, delegated broad powers to the financial community to handle broad areas of financial transactions without reference even to the Federal Reserve Banks; complete responsibility was placed upon the banks to see that only properly authorized transactions were effected and that any limiting terms and conditions were adhered to. Because of the role played by the banks the Treasury was able to handle the entire Foreign Funds Control program with a staff which over the five year period averaged less than a thousand people (including clerks, clerical, stenographic, and other non-professional help) and which even at its peak (reached shortly after Pearl Harbor) never exceeded two thousand employees. These figures include all employees on the Foreign Funds Control payroll in the twelve Federal Reserve Banks. In contrast, it is interesting to know that Germany, in administering a rather similar program, was using several hundred thousand governmental employees. The great majority of the transactions effected under the controls were handled by the banks without the filing of any applications and without any reference to the Federal Reserve Banks or the Treasury.

The small group of people working in the Treasury and in the Federal Reserve Banks constituted, in effect, a staff designed to develop the broad outlines of the program, to formulate policy, and to handle the complicated cases which raised new and hitherto unresolved problems or required special investigations.

In addition to carrying on the front line operations just referred to, the banks made a substantial contribution to the development of the Foreign Funds Control program and the formulation of policy. This was done primarily through a subcommittee of the Foreign Exchange Committee which we have generally referred to informally as the Loree Committee. Established in the early days of the Control, it served as an important integrating link between "headquarters" and the banks - our "front line forces." Through this Committee, the staff of Foreign Funds Control received many valuable suggestions from the banking community. Wherever possible, plans, programs, and drafts of general licenses were submitted to this Committee in their formative stages, thus enabling us to obtain suggestions and criticisms and to obtain in advance some idea of how our plans could be implemented in the workaday world. To be sure, we were not always able to accept suggestions and criticisms and sometimes we were unable to explain; in fact, sometimes we, too, were requested by other arms of the Government to do certain things as part of our over-all governmental policy and we ourselves were not always told the whys and wherefores. There is no question, however, but that the administration of Foreign Funds Control profited immensely by the frank interchange of ideas between Foreign Funds Control and the banking community that was made possible through the Loree Committee.

Having indicated as I have just done my realization of the time and effort spent by the financial community on these controls, I feel that I would not have touched the fundamental issue if I did not also discuss the question: "Was it worth it?" This is a question which a responsible governmental official must have always before him and it is not always an easy task to decide whether the possible results to be achieved by a particular step warrant the cost that it will impose upon the Government and the people whom it affects. It was particularly difficult during the time of war when the information concerning operations of our enemies was sparse and when the clouds of enemy propaganda, intrigue, and subtly planted rumor made it difficult to take exact measurements on the stars by which we were charting our course. I know you will be glad, however, to hear me say that the information which we have been able to obtain now that the war is over and which enables us to check the correctness of some of our assumptions and the effectiveness of many of our operations— this information has, in general, tended to support our position and has in many instances amply justified the measures that we have taken. Within the limitations of the time allotted to me I would like to briefly mention some examples bearing upon the effectiveness of our joint efforts during this period.

Turning first to a fundamental objective of Foreign Funds Control, namely that of preventing the enemy from using the financial facilities of the United States to finance its wartime operations in this hemisphere, I might refer to Mr. J. Edgar Hoover's reports on the absence during this war of any large-scale enemy sabotage. We know that during the last war the Germans derived funds running into the millions from German-owned enterprises within the United States to finance the large-scale sabotage operations which took place in this country after our entry into World War I. By applying our freezing controls long before we were even attacked in this war, we caught the enemy off guard and increased tremendously his difficulties in financing subversive operations within this country. We were exceedingly pleased to receive from Mr. Hoover, who was directly responsible for the internal security of this country, expressions of opinion in his reports supporting this position. We were also pleased to note that German saboteurs who were landed on our coastline by submarine had to bring with them substantial amounts of currency with which to finance their operations. Certainly such additional baggage would not have been carried under such hazardous conditions if ample amounts of funds were available to German operatives from local sources. It may also be illuminating to mention an example of the kind of an operation which was carried out by the enemy in one of our neighboring countries prior to the establishment of its financial controls. During a two month period an operating branch of a well-known German company borrowed funds totalling $900,000 from a local bank, ostensibly for ordinary commercial operations. A later examination of the records of this company showed that the entire sum of money had been immediately turned over to the local German Embassy. This transaction was uncovered when the German company was subsequently vested by the cooperating government under its program of financial warfare. In the United States such operations were prevented by the application of freezing measures well prior to our entry into the war.

I shall also cite other examples in connection with particular facets of Foreign Funds Control operations and at this point merely ask you to note that they also bear upon this general fundamental objective.

Early in 1940 controls were placed over the importation into this country of securities. These controls were subsequently extended to the importation of currency. These measures were taken in order to prevent the sale within the United States of securities and currency looted in occupied countries by the Axis, and to drive down the value in free foreign exchange which might be obtained by the Germans selling these valuables in the black markets of neutral countries. To supplement the import controls, special regulations were applied to bearer securities containing a stamp or marking indicating that they had ever been physically situated within any of the occupied countries. It was not until the war had progressed to a stage where we were re-occupying countries that had been overrun by the Axis that we could fully evaluate the effects of these measures. We were delighted to find that the Germans had flatteringly disregarded dollar bearer shares which contained the type of stamps at which our regulations had been aimed. We have been informed that persons in neutral countries would not risk buying securities containing such stamps.

Because of the strength of the dollar it has become the medium of exchange used most widely in international transactions. As a consequence, controls over the use of financial facilities enabled this Government to control many financial operations where the parties at both ends of the transaction were in foreign countries. Controls over the financial aspects of transactions effectively supplemented other controls over the physical movement of goods, such as the blockade. Even goods that are being smuggled must somehow or other be paid for. Our controls not only enhanced the difficulty of acquiring materials but often provided clues to other types of activity. Observations with respect to the transfer of funds from Panama to Argentina early in the war led to the discovery of a large ring engaged in the smuggling of currency into this hemisphere. Examination of a transaction involving the remittance of funds from a news agency in Spain to a journalist in Central America brought forth the fact that the journalist had served in Germany from 1931 to 1939 at which time he had left carrying letters commending him on his sympathies toward the Nazi Government. His news despatches from Central America were anti-American and pro-German. Not only were remittances to him through American channels prevented but his activities were brought to the attention of other appropriate authorities of this Government. In another instance an individual in Colombia was the beneficiary of an air mail transfer of $15,000 from Buenos Aires and the payee of several checks issued in Costa Rica. One of the checks was endorsed by a person known to us to be an important dealer in black market currency. Investigation of this transaction indicated that the recipient was engaged in smuggling highly strategic platinum for shipment to Germany through a neutral country and that he was also suspected of espionage. These are but a few examples of the many instances in which we were able to trace the prohibited transaction to its final destination, and to measure our achievement in terms of its practical effect upon the war effort.

With the cessation of hostilities, the Treasury was requested by the Army to supply trained personnel and to assist in formulating and executing a program of investigations into the financial institutions in Germany. This afforded an opportunity not only to obtain information which would be of vital assistance in carrying to completion the objectives of the Foreign Funds Control program but also to check first-hand on some of the premises and assumptions on which our own operations had been based. Shortly after V-E Day a group of Foreign Funds Control personnel proceeded to Frankfurt to join a program of investigations which had already been started by Colonel Bernard Bernstein, who prior to his entry into the Army had, as Assistant General Counsel of the Treasury Department, played an important rôle in the establishment and development of Foreign Funds Control. Although the program of investigations in Germany has been in effect for only six months, during most of which time we were working under the somewhat difficult conditions prevailing in what had just been an active theater of combat, the results of these investigations have been of far-reaching character. In addition to the ordinary handicaps that would be expected (such as difficulty of communication, lack of ordinary clerical and stenographic assistance, etc.) we found that most important German enterprises had moved their files and records out of their office buildings in order to protect them from destruction from bombing and that the important German financial records were scattered in mines, caves, monasteries, and beer halls throughout Germany. In many instances the records had been despatched to outlying destinations at which they never arrived because of the breakdown in German transportation facilities. As a consequence one of our first problems was to find the location of the critical files and records as well as of the important people who had also wandered far and wide.

I will have time to mention only a few examples of the type of information that is being unearthed in these investigations.

One of the important premises of Foreign Funds Control had been that the Germans were attempting to use the neutral countries to cloak German holdings and wartime financial operations. It was upon this premise that the extension of the freezing control to the neutral countries in June 1941 was based. This assumption was not based upon pure guesswork but was the result of our observations during the early stages of Foreign Funds Control that the more important of the business enterprises which we believed to be German-controlled were ostensibly owned by companies located in neutral countries. You will be interested to know that in files and records of important German companies we found much evidence indicating serious concern about means and methods of effectively camouflaging their foreign interests. In typical German manner the subject was carefully explored by the top personnel of their legal divisions, discussed at meetings of boards of directors, and all of the considerations, pro and con, were carefully recorded and preserved in their files.

For example, I would like to quote for you some excerpts from a confidential memorandum on this subject circulated by I. G. Farben's legal advisor to its top directors in June 1939. The memorandum consists of an exploration of the merits of alternative methods of camouflaging I. G. Farben's foreign holdings. The part I will now quote gives their conclusions concerning two alternative methods of cloaking Farben ownership of a company located in what would be to Germany an enemy country:

"This review shows that the least risk of seizure in time of war exists for the selling organization if the interest owners are neutrals living in neutral countries. Such a distribution of business interests has the further advantage of forestalling any scruples which may arise in the conscience of an enemy national between his national sentiment and his faithfulness to I. G. A further advantage is that the Neutral, in case of war, generally retains his freedom of movement, while enemy nationals are frequently called in the service, regardless in what form, and therefore cannot take care of business interests."

The following excerpts from the minutes of the meeting that was held are also of interest:

"The selling apparatus of I. G. in foreign countries is principally organized in such a manner that the I. G. or its subsidiaries do not openly possess any interest in the representations. . . .

"While earlier the business interest in the representations was mostly held by persons, nationals of the respective country, or by companies as trustees for I. G., this system has been more and more abandoned during the last few years in favor of an arrangement under which business interest is acquired by persons or firms with their own means (eventually under credit assistance by I. G.) with the condition that I. G. retains the option to acquire these interests directly or through third persons.

"The central finance administration (Zentral-Finanzverwaltung) is endeavoring by special installation and constructions, to bridge existing difficulties in connection with credit terms. It has made a special effort, by the foundation of financing companies closely tied to our foreign banking friends, to create organizations which through complete independence from Germany have proven themselves as contact and intermediary posts. . . ."

Our further premise that the camouflaged firms were being effectively used as channels to finance subversive wartime operations has also been amply justified by the materials found in Germany. In this connection I would like to refer to the following interchange of letters which has already been presented before the Kilgore Subcommittee:

On March 15, 1943, Colonel Pickenbrock, Chief of Counterespionage Section I, Wehrmacht Supreme Command, wrote as follows to Dr. Georg von Schnitzler of I. G. Farben:

"Dear Herr Dr. von Schnitzler: I would like to inform you that I am shortly leaving Berlin and my present office, to take over a command at the front. I feel particularly urged to thank you for the valuable cooperation which you have extended to my office. I shall always retain pleasant memories of the personal and official collaboration with you.

"I should like to take this opportunity of asking you to give the same support to my successor, Lieutenant Colonel Hansen.

"With many thanks and heil Hitler, I remain,

"Yours very devoted,

Piekenbrock."

Von Schnitzler's reply to Colonel Piekenbrock is as follows:

"Dear Colonel: I thank you very much for your kind note of March 15 and take the liberty of expressing my best wishes for your front command.

"I and my colleagues working here at Frankfurt on foreign business have always considered it a duty of honor to be always at your disposal for your special tasks. This will, of course, be the same in the future after your successor, Lieutenant Colonel Hansen, has taken over.

"With cordial regards and heil Hitler, I remain,

"Yours very devoted,

V. Schnitzler."

Also pertinent to this point is the following excerpt from a letter of November 9, 1943, from the Wirtschaftspolitische Abteilung of the German Government to Dr. Oberhoff, of I. G. Farben:

"Lieutenant Colonel Bocher is shortly going to Spain on orders of the ABwehr" (which was the Wehrmacht Intelligence). "However, since it is not supposed to be known there that he is attached to this agency, he is to be camouflaged by becoming part of some firm. Since Bocher is a wool merchant by trade, it was first thought advisable to place him with a wool purchasing firm from Sofindus. For special reasons this is not possible, and the RMW is now inquiring whether the I. G. would be able to find a place for Mr. Bocher."

Another major premise of this country's financial warfare program was that the Germans during the war were acquiring much-needed foreign exchange by selling to neutral countries gold which had been looted by them from the central banks of the countries which they had occupied. It was upon this premise that a United Nations' declaration of January 5, 1943, was issued warning neutrals against the purchase of looted valuables. This action was supplemented in February 1944 by a more specific declaration relating directly to gold. Investigations within Germany now show that the German Government after remelting large quantities of this looted gold and placing prewar dates on the new bars, sold substantial amounts of this looted gold to neutral countries.

Although I have cited but a few examples, I think that the material submitted shows what I mean when I say that we have obtained some support for premises upon which we had chosen to base our operations in the early days when many things were not as clear as they are now.

In the few remaining minutes I would like to review briefly the progress that has been made during the last year in the lifting of foreign funds controls and to indicate briefly the nature of the problems remaining to be dealt with. During this period the progress in unfreezing has been most rapid with respect to the United Nations which had been occupied by Axis interests - such as France, Belgium, Holland, Norway, and Denmark. The funds held by the governments and central banks of these countries have been released. The restrictions on financial communication have been completely removed. Shortly after liberation general licenses were issued authorizing current trade transactions with Belgium and France. Treasury representatives have been stationed in the capitals of the liberated countries and negotiations are under way with all of them with respect to the release of privately owned funds in this country. A broad unfreezing license has already been issued with respect to France. In addition to removing all controls with respect to transactions not involving old blocked funds, this license authorizes the unblocking of assets held in the United States by persons and institutions in France upon the certification of the French Government that the funds are the property of a French national. The issuance of a similar license with respect to Belgium is imminent. It is our expectation that unfreezing licenses will be issued with respect to most of the liberated countries before the end of this year and that the bulk of the assets of these countries will be certified and unfrozen in the near future.

By proceeding in this fashion we have placed upon the Government of the liberated country the primary responsibility for protecting the interests of its own nationals in their frozen assets in this country, and also of ensuring that no assets are released which have been held by persons or firms in the liberated countries as cloaks for our enemies. As an illustration of this latter problem, I might mention another instance of material just discovered in Germany. Evidence uncovered this summer clearly indicates that securities worth approximately five million dollars held in this country by a number of New York banks for the account of Rotterdamsche Bank were held by Rotterdamsche Bank, in turn, for a Swiss holding company known as Konsortialfonds. This holding company is, in turn, owned by another Swiss dummy known as Uma of Chur, Switzerland, the predominate interest in which is owned by Henkel and Company of Germany. We must make sure that German assets in this country are not unfrozen simply because they were cloaked through countries which the Germans subsequently occupied.

In connection with the French unfreezing, you will no doubt have observed that the French Government in its letter to the Secretary of the Treasury undertook to liberalize its restrictions on the transfer to the United States of funds held in France by American nationals. We expect to receive similar commitments from the governments of other liberated countries.

Germany and Japan, and possibly other ex-enemy areas, will remain under American or Allied military control for some time. During this period the American public and American business and financial institutions will demand that facilities be provided for transactions necessary to protect American property, remittances, and possibly private trade transactions. Every step in this direction will have to be taken in coordination with our Allies. The machinery for handling such transactions will have to be created by Foreign Funds Control in the light of the facilities which are made available by the military authorities, and new licensing techniques will have to be developed. Furthermore, Foreign Funds Control will be called upon for an interim period to maintain strict control over any dollar exchange that may accrue to Germany or Japan in order to see that such dollars are used only for purposes consistent with our post-war policies with respect to these enemy countries.

Countries remaining to be dealt with, in the defrosting program, are the neutrals--Portugal, Spain, Sweden, and Switzerland. The primary problem is that of ensuring that the Germans will not be successful, even after their defeat on the battlefield, in retaining uncontrolled possession of funds or assets held in or through neutral countries. It is evident from what I have already said about the tactics of the Germans and the manner in which they used the neutrals that our problem is more difficult in the case of these countries than in the case of other countries. This difficulty is of course increased by the tendency of neutral governments to insist that as neutrals they have no interest in or concern with the problem of assisting the United Nations in uncovering and taking control of assets held by our enemies in and through the territory subject to their jurisdiction.

In February and March of this year an attempt was made to facilitate the solution of this problem in the course of negotiations conducted with Switzerland by representatives of the French, British, and United States Governments. As a result of these negotiations the Swiss agreed effectively to freeze German assets within Switzerland and to take an effective census of the assets held in Switzerland by persons located in Axis and Axis-occupied countries. For a time some of us believed that an important step forward in resolving this problem had been taken. Our belief, however, was very seriously undermined by our discovery in Germany of evidence indicating that immediately after the departure from Switzerland of the Allied representatives, and less than a month prior to V-E Day, the Swiss Government as a result of negotiations with representatives of the Nazi Government, agreed to take measures on behalf of Germany tending to nullify the commitments which they had just given to us. I think the bearing of this discovery upon the difficulty of our problem in unfreezing the Swiss assets in this country is apparent.

To us who have been engaged in fighting the financial side of the war, it is clear that throughout the war neutral territory was the de facto battlefield on which some of the most important of the financial battles were waged. Although the military phase of operations has ceased and a military surrender has been signed, we must fully realize that victory will not have been obtained by the United Nations in the financial phases of the war until German and Japanese assets throughout the world are under the complete control of the appropriate United Nations authorities.

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DIVISION OF PUBLIC RELATIONS

Assignment sheet. Title **Certificates, J-1946 offering**

Release date **11/19/45** Press Service No. **V-137**

			Bldg. dist.	Mailing list	No. copies to be sent
	(✓)	Special messenger		65	65
G	(✓)	General		60	60
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CFQ	( )	Coffee quotas	22	136	
CQ	( )	Cotton quotas	22	135	
WQ	( )	Wheat quotas	22	115	
BUL	( )	Treasury monthly Bulletin	---	1,367	
F	( )	Finance	167	540	
NM	( )	Net Market transactions	142	207	
T	( )	Taxes	167	600	
DLI	( )	Debt limitation	151	325	
SF	( )	Stabilization fund. Rowen	174	551	200
B	( )	Weekly bill offering	150	178	
B&B	(✓)	Bills & Bonds other than weekly	156	275	280
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7/1/45

TREASURY DEPARTMENT
Washington

FOR RELEASE, MORNING NEWSPAPERS,
Monday, November 19, 1945.

Press Service
No. V-137

Secretary of the Treasury Vinson today announced the offering, through the Federal Reserve Banks, of an eleven-month Treasury Certificate of Indebtedness of Series J-1946, in exchange for three maturing series of Treasury securities, Treasury Certificates of Indebtedness of Series H-1945, maturing December 1, 1945, and Treasury Notes of Series B-1945 and Treasury Bonds of 1945, both maturing December 15, 1945. Exchanges will be made par for par in the case of the maturing certificates, at par with an adjustment of interest as of December 1, 1945, in the case of the maturing notes, and at par with an adjustment of interest as of December 15, 1945, in the case of the maturing bonds. Cash subscriptions will not be received.

The certificates now offered will be dated December 1, 1945, and will bear interest from that date at the rate of seven-eighths of one percent per annum, payable on a semiannual basis on May 1 and November 1, 1946. They will mature November 1, 1946. They will be issued in bearer form only, in denominations of $1,000, $5,000, $10,000, $100,000 and $1,000,000.

Although the maturing notes and bonds are outstanding in denominations as low as $100 in the case of the notes and $50 in the case of the bonds, exchanges may be made only in amounts or multiples of $1,000 in the aggregate, since this is the lowest denomination in which the new certificates will be available.

Pursuant to the provisions of the Public Debt Act of 1941, interest upon the certificates now offered shall not have any exemption, as such, under Federal tax Acts, now or hereafter enacted. The full provisions relating to taxability are set forth in the official circular released today.

Subscriptions will be received at the Federal Reserve Banks and Branches, and at the Treasury Department, Washington, and should be accompanied by a like face amount of the securities to be exchanged and, where maturing bonds in coupon form are presented, by payment of accrued interest on the new certificates at the rate of $0.3384 per $1,000, since in these cases interest is to be adjusted as of December 15, 1945. Subject to the usual reservations, all subscriptions will be allotted in full.

The subscription books will close at the close of business Wednesday, November 21, except for the receipt of subscriptions from holders of $100,000 or less of the maturing securities eligible for exchange. The subscription books will close for the receipt of subscriptions of the latter class at the close of business Saturday, November 24.

Subscriptions addressed to a Federal Reserve Bank or Branch, or to the Treasury Department, and placed in the mail before midnight of the respective closing days, will be considered as having been entered before the close of the subscription books.

There are now outstanding $4,395,400,000 of the Series H-1945 certificates, $530,837,200 of the Series B-1945 notes and $540,843,550 of the Treasury Bonds of 1945.

The text of the official circular follows:

UNITED STATES OF AMERICA

7/8 PERCENT TREASURY CERTIFICATES OF INDEBTEDNESS OF SERIES J-1946

Dated and bearing interest from December 1, 1945 Due November 1, 1946

1945
Department Circular No. 781

TREASURY DEPARTMENT,
Office of the Secretary,
Washington, November 19, 1945.

Fiscal Service
Bureau of the Public Debt

I. OFFERING OF CERTIFICATES

1. The Secretary of the Treasury, pursuant to the authority of the Second Liberty Bond Act, as amended, invites subscriptions from the people of the United States for certificates of indebtedness of the United States, designated 7/8 percent Treasury Certificates of Indebtedness of Series J-1946, in exchange for Treasury Certificates of Indebtedness of Series H-1945, maturing December 1, 1945, Treasury Notes of Series B-1945, National Defense Series, maturing December 15, 1945, or Treasury Bonds of 1945, maturing December 15, 1945. Exchanges will be made par for par in the case of the maturing certificates, at par with an adjustment of interest as of December 1, 1945, in the case of the maturing notes, and at par with an adjustment of interest as of December 15, 1945, in the case of the maturing bonds,

II. DESCRIPTION OF CERTIFICATES

1. The certificates will be dated December 1, 1945, and will bear interest from that date at the rate of 7/8 percent per annum, payable on a semiannual basis on May 1 and November 1, 1946. They will mature November 1, 1946, and will not be subject to call for redemption prior to maturity.

2. The income derived from the certificates shall be subject to all Federal taxes, now or hereafter imposed. The certificates 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 certificates will be acceptable to secure deposits of public moneys. They will not be acceptable in payment of taxes.

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

5. The certificates will be subject to the general regulations of the Treasury Department, now or hereafter prescribed, governing United States certificates.

III. SUBSCRIPTION AND ALLOTMENT

1. 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.

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 certificates 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 for certificates allotted hereunder must be made on or before December 1, 1945, or on later allotment. Payment of the principal amount may be made only in Treasury Certificates of Indebtedness of Series H-1945, maturing December 1, 1945, in Treasury Notes of Series B-1945, National Defense Series, maturing December 15, 1945, or in Treasury Bonds of 1945, maturing December 15, 1945, which will be accepted at par and should accompany the subscription. In the case of the maturing notes, coupons dated December 15, 1945 must be attached to the notes when surrendered, and accrued interest from June 15, 1945 to December 1, 1945 ($3.4631 per $1,000) will be paid following acceptance of the notes. In the case of the maturing bonds in coupon form, payment of accrued interest on the new certificates from December 1, 1945 to December 15, 1945 ($0.3384 per $1,000) should be made when the subscription is tendered. In the case of maturing registered bonds, the accrued interest will be deducted from the amount of the check which will be issued in payment of final interest on the bonds surrendered. Final interest due December 15 on bonds surrendered will be paid, in the case of coupon bonds, by payment of December 15, 1945 coupons, which should be detached by holders before presentation of the bonds, and in the case of registered bonds, by checks drawn in accordance with the assignments on the bonds surrendered.

V. ASSIGNMENT OF REGISTERED BONDS

1. Treasury Bonds of 1945 in registered form tendered in payment for certificates offered hereunder should be assigned by the registered payees or assignees thereof to "The Secretary of the Treasury for exchange for Treasury Certificates of Indebtedness of Series J-1946 to be delivered to ______________________________", in accordance with the general regulations of the Treasury Department governing assignments for transfer or exchange, 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.

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 certificates allotted, to make delivery of certificates on full-paid subscriptions allotted, and they may issue interim receipts pending delivery of the definitive certificates.

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.

FRED M. VINSON,
Secretary of the Treasury.

overlapped, but far from weakening the results the overlapping proved beneficial for it meant that there was an intensification of sales efforts. I am sure that bond sales were stimulated by the fact that many a man has been asked to buy bonds by his children as a result of a school program, by a neighbor as a result of a community program, by a payroll worker at the plant, through a call from a banker or broker, ~~or~~ and by a volunteer in one of the other programs. It has been a tough job, but all of us should feel a deep sense of satisfaction in the success which has been achieved.

I hope that conditions will be so good in the next several years that we will have a surplus in the Treasury and will be able to retire [redacted] debt continuously. If that proves possible, so much the better; it not, we have done the best we could to prepare for the problems facing us.

In closing, I want to say that the work done by the volunteer war bond organizations throughout the nation has been a source of stimulation to all of us in the Treasury. In a sense, we have been merely planners and strategists; the real generals and the army itself have consisted of the local war finance organizations and their six million volunteers. I think it is a tribute to American democracy that this program has in essence represented a sum total of many, many smaller programs. We have had special campaigns carried out by virtually every group in this country. Many of these

interest of people as taxpayers. Not as evident, but just as valid, is that low interest rates--what the economists call a 'cheap money policy'--benefits the people as consumers, as workers, and as citizens. Low interest rates, for example, will be an important factor in making possible the better homes, the better industrial plants, and the better public facilities which will make our country tomorrow more productive and a better place to live in than it was yesterday."

All of the things I have been saying boil down to the simple statement that the war has been well financed and that, as we enter what I hope will be a long period of peace, our banking institutions, business in general, and individuals are in a healthier financial condition than ever before.

$270 billion, and it is clear that the annual interest charge in the next few years is going to run in excess of $5 billion. The average rate of interest on the debt today is 1.94%, and our net borrowing during the war has been done at an average rate of around 1.8%. Contrast this with World War I, when the average interest rate was about 4-1/4%. We have lightened the future burden of the debt considerably by our low interest rate policy. Indeed, if rates had averaged 4-1/4% in this war, the interest burden would be about $12 billion a year instead of something over $5 billion.

But low interest rates are not only beneficial in so far as the burden of the debt is concerned. Secretary Vinson has stated the advantages of a low interest rate policy for the entire economy, as follows:

> "Interest rates determine the real burden of the debt. They should continue low for a long time to come. It is self-evident that this is in the

securities in the form of savings notes - a highly flexible instrument which may be turned in on taxes, redeemed for cash, or held for investment at increasing rates of interest. The bulk of the remainder of corporation holdings is in the form of short-term securities, largely certificates of indebtedness.

This "tailoring" of securities to the needs of the investor is a healthy thing for the economy.

For example, corporations have readily available funds to use for plant expansion as well as for reconversion purposes. Individuals are in a position to draw on their bonds to aid them in periods of unemployment and to assist them in purchasing new supplies of consumers' goods as they become available. Most of all, however, the existence of a flexible portfolio of bonds in the hands of individuals will add to their sense of security and thereby aid them as a group in taking off of the markets the volume of production which they, as workers, produce.

Our public debt will soon be more than

perfect. Moreover, we well realize that even Government securities are not completely foolproof in preventing inflation, since bonds can be redeemed or they can be sold in the market.

What of the future? First of all, we have arranged the debt so that each investor class holds securities which are appropriate to it. Over 60% of the securities held by the commercial banks are due or callable in less than five years. On the other hand, insurance companies hold only about 10% of their portfolios in the form of securities due or callable within five years, and 90% in longer categories. Individuals — largely — hold Series E, F and G savings bonds, which they may either cash when the need arises or continue to hold at an ascending rate of interest. About half of the holdings of individuals is in the form of Series E bonds, a security designed exclusively for the average small investor.

Corporations other than banks and insurance companies hold close to one-third of their Government

composite group of nonbank investors in the figures I have given you, and it would be double counting to take up their deposits on the one hand and also to include their purchases of Government securities with other nonbank purchases on the other hand. For your information, however, deposits in savings banks increased by close to $4 billion over the five-year period; the purchases of Government securities made by savings banks as they invested these funds are included in the figures previously mentioned for nonbank absorption of Federal securities.

Thus the inflationary dollars involved in the $68 billion of money savings made over the five-year period represent a fairly small proportion of the total. Some part of each of the categories of money savings is definitely hot money, but it is my opinion that in each case the largest part of the funds placed in cash forms represents legitimate savings. In short, I believe that in absorbing $121 billion out of $190 billion of new funds, we came pretty close to shooting par. On the other hand, no one in the Treasury would argue that the job has been

The growth of time deposits in commercial banks is probably to be explained mostly by the word "diversification." We have found in our surveys that many people want to spread their savings among different forms. They feel that they have done their duty in the war bond program by investing more than 10% under payroll plans and by participating in the purchase of extra bonds in each war loan. In too many cases, our goals have thus become "psychological ceilings" to many people, which have been difficult to penetrate. In any event, savings over and above the amounts invested in bonds are spread around partly into currency, partly into demand deposits, and partly into time deposits. On the other hand, some part of the funds placed in time deposits is just as hot as some of the currency or demand deposits. The psychology varies with each depositor.

I have not here cited separately the figures for increases in deposits in savings banks as opposed to commercial banks, because savings banks have been treated as part of the

corporations were accumulating temporary reserves which they preferred to keep to a considerable extent in readily available cash.

Another large part of the increase in demand deposits is accounted for by unincorporated businesses and farmers, which in many cases were faced with the same need for larger working capital as corporations. About $10 billion of the demand deposits accumulated by individuals during the period should be credited to these investors as business accounts. In addition, State and local governments acquired about $2 billion of demand deposits over the period, while insurance companies and savings banks actually reduced their deposits by nearly a billion dollars in the five years. This leaves only about $11 billion of the increase in demand deposits to be credited to the broad group of wage-earners, professional people, etc. Some of this is certainly hot money, but a large part is definitely in the class of legitimate savings. In short, it is clear that only a relatively small part of the $38 billion increase in demand deposits is dangerous money in the inflationary sense.

million people have purchased Series E bonds and I doubt that very many of those who haven't bought bonds hold much of the currency either. What has happened is that people have both bought bonds and acquired currency, and so long as the currency is not hot money from the inflationary point of view it is not inconsistent with our campaign for new savings to avoid inflationary pressures.

Subtracting the $18 billion growth of currency, the remainder of the $68 billion of money savings consisted of a $50 billion increase in commercial bank accounts. What should we conclude with regard to the motivation of people in wanting this particular increase in the money supply? We know first of all that about $38 billion of this increase was in demand deposits and about $12 billion in time deposits.

In the case of demand deposits, corporations and associations accounted for about 40% of the increase or about $16 billion. These were not inflationary funds but rather, for the most part, were needed increases in working capital and funds set aside for reconversion. In addition, for various reasons

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Another factor bearing on the currency increase was, of course, that the level of business was so much higher than ever before that all along the line it was necessary to have more currency to carry on transactions.

A third factor is that banking was not always convenient for many people, either because of odd working hours or because of a lack of nearby banking facilities, particularly in communities where industrial growth was most striking.

Finally, there are, of course, the motives of tax evasion and black markets. You know from the tax evasion cases which have been discussed in the papers that a few of our citizens tried very hard to beat the tax laws. Some part of the currency outflow has been due to these illegal activities, but it is believed that this has been a relatively small factor in the currency growth.

From the standpoint of selling war bonds, these explanations of the currency outflow are important because most of the people who absorbed this currency also bought bonds. A total of 85

of liquid assets held by all nonbank investors combined have increased from $85 billion in the middle of 1940 to $275 billion at the end of the Seventh War Loan. As a proportion of these totals for liquid assets, currency has been remarkably stable - accounting for 8% of the total in June 1940 and 9% of the total in the middle of this calendar year. We studied this series in World War I and found the same stability in the proportion of liquid assets held in the form of currency, the figures running from 7-1/2% to 9-1/2% in that war.

It must be remembered that during World War II the distribution of income was significantly altered so that millions of families, formerly on a subsistence level or even below, received adequate and decent incomes for the first time in their lives. Naturally, they increased their holdings in currency from a figure of approximately zero to something running up to, I suppose, several hundred dollars in some cases. In our surveys some people have stated frankly that they derived a sense of security

absorbed $68 billion of Federal securities to match the growth of currency and commercial bank deposits. They absorbed also an extra $20 billion of Federal securities as a result of other factors, the most important of which was the growth of the Treasury's cash balance.

Coming back to this $68 billion of money savings over the five year period, why did the people of this country make the collective decision to place this much in cash rather than to invest even more in Federal securities than they did? We have asked ourselves many times what should have been par for the amount placed in Federal securities or, vice versa, what should have been par for money savings under the circumstances. Unfortunately, there is no precise answer to these questions. You may be interested, however, in some observations on the factors bearing on them.

First of all, take the question of currency. Out of $68 billion of savings going into money forms, currency accounted for $18 billion. While this is a big increase, I believe it must be seen in perspective to be understood. The major forms

investors, adding $49 billion to their holdings of Government securities over the period. Insurance companies absorbed $16 billion of Government securities and savings banks took $6 billion. Other corporations and associations absorbed $27 billion. State and local governments acquired $5 billion, and Federal agencies and trust funds invested $18 billion - the last representing mostly social security and military insurance funds.

In other words, about two-thirds of the $190 billion of new funds was placed directly in Federal securities and one-third in money savings - that is, currency and commercial bank accounts. The one-third placed in money savings in turn resulted in a corresponding amount of absorption of Federal securities by the banking system. Because individuals and businesses chose to place one-third of their new savings in currency and commercial bank deposits, commercial banks and Federal Reserve Banks absorbed the Federal securities of an equivalent amount. Over the five year period the banks, accordingly,

to hold these funds rather than to attempt to spend them, for such an attempt on a large scale would have meant inflation. Direct controls on production, wages, prices, etc. operated on one front to dam up these funds but the Treasury had to operate on another front to see that the funds remained saved. The best way to accomplish this was to get as much as possible of these funds into Government securities.

What were our results? Let's look at the three major forms of liquid assets held by all nonbank investors combined, namely, currency, commercial bank deposits, and Federal securities. These are the significant ways in which the deficit manifested itself. Because of various minor transactions in the economy which we do not need to go into here, the total increase in nonbank holdings of these major liquid assets during the five year period we are talking about was actually $189 billion, rather than the $190 billion deficit.

Of the approximately $190 billion available, $121 billion was placed in Federal securities by nonbank investors. Individuals were the largest

The corporate income items thus consist of retained earnings plus accretions in reserves, such as depreciation and depletion accounts, over and above what was invested in new capital goods -- plant, equipment, and inventories. The income flow to individuals includes dividends received from corporations.

Turn these figures around another way. The Federal Government spent $323 billion and received in taxes $133 billion, leaving a deficit of $190 billion. Individuals and corporations spent $469 billion but had income after taxes of $651 billion. Here was a surplus of $182 billion and if you add in the $8 billion surplus of State and local governments you obtain an exact correspondence with the $190 billion Federal deficit.

One of the major goals of Treasury financing was to try to channel back into the Treasury as much as possible of this $190 billion which people were accumulating as a result of the Federal deficit. From a financing point of view, every means possible had to be taken to persuade people

Let's look further at that $833 billion of total spending in the five-year period. It is axiomatic that aggregate spending in the country is equal to aggregate income. The head of the coin is the $833 billion of spending while the other side is the $833 billion of income flow. It should be noted that this is a <u>gross</u> income flow since it includes such items as funds flowing into business reserves as well as net income in the usual sense.

Who received this gross income flow? We know that the Federal Government received in taxes $133 billion or about 15% of the total income flow, and State and local governments received about $49 billion. Of the remaining $651 billion of income after taxes, about 90% was distributed to individuals and 10% to corporations. Corporations are here treated as a conduit and only the new funds remaining in their hands over the five-year period are counted as being received by them.

The Government share of total spending in this war reached a peak of almost 50% in the fiscal year 1945 when the Government accounted for $100 billion out of $211 billion total spending. Contrast this situation with that in World War I when the Federal Government accounted for a maximum of only about one-fourth of aggregate market spending, with the other three-fourths coming from consumers, business, and State and local governments. In the fiscal year 1919 - the peak year of Federal spending in World War I - total expenditures in this country amounted to about $75 billion, of which the Federal Government accounted for a little under $19 billion.

I think it is obvious from these figures - and, of course, most of you have known it all along - that the difference in the financing job in this war was not only one of size but one of kind. When the Government takes over such a large proportion of our output to fight a total war the economic effects become important all along the line. The figures I have cited merely point out the tremendous contrast between the financing problems of World War I and World War II.

$133 billion, leaving a deficit of $190 billion. You know that this deficit was financed mainly ~~by~~ war loans and a regular payroll savings program as well as by offerings of securities in the market in the early part of the period. What have been the effects of this financing on the economy during the war? What are the implications for the future?

The tremendous importance of Government buying in the market place during the war period is evident from the fact that Federal Government spending accounted for $323 billion out of aggregate spending of $833 billion during the five-year period. This latter figure, by the way, would be cited by the statisticians as 8/10 of a trillion dollars. These figures show that the Government accounted for close to 40% of the aggregate spending taking place throughout the country. The remaining $510 billion of spending was accounted for by $428 billion of spending by consumers, $41 billion by business for capital goods, and $41 billion by State and local governmental units.

You members of the financial community are closer to this subject than are most of our citizens. I hope you will bear with me as I draw on a good many figures in an effort to analyze the financing story from the point of view of the income flow of the country and the integration of the war bond program to that income flow.

For convenience, let's begin by reviewing the size of the job from July 1, 1940, when the defense program began, to June 30, 1945, the approximate end of the Seventh War Loan. In these five fiscal years the Federal Government spent in all $323 billion, of which $290 billion was directly for national defense and for war. Of the remaining $33 billion, slightly over half was for items indirectly connected with the war - interest on the public debt, veterans' benefits, and tax refunds - with the other half covering mostly the regular costs of government.

As against $323 billion of expenditures, tax receipts brought into the Federal Government

WAR FINANCING - SOME IMPLICATIONS FOR THE FUTURE

It is a pleasure to be here today to speak to the members of the Association of Stock Exchange Firms. I know that you folks have worked hard to help put across our war bond drives and I want to express the appreciation of the Treasury for your fine cooperation.

I would like to speak to you this evening about the sources of war financing and the implications for the future. The postwar management of the debt really began when war financing started. How the debt was distributed by investor classes, the maturity structure of the debt, the interest rate policy -- these are all important factors which had to be determined step by step in financing the war, and which together, determined postwar management of the debt at its very core. It is like putting up a building - you must do your planning in the blueprint stage in order to have the building successfully arranged when it is completed.

TREASURY DEPARTMENT
Washington

(The following address by Daniel W. Bell, Under Secretary of the Treasury, before the annual dinner meeting of the Association of Stock Exchange Firms, at the Hotel Commodore, New York City, is scheduled for delivery at 8:30 P.M., E.S.T. Monday, November 19, 1945, and is for release at that time.)

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Let's look further at that $833 billion of total spending in the five-year period. It is axiomatic that aggregate spending in the country is equal to aggregate income. The head of the coin is the $833 billion of spending while the other side is the $833 billion of income flow. It should be noted that this is a gross income flow since it includes such items as funds flowing into business reserves as well as net income in the usual sense.

Who received this gross income flow? We know that the Federal Government received in taxes $133 billion or about 15% of the total income flow, and State and local governments received about $49 billion. Of the remaining $651 billion of income after taxes, about 90% was distributed to individuals and 10% to corporations. Corporations are here treated as a conduit and only the new funds

remaining in their hands over the five-year period are counted as being received by them. The corporate income items thus consist of retained earnings plus accretions in reserves, such as depreciation and depletion accounts, over and above what was invested in new capital goods -- plant, equipment, and inventories. The income flow to individuals includes dividends received from corporations.

Turn these figures around another way. The Federal Government spent $323 billion and received in taxes $133 billion, leaving a deficit of $190 billion. Individuals and corporations spent $469 billion but had income after taxes of $651 billion. Here was a surplus of $182 billion and if you add in the $8 billion surplus of State and local governments you obtain an exact correspondence with the $190 billion Federal deficit.

One of the major goals of Treasury financing was to try to channel back into the Treasury as much as possible of this $190 billion which people were accumulating as a result of the Federal deficit. From a financing point of view, every means possible had to be taken to persuade people to hold these funds rather than to attempt to spend them, for such an attempt on a large scale would have meant inflation. Direct controls on production, wages, prices, etc. operated on one front to dam up these funds but the Treasury had to operate on another front to see that the funds remained saved. The best way to accomplish this was to get as much as possible of these funds into Government securities.

What were our results? Let's look at the three major forms of liquid assets held by all nonbank investors combined, namely, currency, commercial bank deposits, and Federal securities. These are the significant ways in which the deficit manifested itself. Because of various minor transactions in the economy which we do not need to go into here, the total increase in nonbank holdings of these major liquid assets during the five year period we are talking about was actually $189 billion, rather than the $190 billion deficit.

Of the approximately $190 billion available, $121 billion was placed in Federal securities by nonbank investors. Individuals were the largest investors, adding $49 billion to their holdings of Government securities over the period. Insurance companies absorbed $16 billion of Government securities and savings banks took $6 billion. Other corporations and associations absorbed $27 billion. State and local governments acquired $5 billion, and Federal agencies and trust funds invested $18 billion - the last representing mostly social security and military insurance funds.

In other words, about two-thirds of the $190 billion of new funds was placed directly in Federal securities and one-third in money savings - that is, currency and commercial bank accounts.

The one-third placed in money savings in turn resulted in a corresponding amount of absorption of Federal securities by the banking system. Because individuals and businesses chose to place one-third of their new savings in currency and commercial bank deposits, commercial banks and Federal Reserve Banks absorbed Federal securities of an equivalent amount. Over the five year period the banks, accordingly, absorbed $68 billion of Federal securities to match the growth of currency and commercial bank deposits. They absorbed also an extra $20 billion of Federal securities as a result of other factors, the most important of which was the growth of the Treasury's cash balance.

Coming back to this $68 billion of money savings over the five year period, why did the people of this country make the collective decision to place this much in cash rather than to invest even more in Federal securities than they did? We have asked ourselves many times what should have been par for the amount placed in Federal securities or, vice versa, what should have been par for money savings under the circumstances. Unfortunately, there is no precise answer to these questions. You may be interested, however, in some observations on the factors bearing on them.

First of all, take the question of currency. Out of $68 billion of savings going into money forms, currency accounted for $18 billion. While this is a big increase, I believe it must be seen in perspective to be understood. The major forms of liquid assets held by all nonbank investors combined have increased from $85 billion in the middle of 1940 to $275 billion at the end of the Seventh War Loan. As a proportion of these totals for liquid assets, currency has been remarkably stable - accounting for 8% of the total in June 1940 and 9% of the total in the middle of this calendar year. We studied this series in World War I and found the same stability in the proportion of liquid assets held in the form of currency, the figures running from 7-1/2% to 9-1/2% in that war.

It must be remembered that during World War II the distribution of income was significantly altered so that millions of families, formerly on a subsistence level or even below, received adequate and decent incomes for the first time in their lives. Naturally, they increased their holdings in currency - from a figure of approximately zero to something running up to, I suppose, several hundred dollars in some cases. In our surveys some people have stated frankly that they derived a sense of security and comfort from having a wallet full of currency.

Another factor bearing on the currency increase was, of course, that the level of business was so much higher than ever before that all along the line it was necessary to have more currency to carry on transactions.

A third factor is that banking was not always convenient for many people, either because of odd working hours or because of a lack of nearby banking facilities, particularly in communities where industrial growth was most striking.

Finally, there are, of course, the motives of tax evasion and black markets. You know from the tax evasion cases which have been discussed in the papers that a few of our citizens tried very hard to beat the tax laws. Some part of the currency outflow has been due to these illegal activities, but it is believed that this has been a relatively small factor in the currency growth.

From the standpoint of selling war bonds, these explanations of the currency outflow are important because most of the people who absorbed this currency also bought bonds. A total of 85 million people have purchased Series E bonds and I doubt that very many of those who haven't bought bonds hold much of the currency either. What has happened is that people have both bought bonds and acquired currency, and so long as the currency is not hot money from the inflationary point of view it is not inconsistent with our campaign for new savings to avoid inflationary pressures.

Subtracting the $18 billion growth of currency, the remainder of the $68 billion of money savings consisted of a $50 billion increase in commercial bank accounts. What should we conclude with regard to the motivation of people in wanting this particular increase in the money supply? We know first of all that about $38 billion of this increase was in demand deposits and about $12 billion in time deposits.

In the case of demand deposits, corporations and associations accounted for about 40% of the increase, or about $16 billion. These were not inflationary funds but rather, for the most part, were needed increases in working capital and funds set aside for reconversion. In addition, for various reasons corporations were accumulating temporary reserves which they preferred to keep to a considerable extent in readily available cash.

Another large part of the increase in demand deposits is accounted for by unincorporated businesses and farmers, which in many cases were faced with the same need for larger working capital as corporations. About $10 billion of the demand deposits accumulated by individuals during the period should be credited to these investors as business accounts. In addition, State and local governments acquired about $2 billion of demand deposits over the period, while insurance companies and savings banks actually reduced their deposits by nearly a billion dollars in the five years. This leaves only about $11 billion of the increase in demand deposits to be credited to the broad group of wage-earners, professional people, etc. Some of this is certainly hot money, but a large part is definitely in the class

of legitimate savings. In short, it is clear that only a relatively small part of the $38 billion increase in demand deposits is dangerous money in the inflationary sense.

The growth of time deposits in commercial banks is probably to be explained mostly by the word "diversification." We have found in our surveys that many people want to spread their savings among different forms. They feel that they have done their duty in the war bond program by investing more than 10% under payroll plans and by participating in the purchase of extra bonds in each war loan. In too many cases, our goals have thus become "psychological ceilings" to many people, which have been difficult to penetrate. In any event, savings over and above the amounts invested in bonds are spread around partly into currency, partly into demand deposits, and partly into time deposits. On the other hand, some part of the funds placed in time deposits is just as hot as some of the currency or demand deposits. The psychology varies with each depositor.

I have not here cited separately the figures for increases in deposits in savings banks as opposed to commercial banks, because savings banks have been treated as part of the composite group of nonbank investors in the figures I have given you, and it would be double counting to take up their deposits on the one hand and also to include their purchases of Government securities with other nonbank purchases on the other hand. For your information, however, deposits in savings banks increased by close to $4 billion over the five-year period; the purchases of Government securities made by savings banks as they invested these funds are included in the figures previously mentioned for nonbank absorption of Federal securities.

Thus the inflationary dollars involved in the $68 billion of money savings made over the five-year period represent a fairly small proportion of the total. Some part of each of the categories of money savings is definitely hot money, but it is my opinion that in each case the largest part of the funds placed in cash forms represents legitimate savings. In short, I believe that in absorbing $121 billion out of $190 billion of new funds, we came pretty close to shooting par. On the other hand, no one in the Treasury would argue that the job has been perfect. Moreover, we well realize that even Government securities are not completely foolproof in preventing inflation, since bonds can be redeemed or they can be sold in the market.

What of the future? First of all, we have arranged the debt so that each investor class holds securities which are appropriate to it. Over 60% of the securities held by the commercial banks are due or callable in less than five years. On the other hand, insurance companies hold only about 10% of their portfolios in the form of securities due or callable within five years, and 90% in longer categories. Individuals largely hold Series E, F and G savings bonds, which they may either cash when the need

arises or continue to hold at an ascending rate of interest. About half of the holdings of individuals is in the form of Series E bonds, a security designed exclusively for the average small investor.

Corporations other than banks and insurance companies hold close to one-third of their Government securities in the form of savings notes - a highly flexible instrument which may be turned in on taxes, redeemed for cash, or held for investment at increasing rates of interest. The bulk of the remainder of corporation holdings is in the form of short-term securities, largely certificates of indebtedness.

This "tailoring" of securities to the needs of the investor is a healthy thing for the economy.

For example, corporations have readily available funds to use for plant expansion as well as for reconversion purposes. Individuals are in a position to draw on their bonds to aid them in periods of unemployment and to assist them in purchasing new supplies of consumers' goods as they become available. Most of all, however, the existence of a flexible portfolio of bonds in the hands of individuals will add to their sense of security and thereby aid them as a group in taking off of the markets the volume of production which they, as workers, produce.

Our public debt will soon be more than $270 billion, and it is clear that the annual interest charge in the next few years is going to run in excess of $5 billion. The average rate of interest on the debt today is 1.94%, and our net borrowing during the war has been done at an average rate of around 1.8%. Contrast this with World War I, when the average interest rate was about 4-1/4%. We have lightened the future burden of the debt considerably by our low interest rate policy. Indeed, if rates had averaged 4-1/4% in this war, the interest burden would be about $12 billion a year instead of something over $5 billion.

But low interest rates are not only beneficial in so far as the burden of the debt is concerned. Secretary Vinson has stated the advantages of a low interest rate policy for the entire economy, as follows:

> "Interest rates determine the real burden of the debt. They should continue low for a long time to come. It is self-evident that this is in the interest of people as taxpayers. Not as evident, but just as valid, is that low interest rates--what the economists call a 'cheap money policy'--benefits the people as consumers, as workers, and as citizens. Low interest rates, for example, will be an important factor in making possible the better homes, the better industrial plants, and the

better public facilities which will make our country tomorrow more productive and a better place to live in than it was yesterday."

All of the things I have been saying boil down to the simple statement that the war has been well financed and that, as we enter what I hope will be a long period of peace, our banking institutions, business in general, and individuals are in a healthier financial condition than ever before.

I hope that conditions will be so good in the next several years that we will have a surplus in the Treasury and will be able to retire debt continuously. If that proves possible, so much the better; if not, we have done the best we could to prepare for the problems facing us.

In closing, I want to say that the work done by the volunteer war bond organizations throughout the nation has been a source of stimulation to all of us in the Treasury. In a sense, we have been merely planners and strategists; the real generals and the army itself have consisted of the local war finance organizations and their six million volunteers. I think it is a tribute to American democracy that this program has in essence represented a sum total of many, many smaller programs. We have had special campaigns carried out by virtually every group in this country. Many of these overlapped, but far from weakening the results the overlapping proved beneficial for it meant that there was an intensification of sales efforts. I am sure that bond sales were stimulated by the fact that many a man has been asked to buy bonds by his children as a result of a school program, by a neighbor as a result of a community program, by a payroll worker at the plant, through a call from a banker or broker, and by a volunteer in one of the other programs. It has been a tough job, but all of us should feel a deep sense of satisfaction in the success which has been achieved.

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There are all the problems of converting from the ways of war to the ways of peace.

We would be less than frank if we did not recognize that there is darkness ahead. But Americans are not by nature pessimistic and should not be now. There is a proverb that he who lights a candle is better than he who curses the darkness. Let us all go forth and light a candle in whatever place or station we be. These specks of light, multiplied many times, will dispel the darkness.

I know you will help us build the prosperous peace we all want, and I believe that the leaders and people of our nation are more conscious, are more able, and are more resolute to do the job this time.

We have many problems ahead. There are economic and political problems among the nations. There are the problems attached to attaining full production, full employment, and high income.

But America, united, did the whole job so well that we overwhelmed the enemy with our might, had more than enough to live on at home, and kept inflation, a malady that tries and usually does infest every nation at war, away from our door.

Hence, I state unequivocally to every returning soldier, you are coming back to a better country than our warriors did last time.

The public was informed and could criticize constructively or destructively the actions of its executives as they implemented and carried out the basic laws of the land.

The economy of the nation was kept on even keel. We had our problems of wage and price control, of shortages of raw materials, and of bottlenecks in producing the finished goods.

As the veteran comes back today, I believe that he will find that the country is in pretty good shape.

The things that he dreamed America and home stood for as he fought from his foxhole, landing craft, destroyer, or plane, have been preserved. The dignity of the individual citizen was not abrogated because of war. The latchstring on the courthouse door was not removed. The laws of the country were enacted by duly elected representatives.

He may want a new place to live. He may want to refurnish his home. He may want to take a little trip — a postponed or second honeymoon, for example. All of these things that veterans will want to do can be done much, much easier if the nation is running in high gear.

Opportunity has knocked again to build a better world. Last time we failed.

We have a twofold advantage this time. Not only have we had a lesson on this subject, but also we have a better base upon which to build.

Now, is there any basic difference between these things all Americans want and what the veteran wants? I should think not. The soldier coming back into our economic life certainly stands to benefit by full employment, full production and good wages as much as the rest of us. It will be especially helpful to him, moreover, if we have a speedy reconversion to a virile, expanded economy because it will ease all of the "things he has to do" when he gets back. He may want a good job. He may want to start a business.

Nothing could be more tragic than to have this enormous power wasted in industrial unemployment and in unmarketable farm surpluses.

This country is an economic unit. Prosperity is national prosperity; depression is national depression. We have learned that no section of the country, no branch of industry, labor, or agriculture can escape the consequences of national depression; and we have learned that all benefit from national prosperity.

The federal, state, and local governments must follow policies on taxes, assistance, and fair competition that foster and encourage expansion and development.

The businessman must be able to turn out a large volume at a reasonable profit. The worker must have good wages and economic security. The farmer must have markets at good prices for his produce.

The source of our great economic strength is the efficiency and productivity of our labor, industry, and agriculture.

It means prodigious production. It means a good market for all of our industrial and agricultural produce.

Each of these factors: full employment, high income, vast production, good markets, augment the other three. These simply stated objectives, like world peace, however, require vigilance and action on many fronts.

Industry must operate in an atmosphere that encourages expansion and development. New businesses must be established and be able to thrive.

Just as we must finish the job in regard to securing peace and working out international economic and political problems, we must finish the job in converting our economy back to a peacetime basis, and after that reconversion is over in building a sound and expansive economy for the long haul.

A sound and expansive economy means many things. It means a job opportunity for every man who wants a job. It means good wages.

Prosperity or depression, or first one and then the other, like war, is not inevitable. We also have a job to do on this front. As we did not do so well after the last war in the matter of relations among nations, we also failed in building a sound economy for peace. Last time we had the greatest part of our inflation after the war. We then had a serious depression, after which we had the insecure '20's, leading to the crisis which began in the Fall of '29.

But I add and emphasize the converse, because it is something closer to us and because we can more quickly see that it is in our own self-interest, and that is the world does not stand a chance of having a sound, prosperous economic future unless the United States has a high level of employment, production, and income. We are too big a factor in the world today for this not to be true. Other nations recognize it. The question is whether we will acknowledge it and accept the responsibility and leadership it entails.

If we attain lasting peace, will it be prosperous? The answer, of course, is that we shall not attain a lasting peace unless this nation and other nations of the world do have a decent standard of living and a reasonable degree of prosperity.

We often hear it said today that the United States cannot be prosperous unless there is a stable and sound economy throughout the countries of the world. With that I do not disagree.

I firmly believe that a great part of all our hope and faith in the future of this country and the United Nations is founded on a common feeling that conferences and decisions under law and justice can carry the bulk of the burden that rests upon the shoulders of the people of this world. Let us resolve that this common feeling shall prove to be common knowledge.

While we must be patient and sympathetic if mistakes are made or agreements are not readily reached, we will not tolerate, we cannot tolerate, failure. If we have a continuing interest, a Job's patience, and a truly American perseverance, we can face the future with the faith that never again will we have to call upon might to make right.

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These trail-blazing measures, together with the others that will follow, offer us a definite assurance that the nations of the world can get together, can solve international economic and political problems by the discussion method. No man today can guarantee or insure that such measures will do the job.

✓ I have little doubt that experience will show faults in the machinery we now have and that many meetings of the nations will show little, if any, results.

However, we have concrete evidence that the discussion and conference procedure does work.

Already we have traveled down that path a long way. Already we have the familiar landmarks of Reciprocal Trade Agreements, the Export-Import Bank, the United Nations Relief and Rehabilitation Administration, the International Food and Agricultural Organization, the Social and Economic Council of the United Nations Security Organization, the International Monetary Fund and the International Bank for Reconstruction and Development.

At the same time, we must not regard these meetings as battles. We must not feel that points are to win and lose, and are to be totalled for a final score. We must not over-dramatize and build into headlines the slow give-and-take of men working out together the peaceful solution of difficult problems. The peoples of the world must develop their rational selves to control and prevail over their emotional nature.

This sounds, and is, difficult. The conference of foreign ministers in London is an example that we cannot expect epoch agreements at each sitting.

Our attitude on the conference procedure must include two characteristics which, while quite dissimilar, are not diametrical.

We must not lose interest. We must insist that the nations of the world, including our own, get together. We must follow through. We must try and try again. We must be willing to tackle the new problem that arises when the old one is resolved. In short, we must have an intense and continuous interest.

But we cannot let international problems go by default.

The war proved, if it needed to be proved again, that Americans are great in meeting an emergency. Today Americans must answer a question that they have never answered too well. Can they apply themselves with a realistic, disciplined devotion to the day-by-day work of finding and solving all economic and political problems?

This calls for discussion and conference among our groups and among nations.

How different the battlefield and the conference room. The chairman states that the honorable representative of the Republic of Amura will submit for the consideration of this assembly his country's counter-proposal. But we must make the latter procedure work to prevent the bloodshed of the former.

The drama of war is gone. We are tired and we have a strong inclination to settle back in our homes and let international problems go by default.

Another step in being realistic about peace is to make the discussion and conference procedure work. In many ways it is going to be much, much harder for us to solve international problems and thus prevent war than it was for us to fight a war.

You Legionnaires know that war is terrible. But you must admit that it is concrete. There is the roar of the field artillery. There is the staccato burst of the machine gun. There is the whine of the dive-bomber. There is your wounded buddy. There is the flag.

Despite your courage and despite the warnings of our great leader, Franklin Delano Roosevelt, this country did not legislate military strength. The failure to do so did more than to lessen our physical resources. This diet of pap made us listless. It resulted in a lack of stamina and alertness. In this condition we should not have been surprised by the acts of aggression in Manchuria, and Ethiopia, and Europe. This time, may we remain alert and strong.

We sank our ships. Later when the war clouds gathered on the horizon we rejected substantial appropriations for naval bases and for planes.

The American Legion did not forget the value of being strong. Not only were you backing the right cause, but you took a position on an issue that called for manifold courage. It was something in those days to preach the gospel of preparedness. You were not riding the bandwagon. You were instead a prophet to be stoned.

Although being a pessimist for the only time this morning, it is not so foolish to work for peace, but keep your powder dry. More important by far, however, is the fact that if the non-aggressor nations are strong, the petty international despot will, in all likelihood, be deterred from his nefarious plans. The street-corner rowdy does not start a fight when he knows a policeman is near at hand.

We forgot the merit of being strong about peace after World War I.

Not for one moment do I claim that deciding that war is inevitable is all that must be done.

There are other things to do. What I next mention is something for which every American should stand and acclaim the Legion. This is a point where you never went wrong. To be realistic about peace is to be strong. This does not mean that we are strong in order to wage wars of aggression, or that we are strong because we accept the fact that we will be called upon inevitably to defend ourselves.

There has to be an inner dynamo — a faith of some kind within a man — to make him grow, to make him work on the problems of the day, to make him deal realistically with the majority of men who do have something to live for.

Remember this, I do not say that we are bound not to have World War III. I simply say that if we do a job, we need not have World War III. Whether we will have another war is for us to answer by what we do today and tomorrow and the day after tomorrow.

If you have more cynicism than the dash that a healthy, realistic man has, you may be a fatalist and a defeatist. If you are a defeatist you will say that history repeats itself. We had World War I. We had World War II. And we shall have World War III. If you are cynical through and through, you will argue that the idealism of today is but the disproven idealism of yesterday. But when a man is soured, when he has faith in nothing, he is no longer realistic and practical.

The old slogan that the world was going to be cleansed so that democracies would be safe now has a new dress, and in either dress it's not a bad principle. Today we say that the peoples of a nation, no matter how small, can choose their own form of government.

And I now put forward the principle that it is not inevitable that the small nation will some day be overrun and lose its chosen government. Wars are not ordained.

When we were the late twenty flapper, maybe we did not want to admit we believed in anything so good for the common man, so really fresh and wholesome as government of the people, by the people, and for the people. When we had that attack of pseudo-sophistication, maybe some thought that there was a little truth in the sputterings of Hitler and Company that democracy was inefficient, soft and decadent.

And while we are thinking about that first World War, let us give in passing a thought to those catchy sayings like "the war to end all war". We had several slogans during World War I. Later it became the fad to debunk those slogans. We were sophisticated. We were grown-up. We were Mr. Debonair, top-hat style. But basically those aspirations were not to be belittled. Take for example the slogan "Make the world safe for democracy".

But whatever loss of faith you had when you saw this generation rocked into World War II, after fighting the war to end wars, was not a loss of faith in the ideal or the possibility of its attainment, but rather it was a loss of faith in our ability to stick to it, to finish the job, to handle the social sciences as well as the natural sciences. It was a loss of faith in the men of our time to utilize fully their God-given talents.

Man has it in his power to avoid making each and every potential future war. We could be entering upon peace forever and ever. Wars are not inevitable, but are man-made. What man can make, he can avoid making.

I know that you legionnaires have the grain of cynicism that is found in all hardheaded, practical men.

Since we must move in some direction, it takes no profound thought to conclude that we had better set some course rather than permit ourselves to be tossed about without plan or purpose.

That we should not merely accept events, that instead we should think, plan, and act, has an all important compensation. When we fully realize that we are not the pawns of fate, but are the masters of our destiny, then a tremendous but joyous conclusion thunders down upon us — we can prevent war.

Whether we wish it or not — we are at this very moment starting to lay a foundation either for another war or for true peace. We cannot avoid it. What we do not do may be as important as what we do. Our own lives, the life of our nation, the history of the world does not, will not, stand still. The stereoscopic pictures we viewed with delight as boys were fascinating and beautiful. But life is not to be frozen into one pose like that. Life is a moving picture. We are on the go. The question is what direction.

To have the future we want, we must be realistic and ready to take the steps necessary for its attainment. We must be willing to work, to think, to act. We cannot follow the shortsighted policy of reclining in our easy chairs and wallowing in the luxury of "the war is over". If we do that, we shall suddenly learn that we are enjoying only the breathing spell before the next war.

We must face the problems that are with us and those that will follow and work toward the objectives we desire.

When we wonder what the future holds for us, two matters, for the most part, are in our minds. Will we have lasting peace? Will we have a prosperous and worthwhile life? These two goals, like other good objectives, are intertwined. We cannot have lasting peace without a prosperous, sound economy. We cannot have true and long-term prosperity without a lasting peace.

The American Legion, I am confident, will continue to play an important role in our government and in behalf of the veteran and our people. Several million men and women will be our veterans this time. They come from all walks of life. They are a cross section of America. They can be a tremendous influence for good.

The American Legion, I am sure moreover, will be alert to the problems of the day. We must lay a cornerstone for a sound future. We cannot let our future just come to pass.

In such a conversion we are all interested in what we are to do and what we may expect.

Before turning to the future, however, I wish to think a moment about the present and the past. I am happy to be at this convention -- the 27th annual national convention -- of the American Legion. During my several years in Congress, I had many happy occasions of working with the Legion.

address Secty of War R.P.P.
27th annual national convention of American Legion
Chicago Coliseum Nov 20 10:30 a.m

LET'S DO THE JOB THIS TIME

Mr. National Commander, Ladies and Gentlemen:

We are leaving the ways of war and taking up the ways of peace. It is very difficult to realize fully that our effort today is not to wage total war but is to wage total peace and to forge a sound future.

Many of us are apt to be caught off balance when the play is changed. But we must keep our eye on the ball, for this change is a fundamental conversion. We must convert economically, socially, politically, and even mentally.

V-139

TREASURY DEPARTMENT

Washington

(The following address by Secretary Vinson before the 27th Annual National Convention of the American Legion at the Chicago Coliseum, Chicago, is scheduled for delivery at 10:30 A.M., C.S.T., November 20, 1945, and is for release at that time.)

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a pessimist for the only time this morning, it is not so foolish to work for peace, but keep your powder dry. More important by far, however, is the fact that if the non-aggressor nations are strong, the petty international despot will, in all likelihood, be deterred from his nefarious plans. The street-corner rowdy does not start a fight when he knows a policeman is near at hand.

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If we attain lasting peace, will it be prosperous? The answer, of course, is that we shall not attain a lasting peace unless this nation and other nations of the world do have a decent standard of living and a reasonable degree of prosperity.

We often hear it said today that the United States cannot be prosperous unless there is a stable and sound economy throughout the countries of the world. With that I do not disagree. But I add and emphasize the converse, because it is something closer to us and because we can more quickly see that it is in our own self-interest, and that is the world does not stand a chance of having a sound, prosperous economic future unless the United States has a high level of employment, production, and income. We are too big a factor in the world today for this not to be true. Other nations recognize it. The question is whether we will acknowledge it and accept the responsibility and leadership it entails.

Prosperity or depression, or first one and then the other, like war, is not inevitable. We also have a job to do on this front. As we did not do so well after the last war in the matter of relations among nations, we also failed in building a sound economy for peace. Last time we had the greatest part of our inflation after the war. We then had a serious depression, after which we had the insecure '20's, leading to the crisis which began in the Fall of '29.

Just as we must finish the job in regard to securing peace and working out international economic and political problems, we must finish the job in converting our economy back to a peacetime basis, and after that reconversion is over in building a sound and expansive economy for the long haul.

A sound and expansive economy means many things. It means a job opportunity for every man who wants a job. It means good wages. It means prodigious production. It means a good market for all of our industrial and agricultural produce.

Each of these factors: full employment, high income, vast production, good markets, augment the other three. These simply stated objectives, like world peace, however, require vigilance and action on many fronts.

Industry must operate in an atmosphere that encourages expansion and development. New businesses must be established and be able to thrive. The federal, state, and local governments must follow policies on taxes, assistance, and fair competition that foster and encourage expansion and development.

The businessman must be able to turn out a large volume at a reasonable profit. The worker must have good wages and economic security. The farmer must have markets at good prices for his produce.

The source of our great economic strength is the efficiency and productivity of our labor, industry, and agriculture. Nothing could be more tragic than to have this enormous power wasted in industrial unemployment and in unmarketable farm surpluses.

This country is an economic unit. Prosperity is national prosperity; depression is national depression. We have learned that no section of the country, no branch of industry, labor, or agriculture can escape the consequences of national depression; and we have learned that all benefit from national prosperity. Now, is there any basic difference between these things all Americans want and what the veteran wants? I should think not. The soldier coming back into our economic life certainly stands to benefit by full employment, full production and good wages as much as the rest of us. It will be especially helpful to him, moreover, if we have a speedy reconversion to a virile, expanded economy because it will ease all of the "things he has to do" when he gets back. He may want a good job. He may want to start a business. He may want a new place to live. He may want to refurnish his home. He may want to take a little trip - a postponed or second honeymoon, for example. All of these things that veterans will want to do can be done much, much easier if the nation is running in high gear.

Opportunity has knocked again to build a better world. Last time we failed.

We have a twofold advantage this time. Not only have we had a lesson on this subject, but also we have a better base upon which to build. As the veteran comes back today, I believe that he will find that the country is in pretty good shape.

The things that he dreamed America and home stood for as he fought from his foxhole, landing craft, destroyer, or plane, have been preserved. The dignity of the individual citizen was not abrogated because of war. The latchstring on the courthouse door was not removed. The laws of the country were enacted by duly elected representatives. The public was informed and could criticize constructively or destructively the actions of its executives as they implemented and carried out the basic laws of the land.

The economy of the nation was kept on even keel. We had our problems of wage and price control, of shortages of raw materials, and of bottlenecks in producing the finished goods. But America, united, did the whole job so well that we overwhelmed the enemy with our might, had more than enough to live on at home, and kept inflation, a malady that tries and usually does infest every nation at war, away from our door.

Hence, I state unequivocally to every returning soldier, you are coming back to a better country than our warriors did last time. I know you will help us build the prosperous peace we all want, and I believe that the leaders and people of our nation are more conscious, are more able, and are more resolute to do the job this time.

We have many problems ahead. There are economic and political problems among the nations. There are the problems attached to attaining full production, full employment, and high income. There are all the problems of converting from the ways of war to the ways of peace.

We would be less than frank if we did not recognize that there is darkness ahead. But Americans are not by nature pessimistic and should not be now. There is a proverb that he who lights a candle is better than he who curses the darkness. Let us all go forth and light a candle in whatever place or station we be. These specks of light, multiplied many times, will dispel the darkness.

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TREASURY DEPARTMENT
Washington

FOR RELEASE, MORNING NEWSPAPERS,
Tuesday, November 20, 1945.

Press Service
V-140

The Secretary of the Treasury announced last evening that the tenders for $1,300,000,000, or thereabouts, of 90-day Treasury bills to be dated November 23, 1945, and to mature February 21, 1946, which were offered on November 16, 1945, were opened at the Federal Reserve Banks on November 19.

The details of this issue are as follows:

Total applied for - $2,178,513,000
Total accepted - 1,302,105,000 (includes $59,970,000 entered on a fixed-price basis at 99.905 and accepted in full)
Average price - 99.906/ Equivalent rate of discount approx. 0.376% per annum

Range of accepted competitive bids:

High - 99.908 Equivalent rate of discount 0.368% per annum
Low - 99.906 " " " " 0.376% " "

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

Federal Reserve District	Total Applied for	Total Accepted
Boston	$ 72,215,000	$ 40,615,000
New York	1,536,968,000	924,082,000
Philadelphia	53,840,000	32,764,000
Cleveland	18,175,000	10,579,000
Richmond	20,157,000	13,601,000
Atlanta	10,600,000	7,248,000
Chicago	299,630,000	176,264,000
St. Louis	44,495,000	12,847,000
Minneapolis	8,830,000	6,630,000
Kansas City	25,130,000	19,818,000
Dallas	13,459,000	8,757,000
San Francisco	75,014,000	48,900,000
TOTAL	$2,178,513,000	$1,302,105,000

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Treas. Dept
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Press Service
No. V-141

Wed. FOR IMMEDIATE RELEASE
November ~~20,~~ 21, 1945

The Bureau of Customs announced today preliminary figures showing the quantities of coffee entered for consumption during the period commencing October 1, 1945 as follows:

Country of Production	Quantity in Pounds As of November 10, 1945
Signatory Countries:	
Brazil	197,216,268
Colombia	74,142,029
Costa Rica	6,314,921
Cuba	50
Dominican Republic	3,384,816
Ecuador	5,771,454
El Salvador	3,817,554
Guatemala	10,376,034
Haiti	180,624
Honduras	2,673,478
Mexico	6,255,805
Nicaragua	630,551
Peru	542,632
Venezuela	1,931,206
Non-Signatory Countries:	100,295
TOTAL	313,337,717

TREASURY DEPARTMENT
Washington

FOR IMMEDIATE RELEASE
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No. V - 141

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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.

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. Subject to these reservations, tenders for $200,000 or less from any one bidder at 99.905 entered on a fixed-price basis will be accepted in full. Payment of accepted tenders at the prices offered must be made or completed at the Federal Reserve Bank in cash or other immediately available funds on November 29, 1945.

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

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TREASURY DEPARTMENT

Washington

V-142

FOR RELEASE, MORNING NEWSPAPERS
Friday, November 23, 1945 .

The Secretary of the Treasury, by this public notice, invites tenders for $ **1,300,000,000** , or thereabouts, of **91** -day Treasury bills, to be issued on a discount basis under competitive and fixed-price bidding as hereinafter provided. The bills of this series will be dated **November 29, 1945** , and will mature **February 28, 1946** , 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 ~~Xxx~~ **Standard** time, **Monday, November 26, 1945** . 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 2 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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V-142

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

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Under the drama of war -- labor, industry and agriculture pulled together in unity and in strength. Under the drama of war -- all of the United Nations fought together in unity and in strength. Now that drama is gone. But still we must have some cohesive catalyst to live together in unity and in peace. That cohesion and unity can come from the faith, courage, and purpose within the breast of every man throughout the world, whatever his place or station may be.

Weaving together all of these policies into a consistent fabric will require a great deal of hard work. And these are not all of the many problems ahead. Not only do we have the problems of finding and carrying out the ways and means to full production, full employment, and high national income, but also we have numerous political and economic problems among all of the nations of the world, the resolution of which is essential to a lasting, prosperous peace.

I am conscious that I have just scratched the surface in indicating to you today how we can concert our social and economic policies so that they will converge on the goal of full production. I have touched upon taxes and the public debt lightly, and upon other matters -- including the important fields of monopoly and competition, social security, and foreign trade -- not at all. All of these must play their part in building the economy of tomorrow.

More important, low interest rates will be a stimulating force in the economy generally, as they will make it possible for the home-buyer to get more house value for each dollar of monthly payment; for State and local taxpayers to get more schools and more hospitals for their tax dollars; and for industrial concerns and public utility companies to get more plant for every dollar of their fixed charges.

The interest burden or carrying charge on the debt is well within the ability of the economy to bear; but it is large and it should serve as a constant reminder to us that the burden of the debt will be far greater if we permit our national income to fall. It should be remembered also that the burden would be much greater if the level of interest rates were only slightly higher.

A policy of low interest rates clearly benefits the taxpayer by making possible a lower level of Government expenditures and, consequently, a lower level of taxation than would otherwise be possible.

In doing so, they will make a major contribution to easing our problems of transition from a wartime to a peacetime economy.

With the end of the Victory Loan, we shall have concluded the era of war finance, and will have entered into that of transition and postwar debt management. I believe that we will be entering this period with the debt in such shape that it can play its part in the flexible fiscal policy which will be necessary to maintain full production and full employment in the postwar period.

The second objective of the Victory Loan is to draw surplus purchasing power off the market for consumers' goods and services and to dam it up until we have goods and services to match it. In achieving this objective, the individual goal of 4 billion dollars is of even greater importance than the total goal of 11 billion dollars.

Individual ability to subscribe varies with family responsibilities and many other factors; but I am sure that the people of the United States, as a whole, can equal and exceed this goal.

6 Government expenditures are being reduced just as rapidly as is consistent with getting these things done. In July, the total expenditures of the Government amounted to 8-1/2 billion dollars; in October, they were under 6 billion dollars; and they will continue to fall at a rapid rate for the remainder of the fiscal year. But, despite the rate of decline in Government expenditures, the money from the Victory Loan is necessary to finish the job; and I know that we can count on it.

It is necessary to raise the money to bring the bulk of the armed forces home, to demobilize them, to provide them with necessary hospitalization, to furnish their mustering-out pay, and to meet our obligations under the G.I. Bill of Rights. It is necessary to settle the war contracts and to place the economy on a peacetime basis. And, finally, it is necessary to maintain occupation forces in the enemy countries for as long as may be necessary to finish the job which we have undertaken; we must not abandon the Victory that we so dearly won.

The Victory Loan is also an important step on our path from wartime to peacetime prosperity. As you know, it is designed to do two things; and these two things are complementary ~~with~~ to one another.

In the first place, it is designed to raise the funds necessary to carry the Government through the demobilization period.

There is no contradiction between this and what I have just said about creating larger markets later on, for flexibility must be the keynote of all sound policy. There is also no contradiction between this objective and the Revenue Act which we have just passed, for the basic objective of that Act is to encourage a rapid reconversion with its increased civilian production and so help to redress the current unbalance between supply and demand. This Revenue Act, then, is primarily a reconversion measure.

For the present and immediate future, our problem is not the provision of adequate markets for consumers' goods. Our problem is rather that of expediting the production of these goods and holding back the expenditure of our surplus purchasing power. Our reserve of purchasing power should be used to provide jobs and markets tomorrow, rather than wasting itself in driving up prices today.

As the reconversion of our physical facilities to peacetime production is carried nearer to completion and the demobilization of the armed forces adds more men to the labor force, we may expect to see consumers' goods become more plentiful. As this occurs, it will become more and more desirable to remove impediments to mass consumption, as well as mass production. Under those conditions it will be more important than ever to have, what I have believed in for a long time, a thorough modernization of our tax structure.

In this, we have taken a major step toward streamlining the income tax so that it will reflect true ability to pay.

As it becomes possible to revise our tax system further, we should keep in mind the twin objectives of encouraging business enterprise and promoting mass consumption — which is, in itself, the most important encouragement which business enterprise can have.

Second, the Revenue Act of 1945 has stricken from the income tax rolls millions of taxpayers whose incomes in relation to their family responsibilities justified taxation only under the stress of great national emergency. These persons were on the tax rolls solely because the misnamed "normal" tax allowed no exemptions whatsoever for dependents. Under the new Revenue Act, we now take account of dependency for the entire individual income tax, both normal tax and surtax.

It makes it more worthwhile for businessmen to seek economies of operation, and so paves the way for lower prices. It is also important that the removal of the excess profits tax makes it possible for small businesses to grow on a basis of competitive equality with old established enterprises with liberal excess profits credits.

The modernization of our tax structure, in my opinion, is the foundation of our entire program for maintaining full production and full employment in the postwar period.

The Revenue Act of 1945, approved this month, is a significant step in the right direction. It does two things of the utmost importance.

First, it repeals the excess profits tax. This puts business planning and business initiative on a peacetime basis and makes it possible for businessmen to plan programs of expansion with more confidence.

The policies which must be integrated to converge on this goal include those relating to taxation; small business; competition; labor, management, and wages; foreign trade; social security; agriculture; public works and construction; and fiscal policy. I cannot hope to touch on all of these here; and I shall comment only upon taxes and the public debt, two matters particularly under my jurisdiction as Secretary of the Treasury.

The differences between wartime and peacetime conditions of production are many and complex, but they must not be allowed to obscure the basic fact that our economy can produce prodigiously either in war or in peace. In order to realize this potential today, it is necessary that we integrate our social and economic policies so that they converge on the goal of a high level of production, employment, and national income, just as during the war we integrated all our policies to converge on the goal of victory.

On the opposite side of the ledger from those methods which increased the national product during the war years, but which will disappear in time of peace, must be placed the possibilities of applying to peacetime production the new techniques which have been devised and the fundamental scientific developments which have occurred during the war period.

Such sources are out of place, however, in a peacetime economy; for they can be obtained only at the sacrifice of values — such as health, education, and home life — which are more important, under normal conditions, than the increase in physical product which their sacrifice would make possible.

Another part was due, perhaps, to overdrafts on our natural resources.

These sources of increased productivity were necessary during the war — when we were buying time and trying to compress the greatest possible product into the shortest period in order to bring an overwhelming force to bear on the enemy.

Part of the increase in our production during the war period was due to drawing into the labor force students who, under normal conditions, would be in our schools and colleges; housewives who, under normal conditions, would be tending to their homes; and old people who, under normal conditions, would have retired. Another part of our increased production was due to overtime work and to the special intensity of effort which is appropriate only to a wartime period.

The return of these resources to civilian production can and should mean that the people of the United States have an opportunity to enjoy a much higher standard of living than ever before.

Of course, we cannot and should not expect to maintain under peacetime conditions all of the methods by which production was increased during the war.

Yet, so great was the increase in our aggregate production, that our civilian population enjoyed a higher and more widely diffused standard of living than ever before in the history of the country.

Most of the nearly half of our resources, which were so recently devoted to the single purpose of waging war, are now being returned to the service of peacetime industry.

These lessons simply are that our economy under the free enterprise system has a tremendous potential productivity and that this productivity can be realized when we are of a mind to do it.

During the peak of our economic mobilization for war, nearly half of our resources were being applied to the single task of achieving victory. During the fiscal year 1945, the United States Government spent 91 billion dollars for war purposes.

Our gross national product increased from 89 billion dollars in 1939 to 199 billion dollars in 1944. Some of this, of course, represented an increase in prices; but the product of the country, expressed in real terms, increased by about 75 percent.

We must now possess the intelligence, industry, and purpose to apply these primary lessons of the war to our peacetime economy.

This was not only an evidence of our waging total war, but was a very desirable condition for our people. We saw what full employment can do to alleviate suffering. We saw what full employment can do by way of increasing purchasing power, and how people with jobs can "eat up" most of our so-called surpluses.

The second thing which the war has taught us about our own economy is its tremendous productivity.

So we did our best to call into service every human and material resource which the country had at its command, and to put it to use either directly for the war effort or for the maintenance of the civilian economy. And we may be thankful that once again fortune allowed us to borrow some time, although the grace period was scarcely sufficient.

One of the tangible evidences of our total mobilization was what happened in the labor market. There were more jobs than people seeking work.

The war has taught us two important things about our own economy. In the first place, it has shown us that, when the people and the Government of the United States want to do a thing and consider it of sufficient importance that it be done, the whole resources of the country can be mobilized for its accomplishment if we have enough time. This was the case with the war. Winning the war was rightfully considered to be all-important.

But to a young country, such as ours, with a young and vigorous way of life, victory does not mean relaxation. It is in itself the greatest challenge of all; and to the United States, victory in this war must be taken as a challenge and as an opportunity to advance to new standards of achievement and to show, both to ourselves and to the world, the accomplishments of which our system of free enterprise is capable.

In winning the war, we met a challenge to our way of life. We have turned that challenge aside and utterly defeated our enemies upon the field of battle.

We have done this at a great human and economic cost. It would be easy to seize a victory so dearly won as an opportunity to relax, to rest upon our laurels, and to return to the old ways. This is the way in which foreign victories are treated by old and declining countries, with old and declining ways of life.

A successful Victory Loan, moreover, helps not only in the immediate reconversion period, but also in that later peacetime economy. The full importance of the Victory Loan, therefore, cannot be appreciated without understanding its proper place in the whole of our country's economy.

We have just won a long and a hard war. In truth, that war was won such a short time ago, it is still difficult to realize that the question is not what can I do for the war effort, but what can I do for prosperity and peace.

Mr. Pulliam has served as the Chairman of the Committee since its inception, and before that he was State Chairman of the War Savings Staff. He, like Indiana, has done a good job.

Success in the Victory Loan is a significant contribution to our Nation's conversion from the ways of war to the ways of peace. In turn, a speedy reconversion aids in laying the foundation for an invigorated, expansive economy so essential for the long pull.

Indianapolis, Ind., Nov. 27, —

We are nearing the end of our last War Bond Drive. Throughout the nation the Victory Loan has gone well.

Indiana has done a good job during the war loans, particularly on the payroll savings plan and on the sale of extra bonds to industrial workers; and all indications are that she is going to repeat in the Victory Loan.

I am especially glad, therefore, to come to Indianapolis and participate in the Victory Loan campaign at the invitation of Mr. Eugene Pulliam, Chairman of the Indiana State War Finance Committee.

V-143

(The following address by Secretary Vinson before the State Chamber of Commerce and the Indiana War Finance Committee at Indianapolis, Indiana, is scheduled for delivery at 1:30 PM, EST, Tuesday, November 27, 1945, and is for release at that time.)

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TREASURY DEPARTMENT

Washington

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Indiana has done a good job during the war loans, particularly on the payroll savings plan and on the sale of extra bonds to industrial workers; and all indications are that she is going to repeat in the Victory Loan.

I am especially glad, therefore, to come to Indianapolis and participate in the Victory Loan campaign at the invitation of Mr. Eugene Pulliam, Chairman of the Indiana State War Finance Committee. Mr. Pulliam has served as the Chairman of the Committee since its inception, and before that he was State Chairman of the War Savings Staff. He, like Indiana, has done a good job.

Success in the Victory Loan is a significant contribution to our Nation's conversion from the ways of war to the ways of peace. In turn, a speedy reconversion aids in laying the foundation for an invigorated, expansive economy so essential for the long pull. A successful Victory Loan, moreover, helps not only in the immediate reconversion period, but also in that later peacetime economy. The full importance of the Victory Loan, therefore, cannot be appreciated without understanding its proper place in the whole of our country's economy.

We have just won a long and a hard war. In truth, that war was won such a short time ago, it is still difficult to realize that the question is not what can I do for the war effort, but what can I do for prosperity and peace. In winning the war, we met a challenge to our way of life. We have turned that challenge aside and utterly defeated our enemies upon the field of battle.

During the peak of our economic mobilization for war, nearly half of our resources were being applied to the single task of achieving victory. During the fiscal year 1945, the United States Government spent $91,000,000,000 for war purposes. Yet, so great was the increase in our aggregate production, that our civilian population enjoyed a higher and more widely diffused standard of living than ever before in the history of the country.

Most of the nearly half of our resources, which were so recently devoted to the single purpose of waging war, are now being returned to the service of peacetime industry. The return of these resources to civilian production can and should mean that the people of the United States have an opportunity to enjoy a much higher standard of living than ever before.

Of course, we cannot and should not expect to maintain under peacetime conditions all of the methods by which production was increased during the war. Part of the increase in our production during the war period was due to drawing into the labor force students who, under normal conditions, would be in our schools and colleges; housewives who, under normal conditions, would be tending to their homes; and old people who, under normal conditions, would have retired. Another part of our increased production was due to overtime work and to the special intensity of effort which is appropriate only to a wartime period. Another part was due, perhaps, to overdrafts on our natural resources.

These sources of increased productivity were necessary during the war -- when we were buying time and trying to compress the greatest possible product into the shortest period in order to bring an overwhelming force to bear on the enemy. Such sources are out of place, however, in a peacetime economy; for they can be obtained only at the sacrifice of values -- such as health, education, and home life -- which are more important, under normal conditions, than the increase in physical product which their sacrifice would make possible.

On the opposite side of the ledger from those methods which increased the national product during the war years, but which will disappear in time of peace, must be placed the possibilities of applying to peacetime production the new techniques which have been devised and the fundamental scientific developments which have occurred during the war period.

The differences between wartime and peacetime conditions of production are many and complex, but they must not be allowed to obscure the basic fact that our economy can produce prodigiously either in war or in peace. In order to realize this potential today, it is necessary that we integrate our social and economic policies so that they converge on the goal of a high level of production, employment, and national income, just as during the war we integrated all our policies to converge on the goal of victory.

The policies which must be integrated to converge on this goal include those relating to taxation; small business; competition; labor, management, and wages; foreign trade; social security; agriculture; public works and construction; and fiscal policy. I cannot hope to touch on all of these here; and I shall comment only upon taxes and the public debt, two matters particularly under my jurisdiction as Secretary of the Treasury.

The modernization of our tax structure, in my opinion, is the foundation of our entire program for maintaining full production and full employment in the postwar period.

The Revenue Act of 1945, approved this month, is a significant step in the right direction. It does two things of the utmost importance.

First, it repeals the excess profits tax. This puts business planning and business initiative on a peacetime basis and makes it possible for businessmen to plan programs of expansion with more confidence. It makes it more worthwhile for businessmen to seek economies of operation, and so paves the way for lower prices. It is also important that the removal of the excess profits tax makes it possible for small businesses to grow on a basis of competitive equality with old established enterprises with liberal excess profits credits.

Second, the Revenue Act of 1945 has stricken from the income tax rolls millions of taxpayers whose incomes in relation to their family responsibilities justified taxation only under the stress of great national emergency. These persons were on the tax rolls solely because the misnamed "normal" tax allowed no exemptions whatsoever for dependents. Under the new Revenue Act, we now take account of dependency for the entire individual income tax, both normal tax and surtax. In this, we have taken a major step toward streamlining the income tax so that it will reflect true ability to pay.

As it becomes possible to revise our tax system further, we should keep in mind the twin objectives of encouraging business enterprise and promoting mass consumption -- which is, in itself, the most important encouragement which business enterprise can have.

As the reconversion of our physical facilities to peacetime production is carried nearer to completion and the demobilization of the armed forces adds more men to the labor force, we may expect to see consumers' goods become more plentiful. As this occurs, it will become more and more desirable to remove impediments to mass consumption, as well as mass production. Under those conditions it will be more important than ever to have, what I have believed in for a long time, a thorough modernization of our tax structure.

For the present and immediate future, our problem is not the provision of adequate markets for consumers' goods. Our problem is rather that of expediting the production of these goods and holding back the expenditure of our surplus purchasing power. Our reserve of purchasing power should be used to provide jobs and markets tomorrow, rather than wasting itself in driving up prices today.

There is no contradiction between this and what I have just said about creating larger markets later on, for flexibility must be the keynote of all sound policy. There is also no contradiction between this objective and the Revenue Act which we have just passed, for the basic objective of that Act is to encourage a rapid reconversion with its increased civilian production and so help to redress the current unbalance between supply and demand. This Revenue Act, then, is primarily a reconversion measure.

The Victory Loan is also an important step on our path from wartime to peacetime prosperity. As you know, it is designed to do two things; and these two things are complementary to one another.

In the first place, it is designed to raise the funds necessary to carry the Government through the demobilization period. It is necessary to raise the money to bring the bulk of the armed forces home, to demobilize them, to provide them with necessary hospitalization, to furnish their mustering-out pay, and to meet our obligations under the G.I. Bill of Rights. It is necessary to settle the war contracts and to place the economy on a peacetime basis. And, finally, it is necessary to maintain occupation forces in the enemy countries for as long as may be necessary to finish the job which we have undertaken; we must not abandon the Victory that we so dearly won.

Government expenditures are being reduced just as rapidly as is consistent with getting these things done. In July, the total expenditures of the Government amounted to 8-1/2 billion dollars; in October, they were under $6,000,000,000; and they will continue to fall at a rapid rate for the remainder of the fiscal year. But, despite the rate of decline in Government expenditures, the money from the Victory Loan is necessary to finish the job; and I know that we can count on it.

The second objective of the Victory Loan is to draw surplus purchasing power off the market for consumers' goods and services and to dam it up until we have goods and services to match it. In achieving this objective, the individual goal of $4,000,000,000 is of even greater importance than the total goal of $11,000,000,000.

Individual ability to subscribe varies with family responsibilities and many other factors; but I am sure that the people of the United States, as a whole, can equal and exceed this goal. In doing so, they will make a major contribution to easing our problems of transition from a wartime to a peacetime economy.

With the end of the Victory Loan, we shall have concluded the era of war finance, and will have entered into that of transition and postwar debt management. I believe that we will be entering this period with the debt in such shape that it can play its part in the flexible fiscal policy which will be necessary to maintain full production and full employment in the postwar period.

The interest burden or carrying charge on the debt is well within the ability of the economy to bear; but it is large and it should serve as a constant reminder to us that the burden of the debt will be far greater if we permit our national income to fall. It should be remembered also that the burden would be much greater if the level of interest rates were only slightly higher.

A policy of low interest rates clearly benefits the taxpayer by making possible a lower level of Government expenditures and, consequently, a lower level of taxation than would otherwise be possible. More important, low interest rates will be stimulating force in the economy generally, as they will make it possible for the home-buyer to get more house value for each dollar of monthly payment; for State and local

taxpayers to get more schools and more hospitals for their tax dollars; and for industrial concerns and public utility companies to get more plant for every dollar of their fixed charges.

I am conscious that I have just scratched the surface in indicating to you today how we can concert our social and economic policies so that they will converge on the goal of full production. I have touched upon taxes and the public debt lightly, and upon other matters -- including the important fields of monoply and competition, social security, and foreign trade -- not at all. All of these must play their part in building the economy of tomorrow.

Weaving together all of these policies into a consistent fabric will require a great deal of hard work. And these are not all of the many problems ahead. Not only do we have the problems of finding and carrying out the ways and means to full production, full employment, and high national income, but also we have numerous political and economic problems among all of the nations of the world, the resolution of which is essential to a lasting, prosperous peace.

Under the drama of war -- labor, industry and agriculture pulled together in unity and in strength. Under the drama of war -- all of the United Nations fought together in unity and in strength. Now that drama is gone. But still we must have some cohesive catalyst to live together in unity and in peace. That cohesion and unity can come from the faith, courage, and purpose within the breast of every man throughout the world, whatever his place or station may be.

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TREASURY DEPARTMENT
Washington

FOR RELEASE, MORNING NEWSPAPERS,
Tuesday, November 27, 1945.

Press Service
V-144

The Secretary of the Treasury announced last evening that the tenders for $1,300,000,000, or thereabouts, of 91-day Treasury bills to be dated November 29, 1945, and to mature February 28, 1946, which were offered on November 23, 1945, were opened at the Federal Reserve Banks on November 26.

The details of this issue are as follows:

Total applied for - $2,154,745,000
Total accepted - 1,316,013,000 (includes $46,172,000 entered on a fixed-price basis at 99.905 and accepted in full)
Average price - 99.905 Equivalent rate of discount approx. 0.375% per annum

Range of accepted competitive bids:

High - 99.908 Equivalent rate of discount approx. 0.364% per annum
Low - 99.905 " " " " " 0.376% " "

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

Federal Reserve District		Total Applied for	Total Accepted
Boston		$ 61,460,000	$ 36,530,000
New York		1,529,766,000	916,146,000
Philadelphia		47,885,000	37,760,000
Cleveland		21,525,000	14,775,000
Richmond		15,698,000	12,998,000
Atlanta		10,600,000	10,600,000
Chicago		297,455,000	172,288,000
St. Louis		36,531,000	21,861,000
Minneapolis		3,175,000	3,175,000
Kansas City		11,385,000	9,585,000
Dallas		15,280,000	13,210,000
San Francisco		103,985,000	67,085,000
	TOTAL	$2,154,745,000	$1,316,013,000

DWB

V-145

FOR IMMEDIATE RELEASE
November 27, 1945

The Bureau of Customs announced today preliminary figures showing the quantities of coffee entered for consumption during the period commencing October 1, 1945 as follows:

Country of Production	Quantity in Pounds As of November 17, 1945
Signatory Countries:	
Brazil	217,222,116
Colombia	85,132,098
Costa Rica	6,314,921
Cuba	58
Dominican Republic	4,168,163
Ecuador	5,771,454
El Salvador	5,185,850
Guatemala	10,379,986
Haiti	180,624
Honduras	2,673,478
Mexico	6,255,805
Nicaragua	760,112
Peru	542,632
Venezuela	1,931,206
Non-Signatory Countries:	100,309
	346,618,812

TREASURY DEPARTMENT
Washington

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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.

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. Subject to these reservations, tenders for $200,000 or less from any one bidder at 99.905 entered on a fixed-price basis will be accepted in full. 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 6, 1945.

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

TREASURY DEPARTMENT

Washington

FOR RELEASE, MORNING NEWSPAPERS,
Friday, November 30, 1945.

The Secretary of the Treasury, by this public notice, invites tenders for $1,300,000,000, or thereabouts, of 91-day Treasury bills, to be issued on a discount basis under competitive and fixed-price bidding as hereinafter provided. The bills of this series will be dated December 6, 1945, and will mature March 7, 1946, 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 3, 1945. 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 2 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

V-14

TREASURY DEPARTMENT
Washington

FOR RELEASE, MORNING NEWSPAPERS
Friday, November 30, 1945.

The Secretary of the Treasury, by this public notice, invites tenders for $1,300,000,000, or thereabouts, of 91-day Treasury bills, to be issued on a discount basis under competitive and fixed-price bidding as hereinafter provided. The bills of this series will be dated December 6, 1945, and will mature March 7, 1946, 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 or reject any or all tenders, in whole or in part, and his action in any such respect shall be final. Subject to these reservations, tenders for $200,000 or less from any one bidder at 99.905 entered on a fixed-price basis will be accepted in full. 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 6, 1945.

V-146

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

FOR IMMEDIATE RELEASE,
Friday, November 30, 1945.

Press Service
V-147

The Secretary of the Treasury today announced the subscription and allotment figures with respect to the current offering of 7/8 percent Treasury Certificates of Indebtedness of Series J-1946, open to the holders of Treasury Certificates of Indebtedness of Series H-1945, maturing December 1, 1945, Treasury Notes of Series B-1945, National Defense Series, maturing December 15, 1945, and Treasury Bonds of 1945, maturing December 15, 1945.

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

Federal Reserve District	Certificates Exchanged	Notes Exchanged	Bonds Exchanged	Total Exchanges
Boston	$ 73,991,000	$ 10,066,000	$ 6,198,000	$ 90,255,000
New York	1,479,044,000	219,318,500	292,859,500	1,991,222,000
Philadelphia	84,922,000	25,326,000	3,280,000	113,528,000
Cleveland	102,811,000	20,767,000	3,563,000	127,141,000
Richmond	83,664,000	11,442,500	884,500	95,991,000
Atlanta	64,948,000	14,398,500	2,953,500	82,300,000
Chicago	405,446,000	52,228,500	44,706,500	502,381,000
St. Louis	59,852,000	16,234,000	4,894,000	80,980,000
Minneapolis	64,787,000	10,906,500	2,117,500	77,811,000
Kansas City	124,216,000	22,111,500	3,357,500	149,685,000
Dallas	65,989,000	13,058,500	1,339,500	80,387,000
San Francisco	301,795,000	25,639,500	41,601,500	369,036,000
Treasury	13,461,000	500,000	50,000	14,011,000
TOTAL	$2,924,926,000	$441,997,000	$407,805,000	$3,774,728,000

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TOTAL	$2,924,926,000	$441,997,000	$407,805,000	$3,774,728,000

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upon our shoulders. Let the leaders of men see to it that this faith is realized.

justice, law, and order, and still remain alert and strong. This nation should, indeed it must, set a better example for the world than it did last time by remaining alert and strong.

If the world can solve its problems by discussion and at the same time be ready, willing and able to stamp out the international gangster before he commits his high felonies, we will have prevented war. Since wars are not ordained, but are man made, man can avoid war by doing the job and solving the problems that cause war.

Men throughout the world have within themselves an abiding faith and purpose that collaboration among nations under principles of justice, law, and order can carry the burden that rests

The simple answer is that it must be so. And saying that is far from whistling in the dark.

Already we have concrete evidence that the discussion and conference procedure does work among nations. Already we have many familiar landmarks. A few of these concrete landmarks, for illustration, are: Reciprocal Trade Agreements, the Export-Import Bank, Bretton Woods, and the United Nations Security Organization.

These trail-blazing measures, together with the others that will follow, offer us the definite assurance that the nations of the world can get together, can solve their problems. The nations of the world can work under these processes of

our generation rocked us into war. The resolution of these problems is necessary for prolonged prosperity and for lasting peace.

While these problems are tough, surely they cannot be much tougher than the ones we have had since the Fall of '29. We solved those under our system of justice, law, and order. That is really as much inspiration as we need to face the future.

Our thoughts tonight turn to whether the world can also live through adversity and go forward under justice, law, and order. We wonder whether all of the international problems can be solved by discussion and conference and international collaboration.

~~surveillance over the~~ war the freedom of the press [redacted] infringed, except for military security. Neither during the depression nor during the war was any life, liberty or property taken from any citizen without due process of law. Our [redacted] Attorney General held the high purpose that civil liberties were to be maintained even during war. And they were.

Our way of life has stood the test. We can face the future with confidence, even though we face many difficult problems in this country and in the world. We have the problems of finding and carrying out the ways and means of full production, mass purchasing power, and efficient distribution [redacted] full employment. We have the political, social, and economic problems among nations that twice in

and out-last the enemy? Do you remember the various groups that appealed to you not to ask for unconditional surrender but negotiate some sort of peace that would end the war? They asked in return only that we give up a few of our fundamental principles.

It is not only a remarkable achevement but it is also an inspiration that our way of life stood two such tests as these. Neither during the depression nor during the war was the latchstring removed from the courthouse door. Neither during the depression nor during the war was the election of our governing officials suspended. Neither during the depression nor during the war was

freedoms and rights and privileges that we so abundantly inherited.

Likewise, when the war clouds gathered in foreign lands, and later when we were in it to the hilt and the outlook was dark and gloomy, it would have been so easy not to face the facts of life. Again our people, beladen with suffering and sacrifice, were in a susceptible state for fatalistic appeals, and again the appeals were made. Do you remember ~~the America Firsters~~ those who would have had us bury our heads in the sand and not face the job we had to do? Do you remember the various groups who had some simple solution to win the war other than to out-produce, out-fight, out-think,

We found the strength to win the war and lick the depression through our democratic processes. Moreover, it must be emphasized that it was not because we were not tempted that we continued to live according to our principles.

When we remember in all of its detail the situation during the depression in the early 30's, we realize that the stage was set for plans of dreamy salvation. Not only were our people ripe to be plucked by the appeals of demagogic despots, but the appeals were made. It is truly remarkable that with the conditions as they then existed we were able to keep our course so steady upon our traditional principles. It would have been so, so easy to turn to men with liquid promises who asked in return only that we give up a few of the individual

on ration and draft boards, who collected salvage, who sold war bonds, ~~who rendered service to the government without stint~~, and all who served our country in ~~did other similar services for the war effort.~~ its most critical hours of need.

Through the efforts of all Americans we waged a total war and kept our economy on an even keel. True, we had our problems of wage and price control, of shortages and bottlenecks. But America, united, did the whole job so well that we overwhelmed the enemy with our might, had more than enough to live on at home, and kept the fires of inflation from consuming us.

In the democratic fashion we gathered our strength and whipped the dictators who had sputtered that democracy was inefficient, soft and decadent. We mustered our resources and our manpower in an all out effort and preserved intact our constitutional right to gripe. Industry, labor, and agriculture, each of these groups did the impossible, and all together they performed a production miracle.

This miracle of production would not have been possible, if every man and woman had not constantly borne in mind the object to do every-

Many who [illegible] [illegible] long [illegible] hours for the war [illegible] without tangible reward are [illegible] and unheralded

thing possible for the war effort. We owe a tribute to ~~the~~ these thousands of volunteers who served

in hospitals and the USO, who served

great and noble sacrifices of this war, as they have in all wars. The only way that we can approach the giving of true thanks to the living, the dead, and the living dead is to work for peace as fully as we worked for victory.

There is a great lesson in the fact that this country was strong enough to whip ~~that~~ the depression and to win ~~that~~ the war, but I wish to emphasize that we mustered the strength to do both jobs without abdicating from our basic principles of individual freedom and integrity, of our way of life, of our system of government.

We maintained law and order and licked the depression with democratic processes. We maintained our way of life and whipped the Axis.

we had not conquered the U-Boat. If our military might had been just a little less, or if we had gained it a little slower, or if the Axis had been a little stronger, Russia would not have held; the Allies in Africa would not have held; the Allies in the Pacific would not have held. We almost came to live under the rule of men who today stand trial at Nuernberg as criminals against civilization.

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Even after we were producing in quantity the weapons of war, we still had serious questions of transportation and of how much should be sent where. Another phrase became common to our people at that time: too little and too late.

Again it is hard to feel as we felt then. But do you remember in the summer of 1942 it appeared as though Stalingrad would fall? We were wondering about Alexandria and the Suez Canal. In the Pacific it was no remote possibility that Australia might be invaded. All through the oceans of the world

into military preparedness after we were at war. And we were at war with countries that had been building up their military might for many years. A nation can lose a war that way. And we almost did.

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were attacked, we saw Poland and Czechoslovakia, Denmark and Norway, Belgium, Holland, and France rapidly fall to the overwhelming might of a military machine which had been preparing itself for many years. The days of Dunkirk were dark days.

After we were attacked, we had many problems. We had to grind to a halt the production of automobiles, radios and refrigerators. We had to face shortages of rubber, copper and lumber. We had to lick the shortages of raw materials before we could make in quantity the finished products with which you fight a war. We were faced with the basic problem of converting a civilian economy

Many able and industrious youths who wanted to do well and could have done well in colleges or vocational schools were permanently denied the opportunity. The economic situation did not allow the pursuit of life, liberty and happiness in the full meaning of the term.

The depression was so severe that many [redacted] were forever barred from living the full life. Most of us during that period did not come close to living what we usually regard as "normal" lives.

The depression, then, with its breadlines, its closed banks, its windswept homes, ~~its closed banks~~, its heartaches was a stern trial for our way of life. Not long afterwards, our way of life faced another test -- the test of fire. World War II came upon us. Before we

Many of our citizens suffered and strained to get the food, clothing, and shelter they needed. Some of them lost the battle. Many of our citizens were unemployed. The unemployment problem was a mass problem -- several millions were out of work. These people were not out of work by choice, or because they did not exercise enough initiative to find a job, or because they wanted a better job, but because they were not offered any job. The situation simply was that there were several million less jobs than our people needed to live.

During that depression, even the lot of those who were employed was not necessarily a fortunate one. Many found it necessary to work in jobs which required only a small fraction of their talents.

"our way of life". In regard to our way of life I am thinking particularly of our system of government.

Our way of life has been put in the crucible during our generation. Even in the last half of that generation, from 1929 on, we have had our way of life stand judgment under two of the most stringent tests to which any set of values could be subjected. Our values have stood trial by the ordeal of depression and war.

In the Fall of 1929 began a depression that was [redacted] our country's worst depression. Unless we possess an uncommon amount of imagination, we cannot reconstruct our life as it was then.

and disillusionment, but we have also had much inspiration and opportunity.

We have seen tremendous developments in science and in its application to life. We have seen the coming of the automobile, modern roads, diesel trains, radios, television, airplanes, and atomic energy. This has affected our life all the way from fundamentals, such as improved transportation, housing and food, to some small gadget for the rumpus room.

It is more difficult to visualize -- yet it is more important -- the matters we have faced other than physical improvements. These other subjects might be summed up in the expression

BAR ASSOCIATION SPEECH
11-29-45

Annual Meeting of the Bar Association of the District of Columbia
Mayflower Hotel, Dec 1, 1945
schedule for 9:30 pm - release at that time

Our generation has lived through and helped to write more history than most nations have experienced over the course of several decades. You and I can revel in the real privilege [redacted] of living through so many important domestic and world events. Living during this time, however, has not only been a privilege, but has also been a rigorous responsibility.

If we go back about 33 years, a period usually considered the life span of a generation, it puts us just before the first World War. Quickly we are reminded of how much we have seen and done. We have lived through two World Wars and an uncertain period between the Wars. We have had much sorrow

TREASURY DEPARTMENT

Washington

FOR RELEASE, MORNING NEWSPAPERS, Sunday, December 2, 1945.

Press Service No. V-148

(The following address by Secretary Vinson is for delivery at the annual meeting of the Bar Association of the District of Columbia at the Mayflower Hotel, Saturday evening, December 1, 1945.)

Our generation has lived through and helped to write more history than most nations have experienced over the course of several decades. You and I can revel in the real privilege of living through so many important domestic and world events. Living during this time, however, has not only been a privilege, but has also been a rigorous responsibility.

If we go back about 33 years, a period usually considered the life span of a generation, it puts us just before the first World War. Quickly we are reminded of how much we have seen and done. We have lived through two World Wars and an uncertain period between the Wars. We have had much sorrow and disillusionment, but we have also had much inspiration and opportunity.

We have seen tremendous developments in science and in its application to life. We have seen the coming of the automobile, modern roads, diesel trains, radios, television, airplanes, and atomic energy. This has affected our life all the way from fundamentals, such as improved transportation, housing and food, to some small gadget for the rumpus room.

It is more difficult to visualize -- yet it is more important -- the matters we have faced other than physical improvements. These other subjects might be summed up in the expression "our way of life". In regard to our way of life I am thinking particularly of our system of government.

Our way of life has been put in the crucible during our generation. Even in the last half of that generation, from 1929 on, we have had our way of life stand judgment under two of the most stringent tests to which any set of values could be subjected. Our values have stood trial by the ordeal of depression and war.

In the Fall of 1929 began a depression that was our country's worst depression. Unless we possess an uncommon amount of imagination, we cannot reconstruct our life as it was then. Many of our citizens suffered and strained to get the food, clothing, and shelter they needed. Some of them lost the battle. Many of our citizens were unemployed. The unemployment problem was a mass problem -- several millions were out of work. These people were not out of work by choice, or because they did not exercise enough initiative to find a job, or because they wanted a better job, but because they were not offered any job. The situation simply was that there were several million less jobs than our people needed to live.

During that depression, even the lot of those who were employed was not necessarily a fortunate one. Many found it necessary to work in jobs which required only a small fraction of their talents. Many able and industrious youth who wanted to do well and could have done well in colleges or vocational schools were permanently denied the opportunity. The economic situation did not allow the pursuit of life, liberty and happiness in the full meaning of the term.

The depression was so severe that many were forever barred from living the full life. Most of us during that period did not come close to living what we usually regard as "normal" lives.

The depression, then, with its breadlines, its closed banks its windswept homes, its heartaches was a stern trial for our way of life. Not long afterwards, our way of life faced another test -- the test of fire. World War II came upon us. Before we were attacked, we saw Poland and Czechoslovakia, Denmark and Norway, Belgium, Holland, and France rapidly fall to the overwhelming might of a military machine which had been preparing itself for many years. The days of Dunkirk were dark days.

After we were attacked, we had many problems. We had to grind to a halt the production of automobiles, radios and refrigerators. We had to face shortages of rubber, copper and lumber. We had to lick the shortages of raw materials before we could make in quantity the finished products with which you fight a war. We were faced with the basic problem of converting a civilian economy into military preparedness after we were at war. And we were at war with countries that had been building up their military might for many years. A nation can lose a war that way. And we almost did.

After we were really under way in making planes, tanks and guns instead of cars, stoves, and pans, we still had tough problems. With the economy more and more converted to war, we made more and more money producing things which we could not buy. About that time our people began to hear of the inflationary gap. The battle against inflation brought us the headaches of wage and price control. On that I could talk a long time. In mobilizing ourselves to wage a total war, many stresses and strains were placed upon our economy.

Even after we were producing in quantity the weapons of war, we still had serious questions of transportation and of how much should be sent where. Another phrase became common to our people at that time: to little and too late.

Again it is hard to feel as we felt then. But do you remember in the summer of 1942 it appeared as though Stalingrad would fall? We were wondering about Alexandria and the Suez Canal. In the Pacific it was no remote possibility that Australia might be invaded. All through the oceans of the world we had not conquered the U-Boat. If our military might had been just a little less, or if we had gained it a little slower, or if the Axis had been a little stronger, Russia would not have held; the Allies in Africa would not have held; the Allies in the Pacific would not have held. We almost came to live under the rule of men who today stand trial at Nuernberg as criminals against civilization.

On the firing line, where all of the might this nation could muster met all of the might the enemy could muster, our men in uniform bore the brunt of the grim reality of war. These men, their families, and their loved ones made the great and noble sacrifices of this war, as they have in all wars. The only way that we can approach the giving of true thanks to the living, the dead, and the living dead is to work for peace as fully as we worked for victory.

There is a great lesson in the fact that this country was strong enough to whip the depression and to win the war, but I wish to emphasize that we mustered the strength to do both jobs without abdicating from our basic principles of individual freedom and integrity, of our way of life, of our system of government.

We maintained law and order and licked the depression with democratic processes. We maintained our way of life and whipped the Axis.

In the democratic fashion we gathered our strength and whipped the dictators who had sputtered that democracy was inefficient, soft and decadent. We mustered our resources and our manpower in an all out effort and preserved intact our constitutional right to gripe. Industry, labor, and agriculture, each of these groups did the impossible, and all together they performed a production miracle.

This miracle of production would not have been possible, if every man and woman had not constantly borne in mind the object to do everything possible for the war effort. Many who have put in hour upon hour for the war effort without tangible reward are unsung and unheralded. We owe a tribute to these thousands of volunteers who served in hospitals and the USO, who served on ration and draft boards, who collected salvage, who sold war bonds, and all who served our country in its most critical hour of need.

Through the efforts of all Americans we waged a total war and kept our economy on an even keel. True, we had our problems of wage and price control, of shortages and bottlenecks. But America, united, did the whole job so well that we overwhelmed the enemy with our might, had more than enough to live on at home, and kept the fires of inflation from consuming us.

We found the strength to win the war and lick the depression through our democratic processes. Moreover, it must be emphasized that it was not because we were not tempted that we continued to live according to our principles.

When we remember in all of its detail the situation during the depression in the early 30's, we realize that the stage was set for plans of dreamy salvation. Not only were our people ripe to be plucked by the appeals of demagogic despots, but the appeals were made. It is truly remarkable that with the conditions as they then existed we were able to keep our course so steady upon our traditional principles. It would have been so, so easy to turn to men with liquid promises who asked in return only that we give up a few of the individual freedoms and rights and privileges that we so abundantly inherited.

Likewise, when the war clouds gathered in foreign lands, and later when we were in it to the hilt and the outlook was dark and gloomy, it would have been so easy not to face the facts of life. Again our people, beladen with suffering and sacrifice, were in a susceptible state for fatalistic appeals, and again the appeals were made. Do you remember those who

would have had us bury our heads in the sand and not face the job we had to do? Do you remember the various groups who had some simple solution to win the war other than to out-produce, out-fight, out-think, and out-last the enemy? Do you remember the various groups that appealed to you not to ask for unconditional surrender but negotiate some sort of peace that would end the war? They asked in return only that we give up a few of our fundamental principles.

It is not only a remarkable achievement but it is also an inspiration that our way of life stood two such tests as these. Neither during the depression nor during the war was the latchstring removed from the courthouse door. Neither during the depression nor during the war was the election of our governing officials suspended. Neither during the depression nor during the war was the freedom of the press impaired, except for military security. Neither during the depression nor during the war was any life, liberty or property taken from any citizen without due process of law. Our Attorney General held the high purpose that civil liberties were to be maintained even during war. And they were.

Our way of life has stood the test. We can face the future with confidence, even though we face many difficult problems in this country and in the world. We have the problems of finding and carrying out the ways and means of full production, full employment, mass purchasing power, and efficient distribution. We have the political, social, and economic problems among nations that twice in our generation rocked us into war. The resolution of these problems is necessary for prolonged prosperity and for lasting peace.

While these problems are tough, surely they cannot be much tougher than the ones we have had since the Fall of '29. We solved those under our system of justice, law, and order. That is really as much inspiration as we need to face the future.

Our thoughts tonight turn to whether the world can also live through adversity and go forward under justice, law, and order. We wonder whether all of the international problems can be solved by discussion and conference and international collaboration. The simple answer is that it must be so. And saying that is far from whistling in the dark.

Already we have concrete evidence that the discussion and conference procedure does work among nations. Already we have many familiar landmarks. A few of these concrete landmarks, for illustration, are: Reciprocal Trade Agreements, the Export-Import Bank, Bretton Woods, and the United Nations Security Organization.

These trail-blazing measures, together with the others that will follow, offer us the definite assurance that the nations of the world can get together, can solve their problems. The nations of the world can work under these processes of justice, law, and order, and still remain alert and strong. This nation should, indeed it must, set a better example for the world than it did last time by remaining alert and strong.

If the world can solve its problems by discussion and at the same time be ready, willing and able to stamp out the international gangster before he commits his high felonies, we will have prevented war. Since wars are not ordained, but are man made, man can avoid war by doing the job and solving the problems that cause war.

Men throughout the world have within themselves an abiding faith and purpose that collaboration among nations under principles of justice, law, and order can carry the burden that rests upon our shoulders. Let the leaders of men see to it that this faith is realized.

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TREASURY DEPARTMENT
Washington

FOR RELEASE, MORNING NEWSPAPERS,
Tuesday, December 4, 1945.

Press Service
V-149

The Secretary of the Treasury announced last evening that the tenders for $1,300,000,000, or thereabouts, of 91-day Treasury bills to be dated December 6, 1945, and to mature March 7, 1946, which were offered on November 30, 1945, were opened at the Federal Reserve Banks on December 3.

The details of this issue are as follows:

Total applied for - $2,163,314,000
Total accepted - 1,303,377,000 (includes $48,699,000 entered on a fixed-price basis at 99.905 and accepted in full)
Average price - 99.905/ Equivalent rate of discount approx. 0.375% per annum

Range of accepted competitive bids:

High - 99.908 Equivalent rate of discount approx. 0.364 % per annum
Low - 99.905 " " " " " 0.376 " " "

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

Federal Reserve District	Total Applied for	Total Accepted
Boston	$ 54,515,000	$ 32,510,000
New York	1,527,646,000	893,271,000
Philadelphia	59,890,000	39,190,000
Cleveland	36,665,000	25,415,000
Richmond	29,975,000	25,655,000
Atlanta	3,440,000	3,350,000
Chicago	272,110,000	161,343,000
St. Louis	38,940,000	22,560,000
Minneapolis	13,625,000	8,675,000
Kansas City	27,638,000	22,688,000
Dallas	11,980,000	10,180,000
San Francisco	86,890,000	58,540,000
TOTAL	$2,163,314,000	$1,303,377,000

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Minneapolis	13,625,000	8,675,000
Kansas City	27,638,000	22,688,000
Dallas	11,980,000	10,180,000
San Francisco	86,890,000	58,540,000
TOTAL	$2,163,314,000	$1,303,377,000

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V-150

FOR IMMEDIATE RELEASE
December 4, 1945

The Bureau of Customs announced today preliminary figures showing the quantities of coffee entered for consumption during the period commencing October 1, 1945 as follows:

Country of Production	Quantity in Pounds As of November 24, 1945
Signatory Countries:	
Brazil	229,857,688
Colombia	94,869,525
Costa Rica	6,478,967
Cuba	58
Dominican Republic	4,168,165
Ecuador	5,905,453
El Salvador	5,185,850
Guatemala	10,380,594
Haiti	180,624
Honduras	2,854,324
Mexico	6,255,805
Nicaragua	760,112
Peru	664,125
Venezuela	2,070,898
Non-Signatory Countries	100,360
Total	369,732,548

TREASURY DEPARTMENT
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TREASURY DEPARTMENT

Washington

FOR RELEASE, MORNING NEWSPAPERS,
Thursday, December 6, 1945.

Press Service
No. V-151

The Secretary of the Treasury today called attention to the fact that the subscription books for the three issues of marketable securities will close, and the Victory Loan Drive will terminate, at the close of business December 8. These issues are the 2-1/2 percent Treasury Bonds of 1967-72, the 2-1/4 percent Treasury Bonds of 1959-62 and the 7/8 percent Treasury Certificates of Indebtedness of Series K-1946. Sales of the three issues of savings bonds, Series E, F and G, and of Series C Savings Notes, will, of course, continue.

Subscriptions for the three issues of marketable securities which are placed in the mail up to midnight of December 8 will be treated as timely subscriptions.

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~~Tentative Draft No. 1~~

Statement by Secretary Vinson on
U.S.-U.K. Negotiations

For Release: Thursday, Dec. 6, 5:30 p.m.

Our negotiation with the British has resulted in a happy conclusion which embraces many economic advantages for the American businessman, farmer and worker. Like all sound agreements it is beneficial to both contracting parties.

The financial agreement will make possible a marked expansion of trade directly with the United Kingdom and sterling area countries. Increased commerce with many other countries will result indirectly. Thus this nation will benefit and the likelihood of a world divided into rival economic blocs will be lessened.

It is significant that two nations although beset with the enormous problems of domestic reconversion have arrived at a mutually advantageous arrangement which takes us another long step along the road to permanent peace and world security.

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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.

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. Subject to these reservations, tenders for $200,000 or less from any one bidder at 99.905 entered on a fixed-price basis will be accepted in full. 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 13, 1945.

V-153

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

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TREASURY DEPARTMENT

Washington

FOR RELEASE, MORNING NEWSPAPERS,
Friday, December 7, 1945.
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The Secretary of the Treasury, by this public notice, invites tenders for $1,300,000,000, or thereabouts, of 91-day Treasury bills, to be issued on a discount basis under competitive and fixed-price bidding as hereinafter provided. The bills of this series will be dated December 13, 1945, and will mature March 14, 1946, 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 ~~war~~ Standard time, Monday, December 10, 1945. 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 2 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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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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TREASURY DEPARTMENT
Bureau of Internal Revenue
Washington 25, D. C.

12/7 am

✓-154

Joseph D. Nunan, Jr., Commissioner of Internal Revenue, announced today the appointment of Dr. T. C. Atkeson as Assistant to the Commissioner and of C. B. Allen as Deputy Commissioner of the Income Tax Unit of the Bureau of Internal Revenue.

Dr. Atkeson, who formerly was head of the Clearing Division, will be in charge of research and statistical activities of the Bureau. Dr. Atkeson succeeds Paul A. Hankins who recently became Assistant Commissioner. Dr. Atkeson, who is 48, is a native of Columbia, Alabama. He attended the ~~and a graduate of the~~ University of Alabama, and ~~He~~ received the degree of Doctor of Philosophy in 1931 from Georgetown University for his studies in economics and statistics.

Mr. Allen formerly was Assistant Deputy Commissioner of the Income Tax Unit. He succeeds Norman D. Cann, who resigned to enter private business. Mr. Cann, who had been with the Bureau since 1924, had been Deputy Commissioner of the Income Tax Unit for the past two years, and formerly held the positions of Assistant Commissioner and Head of the Los Angeles Division of the Technical Staff.

Mr. Allen has been in Government service since 1907 and has occupied various important positions in the Bureau of Internal Revenue continuously since ~~1917~~ 1911. For 16 years, he was Internal Revenue Agent-in-charge of the Upper New York Division, one of the most responsible field positions in the Bureau. Mr. Allen, who is 59, is a native of Augusta, Maine.

Edward I. McLarney, formerly Head of the Field Procedure Division of the Income Tax Unit, will be Acting Assistant Deputy Commissioner in place of Mr. Allen. Mr. McLarney, who is 48, is a native of Washington, D. C.

F. H. Sherwood, formerly Head of Audit Review Division C, has been reassigned as Head of the Clearing Division. James W. Warner, formerly Assistant Head of Audit Review Division B, will be Head of Audit Review Division C.

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TREASURY DEPARTMENT
Bureau of Internal Revenue
Washington 25, D. C.

FOR RELEASE, MORNING NEWSPAPERS
Friday, December 7, 1945

Press Service
No. V-154

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to Mr Feltus

all transactions between the licensed countries and between these countries and any non-blocked countries. Financial instruments and documents, currency and securities, and instructions relating to property interests may be sent to the licensed countries. Persons in these countries may buy and sell dollar exchange and exchange of the countries may be freely dealt in by persons in the United States. No limitations remain on the amount of money that may be remitted to the licensed countries nor on the purpose or method of the remittances. In addition to having the unrestricted use of all dollar assets hereafter accruing, persons in the licensed countries may also use their presently blocked accounts for any purposes authorized under outstanding Treasury licenses without having to effect such transactions in any prescribed manner.

Most of the restrictions imposed on securities by the freezing Order are removed with respect to the licensed countries and their nationals. Securities are no longer subject to freezing controls merely because they bear the stamp of any of the licensed countries. Securities accounts of financial institutions within the licensed countries are no longer subject to General Ruling No. 17. However, securities imported from most foreign countries are still subject to General Ruling No. 5.

Tangier is not for the present one of the licensed countries, since the provisional international regime in Tangier has only recently been established and is currently investigating problems relating to the control and disposition of enemy interests.

The effective date of General License No. 94, it is pointed out, is December 7, 1945, except that for France and Belgium it is, respectively, October 5 and November 20, the dates on which the French and Belgian defrosting licenses were issued.

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MSchwartz:JSRichards:EArnold:[illegible]:CASchmidt:ems 11/21/45

C.P.B. MSchwartz E.A. Richards RRS. 7 [illegible]

TREASURY DEPARTMENT
Washington 2

FOR RELEASE, MORNING NEWSPAPERS, Thursday, December 6, 1945 — Press Service No. V-55

A sweeping relaxation of the freezing control was just announced by Secretary Vinson. Under General License No. 94, ~~issued today~~, which goes into effect tomorrow, all countries except Portugal, Spain, Sweden, Switzerland, Liechtenstein, Tangier and, of course, Germany and Japan will hereafter be treated in practically all respects as non-blocked countries under the freezing Order. All controls are removed over current transactions with the countries covered by the new general license. Americans may hereafter engage in financial and commercial transactions with persons in these countries as freely as with persons in Great Britain, Canada, or other countries of the Western Hemisphere. However, existing blocked accounts of persons within the licensed countries are not freed by this license.

The Treasury action did not change the status under the freezing Order of Portugal, Spain, Switzerland, Sweden and Liechtenstein. These countries cannot be accorded the privileges being made available to other countries until they have taken effective action to search out, immobilize, and control all enemy assets within their jurisdiction, and until a satisfactory solution has been reached concerning the disposition of these enemy assets.

Treasury officials explained that controls over existing blocked accounts of persons within the licensed countries remain in effect for the time being in order to ensure that camouflaged enemy assets are not released. General licenses have already been issued to France and Belgium which provide for the certification by French and Belgian authorities of blocked property after their investigation has shown that the property is actually French or Belgian owned. Property so certified is no longer regarded as blocked property. Negotiations similar to those which preceded the issuance of the general licenses to France and Belgium are under way with other liberated countries. It is expected that licenses will shortly be issued to provide for the certification and release of their property. Blocked Italian, Bulgarian, Hungarian and Rumanian property is in a separate category because of the declaration of war by the United States against those countries.

The Secretary emphasized that this general license ~~issued today~~ permits the immediate resumption of normal financial and commercial relations with the licensed countries so far as the freezing regulations are concerned. United States banking facilities may be used to finance

TREASURY DEPARTMENT

Washington

FOR RELEASE, MORNING NEWSPAPERS
Thursday, December 6, 1945

Press Service
No. V-155

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The Secretary emphasized that this general license permits the immediate resumption of normal financial and commercial relations with the licensed countries so far as the freezing regulations are concerned. United States banking facilities may be used to finance all tranactions between the licensed countries and between these countries and any non-blocked countries. Financial instruments and documents, currency and securities, and instructions relating to property interests may be sent to the licensed countries. Persons in those countries may buy and sell dollar exchange and exchange of the countries may be freely dealt in by persons in the United States. No limitations remain on the amount of money that may be remitted to the licensed countries nor on the purpose or method of the remittances.

In addition to having the unrestricted use of all dollar assets hereafter accruing, persons in the licensed countries may also use their presently blocked accounts for any purposes authorized under outstanding Treasury licenses without having to effect such transactions in any prescribed manner.

Most of the restrictions imposed on securities by the freezing Order are removed with respect to the licensed countries and their nationals. Securities are no longer subject to freezing controls merely because they bear the stamp of any of the licensed countries. Securities accounts of financial institutions within the licensed countries are no longer subject to General Ruling No. 17. However, securities imported from most foreign countries are still subject to General Ruling No. 5.

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The effective date of General License No. 94, it is pointed out, is December 7, 1945, except that for France and Belgium it is, respectively, October 5 and November 20, the dates on which the French and Belgian defrosting licenses were issued.

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It makes provision for issuance of a substitute check speedily even where the original disbursing officer has left the service of the Government, where a check was drawn against a foreign depositary, and in other situations that previously have involved lengthy delays.

The issuance of a "substitute", rather than "duplicate" check hitherto drawn greatly reduces the possibility of the instrument becoming "stale" before it can be presented for payment, since the new check is dated currently. Checks that are more than one full fiscal year old are not payable by the Treasurer of the United States, but must be handled as claims through the General Accounting Office.

Heretofore, such claims could not be handled until reconcilement of accounts of the responsible disbursing officers had been accomplished by the GAO. Due to the tremendous volume of check transactions during the war, XXXXX delays in such accounting became inevitable.

The new procedure agreed upon by the Treasury and the GAO will expedite the payment of these claims for out-dated checks tremendously. It involves transfer of lump-sum amounts from accounts of disbursing officers to a trust fund from which payment may be made before the actual reconcilement of accounts.

In the case of lost, stolen and destroyed checks, special deposit accounts are set up in the Treasury against which substitute checks may be drawn.

Inquiry as to procedure in either type of claim may be made to the Chief Disbursing Officer, Treasury Department, Washington.

Ag. 127. O. ? ?

PROPOSED PRESS RELEASE

12/7 pm

V-156

The Treasury Department today inaugurated sweeping procedural changes designed to speed up greatly the liquidation of claims arising from lost, stolen, destroyed, mutilated and out-of-date Government checks, changes that will be of particular assistance to many thousands of service personnel temporarily deprived of their money as a result of war hazards.

The wholesale elimination of accounting delays, in part made possible by legislation sponsored by the Treasury and the General Accounting Office and just signed by the President, and in part by agreement between the two agencies under existing law, will reduce the time required for settling such claims in many cases from possibly months, to a few days.

Treasury Officials ~~Robert W. Maxwell, Treasury Commissioner of Accounts,~~ said that with claims in the two classifications involved running currently at a rate in excess of 12,000 a month, the speeding up of payment obviously is essential to eliminate hardships that otherwise would exist for great numbers of men returning from long service overseas. The simplified procedure will, of course, apply to similar claims from non-service recipients of Government checks.

In the case of lost, stolen, destroyed or mutilated checks, the new procedure eliminates in most cases the requirement that the payee provide indemnity or surety to protect the Government in case the original instrument turns up, and accepts simple application for a substitute check.

TREASURY DEPARTMENT

Washington

FOR RELEASE, AFTERNOON NEWSPAPERS
Friday, December 7, 1945

Press Service
No. V-156

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STATUTORY DEBT LIMITATION
AS OF NOVEMBER 30, 1945

Section 21 of the Second Liberty Bond Act, as amended, provides that the face amount of obligations issued under authority of that Act, and the face amount of obligations guaranteed as to principal and interest by the United States (except such guaranteed obligations as may be held by the Secretary of the Treasury). "shall not exceed in the aggregate $300,000,000,000 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			$300,000,000,0[illegible]
Outstanding November 30, 1945			
Obligations issued under Second Liberty Bond Act, as amended			
Interest-bearing			
Bonds			
Treasury	$109,370,910,000		
Savings (maturity value)*	58,259,849,400		
Depositary	497,174,500		
Adjusted Service	500,157,956	$168,628,091,856	
Treasury notes	43,759,125,300		
Certificates of Indebtedness	44,027,307,000		
Treasury bills	17,026,348,000		
Prepayments	191,971,000	105,004,751,300	
Total interest-bearing		273,632,843,156	
Matured, interest-ceased		202,586,375	
Bearing no interest			
War Savings Stamps	139,356,470		
Excess profits tax refunds bonds	1,131,126,038	1,270,482,508	
Total		275,105,912,039	
Guaranteed obligations (not held by Treasury)			
Interest-bearing			
Debentures: F.H.A.	39,120,936		
Demand obligations: C.C.C.	497,304,363	536,425,299	
Matured, interest ceased		16,225,275	
		552,650,574	
Grand total outstanding			275,658,562,[illegible]
Balance face amount of obligations issuable under above authority			24,341,437,[illegible]

Reconcilement with Statement of the Public Debt - November 30, 1945
(Daily Statement of the United States Treasury, December 1, 1945)

Outstanding November 30, 1945		
Total gross public debt		265,341,822,[illegible]
Guaranteed obligations not owned by the Treasury		552,650,[illegible]
Total gross public debt and guaranteed obligations		265,894,47[illegible]
Add - unearned discount on U. S. Savings Bonds (Difference between maturity value and current redemption value)	10,787,066,148	
Deduct - other outstanding public debt obligations not subject to debt limitation	1,022,977,037	9,764,089,[illegible]
		275,658,562,[illegible]

* Approximate face or maturity value; current redemption value $47,472,783,252

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Matured, interest ceased		16,225,275	
		552,650,574	
Grand total outstanding			275,658,562,613
lance face amount of obligations issuable under above authority			24,341,437,387

Reconcilement with Statement of the Public Debt - November 30, 1945
(Daily Statement of the United States Treasury, December 1, 1945)

standing November 30, 1945		
otal gross public debt		265,341,822,928
uaranteed obligations not owned by the Treasury		552,650,574
Total gross public debt and guaranteed obligations		265,894,473,502
d - unearned discount on U. S. Savings Bonds (Difference between maturity value and current redemption value)	10,787,066,148	
duct - other outstanding public debt obligations not subject to debt limitation	1,022,977,037	9,764,089,111
		275,658,562,613

Approximate face or maturity value; current redemption value $47,472,783,252

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For PMS Tuesday Dec 11

~~PROPOSED PRESS RELEASE~~

V-158

Miami Beach, Florida, December 11 --

Frank J. Wilson, Chief of the United States Secret Service, today urged the establishment of a national council on crime prevention and juvenile delinquency to carry on, through all welfare and public service channels, a continuing campaign to "keep the good boy good".

The Treasury official, addressing the convention here of the International Association of Chiefs of Police, termed prevention of juvenile delinquency one of the most serious problems confronting peace officers in the post war period. He called upon the International Association of Chiefs of Police to take the lead in promoting a national council with a long range program.

"This council should embrace representatives of law enforcement, the Church, labor organizations, industry, education departments, social agencies, health departments, national foundations, and all other interested parties," Chief Wilson said.

"Such a council would have the power and prestige to obtain a high degree of cooperation, support, and assistance from the best groups in the country. Such a council could count on the valuable help of the press, the motion picture industry, the radio and television industry and other important agencies capable of reaching all of our citizens.

"Such a council of farseeing men and women could awaken the nation to the fact that, beyond all comparison, it's more important to cause a potential delinquent to remain a good boy and become a good citizen, than it is to use large sums of tax money to hunt, catch, punish, support, or to try to rehabilitate that boy after he becomes a criminal.

"These boys and girls will be the guiding spirits of our country in the future. In the future they will control this great Republic. Right now, they need more spiritual guidance, more home guidance, and more community guidance."

Chief Wilson pointed to the National Committee for Traffic Safety and the National Community Chest Council as examples of agencies effectively coordinating many groups in meeting national problems.

The Secret Service Chief cited the successful long-range crime prevention program ~~activities~~ of his own organization through Know your Money and Know your Endorser campaign ~~in fields of~~ counterfeiting and check forgery as proof that this approach can be a potent factor both in safeguarding the public and at the same time saving many potential law violators.

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TREASURY DEPARTMENT
Washington

FOR RELEASE, AFTERNOON NEWSPAPERS,
Tuesday, December 11, 1945.

Press Service
No. V-158

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TREASURY DEPARTMENT

WASHINGTON 25

FOR VICTORY BUY UNITED STATES WAR BONDS AND STAMPS

OFFICE OF
COMMISSIONER OF INTERNAL REVENUE

ADDRESS REPLY TO
COMMISSIONER OF INTERNAL REVENUE
AND REFER TO

IT:Rec:DLS

DEC 3 - 1945

Memorandum for Mr. Charles P. Shaeffer
Director of Public Relations
Treasury Department

There is transmitted a supplemental report of payments of salary, commission, bonus or other compensation paid in excess of $75,000.00 compiled from income tax returns, Schedule F-1, filed for the calendar years 1942 and 1943 and fiscal years ended in 1943 and 1944.

Commissioner

SUPPLEMENTAL #1

REPORT OF PAYMENTS OF SALARY, COMMISSION, BONUS OR OTHER COMPENSATION PAID IN EXCESS OF $ 75,000.00 COMPILED FROM INCOME RETURNS, SCHEDULE F-1, FILED FOR THE CALENDAR YEAR 1943 AND FISCAL YEARS ENDED IN 1944.

SUPPLEMENTAL #3

REPORT FOR THE CALENDAR YEAR 1942 AND FISCAL YEARS ENDED IN 1943

(1)

NAME OF CORPORATION AND OFFICERS OR EMPLOYEES	CALENDAR OR FISCAL YEAR ENDED	SALARY	COMMISSION	BONUS	OTHER COMPEN-SATION	TOTAL
ALABAMA						
WATERMAN STEAMSHIP CORPORATION	9/30/44					
Roberts, E. A.		61,722.41		50,000.00	340.00	112,062.41
CALIFORNIA						
CONSOLIDATED VULTEE AIRCRAFT CORPORATION	11/30/44					
Girdler, T. M.		137,500.00				137,500.00
Laddon, I. M.		85,000.00			5.00	85,005.00
Woodhead, Harry		85,000.00			5.00	85,005.00
Note: The compensation of T. M. Girdler shown above of $137,500 was paid to the Republic Steel Corporation and not direct to Mr. Girdler.						
DOUGLAS AIRCRAFT COMPANY, INC.	11/30/44					
Douglas, Donald W.		120,000.00			400.00	120,400.00
NORTH AMERICAN AVIATION, INC.	9/30/44					
Atwood, J. L.		75,000.00			300.00	75,300.00
Kindelberger, J. H.		140,000.00			350.00	140,350.00
PACIFIC GAS AND ELECTRIC COMPANY	12/31/43					
Black, Jas. B.		75,000.00			1,160.00	76,160.00
J. D. AND A. B. SPRECKELS COMPANY	12/31/43					
Belcher, F. J., Jr.		75,000.00		18,750.00		93,750.00
STANDARD OIL COMPANY OF CALIFORNIA	12/31/43					
Collier, Henry D.		123,555.20*				123,555.20
* Includes an annuity of $3,629.60 monthly paid to Mr. Collier by Insurance Companies, under the Company's Annuity Plan.						
CONNECTICUT						
EDWARDS AND COMPANY, INC.	12/31/43					
Edwards, R. Stafford		118,817.18				118,817.18
McHugh, Edward P.		77,231.94				77,231.94
Miller, Christian		77,231.94				77,231.94
Nolan, Thomas S.		77,231.94				77,231.94
REMINGTON ARMS COMPANY, INC.	12/31/43					
Davis, C. K.		39,996.00		46,250.00	260.00	86,506.00
UNITED AIRCRAFT CORPORATION	12/31/43					
Rentschler, Frederick B.		75,000.00			2,900.00	77,900.00
Wilson, Eugene E.		75,000.00			3,100.00	78,100.00
ILLINOIS						
R. R. DONNELLEY & SONS CO.	12/31/43					
Littell, C. G.		26,000.00		68,308.50		94,308.50
GENERAL OUTDOOR ADVERTISING CO., INC.	12/31/43					
Robbins, Burnett W.		75,000.00			150.00	75,150.00
HYMAN-MICHAELS COMPANY	12/31/43					
Purdy, S. E.		96,999.96				96,999.96
LADY ESTHER, LTD.	12/31/43					
Busiel, Alfred		96,000.00				96,000.00
Busiel, Syma		96,000.00				96,000.00
MARS, INCORPORATED	12/31/43					
Mars, Mrs. E. V.		120,000.00				120,000.00
NORTHWEST ENGINEERING COMPANY	12/31/43					
Houston, L. E.		50,000.00		50,000.00		100,000.00
SEARS, ROEBUCK AND CO.	12/31/43					
Barrows, A. S.		73,470.00		25,000.00		98,470.00
Houser, T. V.		60,000.00		20,000.00		80,000.00
Wood, R. E.		73,200.00		10,000.00		83,200.00
J. P. SEEBURG CORPORATION	9/30/44					
Seeburg, J. P.		49,999.92		40,000.00		89,999.92
Seeburg, N. Marshall		49,999.92		30,000.00		79,999.92
STANDARD OIL COMPANY (INDIANA)	12/31/43					
Seubert, Edward G.		41,925.60			66,911.76	108,837.36
THE WANDER COMPANY	12/31/43					
McMillan, James G.		40,000.00		116,422.96		156,422.96
INDIANA						
MEAD JOHNSON & COMPANY	12/31/43					
Johnson, Lambert D.		40,368.41		90,789.73		131,158.14
Larson, W. N.		20,104.67		60,526.49		80,631.16
Rose, A. L.		20,104.67		60,526.49		80,631.16
SERVEL, INC.	10/31/44					
Ruthenburg, Louis		60,000.00		27,500.00	1,200.00	88,700.00

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NAME OF CORPORATION AND OFFICERS OR EMPLOYEES	CALENDAR OR FISCAL YEAR ENDED	SALARY	COMMISSION	BONUS	OTHER COMPEN-SATION	TOTAL
KANSAS						
BEECH AIRCRAFT CORPORATION	9/30/44					
Beech, Walter H.		40,000.08			41,270.04	81,270.12
THE CESSNA AIRCRAFT COMPANY	9/30/44					
Wallace, Dwane L.		53,000.00		26,000.00		79,000.00
Wallace, Dwight S.		53,000.00		26,000.00		79,000.00
LOUISIANA						
HIGGINS INDUSTRIES, INC.	12/31/43					
Higgins, Andrew J.		83,333.33				83,333.33
MARYLAND						
COMMERCIAL CREDIT COMPANY	12/31/43					
Duncan, A. E.		85,000.00				85,000.00
CROWN CORK & SEAL COMPANY, INC.	12/31/43					
McManus, Charles E.		108,333.33				108,333.33
THE HECHT COMPANY	1/31/44					
Dulcan, Charles B., Sr.		50,000.00		123,708.34		173,708.34
Goodman, Moses H.		45,000.00		39,680.54		84,680.54
Hecht, Malcolm		45,000.00		31,479.97		76,479.97
MASSACHUSETTS						
PEPPERELL MANUFACTURING COMPANY	6/30/44					
Leonard, Russell H.		60,000.00		40,000.00		100,000.00
U. S. BRANCH OF THE EMPLOYERS' LIABILITY ASSURANCE CORPORATION, LIMITED	12/31/43					
Stone, Edward C.		81,000.00			127,375.53	208,375.53
WINSLOW BROS. & SMITH CO.	10/31/44					
Cook, Cheney E.		75,000.00			260.00	75,260.00
MICHIGAN						
BENDIX AVIATION CORPORATION	9/30/44					
Breech, Ernest R.		79,999.92				79,999.92
EX-CELL-O CORPORATION	11/30/44					
Huber, Phil		26,400.00		98,600.00		125,000.00
GIBSON REFRIGERATOR COMPANY	7/31/44					
Gibson, Charles J.		100,000.00		12,916.91		112,916.91
THE J. L. HUDSON COMPANY	1/31/44					
Preston, Geo. E.						80,183.33
Webber, Richard H.						102,266.66
Webber, Oscar						139,183.33
Webber, J. B., Sr.						101,183.33
HUDSON MOTOR CAR COMPANY	12/31/43					
Barit, A. E.		90,000.00				90,000.00
NASH-KELVINATOR CORPORATION	9/30/44					
Mason, George W.		125,000.16				125,000.16
NATIONAL BROACH AND MACHINE COMPANY	11/30/44					
Drummond, Robert S.						86,186.20
REO MOTORS, INC.	12/31/43					
Hund, H. E.		40,800.00			70,000.00	110,800.00
N. A. WOODWORTH COMPANY	11/30/44					
Woodworth, N. A.		90,000.00				90,000.00
MINNESOTA						
NORTHERN ORDNANCE, INCORPORATED	6/30/44					
Hawley, John B., Jr.		60,000.00		340,000.00		400,000.00
MISSOURI						
ANHEUSER-BUSCH, INC.	12/31/43					
Busch, Adolphus, III		85,000.00		60,000.00		145,000.00
CURLEE CLOTHING COMPANY	11/30/44					
Curlee, F. M.		8,333.34		73,864.05	5,000.00	87,197.39
Curlee, S. H., Jr.		8,333.33		72,879.20		81,212.53
NEBRASKA						
J. L. BRANDEIS & SONS	1/31/44					
Brandeis, George		49,999.92		69,746.10		119,746.02

NAME OF CORPORATION AND OFFICERS OR EMPLOYEES	CALENDAR OR FISCAL YEAR ENDED	SALARY	COMMISSION	BONUS	OTHER COMPEN-SATION	TOTAL
NEW JERSEY						
AMERICAN HOME PRODUCTS CORPORATION	12/31/43					
Brush, Alvin G.		50,000.00		15,000.00	15,000.00	80,000.00
P. BALLANTINE & SONS	3/31/44					
Badenhausen, Carl W.		130,000.00		15,000.00		145,000.00
Badenhausen, Otto A.		128,000.00		15,000.00		143,000.00
BRISTOL-MYERS COMPANY	12/31/43					
Bristol, H. P.		60,000.00		27,415.69		87,415.69
Bristol, L. H.		49,999.92		27,415.69		77,415.61
Bristol, W. M., Jr.		49,999.92		27,415.69		77,415.61
Means, E. A.		49,999.92		27,415.69		77,415.61
HELLER BROTHERS COMPANY	7/31/44					
Heller, Paul E.		48,000.00		36,316.63		84,316.63
THE SINGER MANUFACTURING COMPANY	12/31/43					
Alexander, Sir Douglas, Bart.		100,000.00				100,000.00
UNITED STATES PIPE & FOUNDRY COMPANY	12/31/43					
Russell, N. F. S.		60,000.00			10,336.00*	70,336.00**

** In addition to the above there was $10,136.00 deposited in Trust Fund for future benefit.
* Added Compensation amounting to $10,136.00 paid January 28, 1944.

NAME OF CORPORATION AND OFFICERS OR EMPLOYEES	CALENDAR OR FISCAL YEAR ENDED	SALARY	COMMISSION	BONUS	OTHER COMPEN-SATION	TOTAL
NEW YORK						
AIR REDUCTION COMPANY, INC.	12/31/43					
Adams, C. E.		65,000.00		49,375.00	1,200.00	115,575.00
ALLIED CHEMICAL & DYE CORPORATION	12/31/43					
Atherton, H. F.		125,000.00				125,000.00
AMERICAN CAR AND FOUNDRY COMPANY	4/30/44					
Hardy, Charles J.		117,083.48			1,429.00	118,512.48
Stevenson, F. A.		64,275.00			36,429.00	100,704.00
AMERICAN CYANAMID & CHEMICAL CORPORATION	12/31/43					
Derby, H. L.		44,928.00		37,670.29		82,598.29
AMERICAN FLANGE & MFG. CO., INC.	11/30/44					
Parish, Richard L.		125,000.00				125,000.00
AMERICAN WOOLEN COMPANY	12/31/43					
Pendleton, Moses		125,000.00			550.00	125,550.00
ATLAS CORPORATION	12/31/43					
Odlum, Floyd B.		100,000.00				100,000.00
THE AVIATION CORPORATION	11/30/44					
Emanuel, Victor		90,000.00				90,000.00
BELL AIRCRAFT CORPORATION	12/31/43					
Bell, Lawrence D.		100,000.00		50.00	22,824.21	122,874.21
Whitman, Ray P.		60,000.00		50.00	21,759.20	81,809.20

Included in Other Compensation is the contribution made by the Corporation to a trust fund which forms a part of a pension plan for the benefit of employees. The amount included for Lawrence D. Bell is $22,024.21 and for Ray P. Whitman is $21,059.20.

NAME OF CORPORATION AND OFFICERS OR EMPLOYEES	CALENDAR OR FISCAL YEAR ENDED	SALARY	COMMISSION	BONUS	OTHER COMPEN-SATION	TOTAL
CARTER CARBURETOR CORPORATION	4/30/44					
Weed, Hugh H. C.		48,000.00			58,531.00	106,531.00
CERRO DE PASCO COPPER CORPORATION	12/31/43					
Kingsmill, Harold		75,000.00			1,184.13	76,184.13
CITIES SERVICE COMPANY	12/31/43					
Jones, W. Alton		150,000.00			180.00	150,180.00
COLUMBIA PICTURES CORPORATION	6/30/44					
Aherne, Brian		113,875.00				113,875.00
Bischoff, Samuel		91,000.00				91,000.00
Buchman, Sidney		130,000.00				130,000.00
Cohn, Harry		182,000.00			67,600.00	249,600.00
Cohn, Jack		105,750.00			36,600.00	142,350.00
Cummings, Irving		194,444.33				194,444.33
Grant, Cary		133,333.33				133,333.33
Hall, Al		108,750.00				108,750.00
Kyser, Kay		100,000.00				100,000.00
Montague, Abraham		79,500.00				79,500.00
Muni, Paul		125,000.00				125,000.00
Robinson, Edward G.		127,083.33				127,083.33
Russell, Rosalind		166,666.67				166,666.67
Saville, Victor		117,500.00				117,500.00
Schneider, Abraham		90,100.00			8,200.00	98,300.00
Siegel, Sol		87,608.33				87,608.33
Van Upp, Virginia		91,000.00				91,000.00
Wolfson, P. J.		85,166.67				85,166.67
COMMERCIAL INVESTMENT TRUST CORPORATION	12/31/43					
Dietz, Arthur O.		100,000.00			110.00	100,110.00
T. M. DUCHE & SONS, INC.	11/30/44					
Graessle, W. F.		3,180.00			101,049.07	104,229.07
H. DUYS & CO., INC.	3/31/44					
Steur, John A. C.					86,426.72	86,426.72*

* Includes $10,000.00 paid on account for expenses.

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NAME OF CORPORATION AND OFFICERS OR EMPLOYEES	CALENDAR OR FISCAL YEAR ENDED	SALARY	COMMISSION	BONUS	OTHER COMPEN-SATION	TOTAL
NEW YORK						
ETHYL CORPORATION	12/31/43					
Webb, Earle W.		60,000.00		39,931.48		99,931.48
JULIUS FORSTMANN CORPORATION	11/30/44					
Rosenberg, Bernard A.			70,706.06		27,000.00	97,706.06
ROBERT GAIR COMPANY, INC.	12/31/43					
Dyke, George E.		48,000.00		43,166.36	327.23	91,493.59
GENERAL CABLE CORPORATION	12/31/43					
Palmer, D. R. G.		60,000.00		30,000.00		90,000.00
GENERAL FOODS CORPORATION	12/31/43					
Chester, Colby M.		122,333.27				122,333.27
Francis, Clarence		116,818.07				116,818.07
Igleheart, Austin S.		101,818.14				101,818.14
Metcalf, Charles W.		86,818.10				86,818.10
Young, Udell C.		76,212.08				76,212.08
GIMBEL BROTHERS, INC.	1/31/44					
Gimbel, Bernard F.		100,000.00				100,000.00
Broido, Louis		50,000.04		35,000.00		85,000.04
Gimbel, Frederic A.		49,999.92		47,500.08		97,500.00
Kaufmann, Arthur C.		50,000.00		47,500.00		97,500.00
KAUFMANN AND BAER COMPANY	1/31/44					
Blum, Jacques		50,000.00		47,500.00		97,500.00
SAKS & COMPANY	1/31/44					
Gimbel, Adam L.		60,000.00		40,000.00		100,000.00
CHR. HANSEN'S LABORATORY, INC.	8/31/43					
Monrad, Karl J.		12,000.00		67,634.85		79,634.85
HEARST MAGAZINES, INC.	12/31/43					
Berlin, R. E.		50,000.00		74,121.90		124,121.90
JOSKE BROS. CO.	1/31/44					
Calvert, James H.		24,000.00		94,679.49		118,679.49
S. LIEBOVITZ & SONS, INC.	12/31/43					
Rosensweig, Louis		25,000.00		96,989.56		121,989.56
LOEW'S INCORPORATED	8/31/44					
Arnold, Edward		99,583.31				99,583.31
Astaire, Fred		225,127.87				225,127.87
Beery, Wallace		250,000.00				250,000.00
Berman, Pandro S.		191,750.00				191,750.00
Bernstein, David		93,600.00			192,306.28	285,906.28
Boyer, Charles		122,916.67				122,916.67
Brown, Clarence		209,200.00				209,200.00
Buzzell, Edward		78,375.00				78,375.00
Cohn, J. J.		130,083.33				130,083.33
Coleman, Ronald		178,333.32				178,333.32
Considine, J. W., Jr.		169,000.00				169,000.00
Conway, Jack		176,000.00				176,000.00
Crisp, Donald		110,833.34				110,833.34
Cukor, George		210,600.00				210,600.00
Cummings, John S.		107,250.00				107,250.00
Del Ruth, Roy		91,000.00				91,000.00
Dietrich, Marlene		120,000.00				120,000.00
Dietz, Howard		65,000.00			13,000.00	78,000.00
Durante, Jimmy		133,749.98				133,749.98
Fleming, Victor		110,500.00				110,500.00
Franklin, Sidney		232,500.00				232,500.00
Freed, Arthur		138,166.66				138,166.66
Gable, Clark		161,250.00				161,250.00
Garnett, Tay		109,856.95				109,856.95
Garson, Greer		200,000.00				200,000.00
Gibbons, Cedric		91,000.00				91,000.00
Goetz, Ben		104,000.00				104,000.00
Gumm, Frances (Judy Garland)		142,083.33				142,083.33
Hepburn, Katherine		227,013.49				227,013.49
Holtz, Lou		84,250.00				84,250.00
Hornblow, Arthur, Jr.		182,000.00				182,000.00
2 Huston, Walter		93,333.32				93,333.32
James, Harry		98,512.01				98,512.01
Katz, Sam		156,000.00			142,125.86	298,125.86
Koster, Henry		143,000.00				143,000.00
Laughton, Charles		102,187.50				102,187.50
Lawrence, Vincent		84,666.67				84,666.67
Leonard, Robert Z.		208,000.00				208,000.00
Le Roy, Mervyn		182,000.00				182,000.00
Lewin, Albert		104,000.00				104,000.00
Lichtman, Al.		156,000.00			112,094.40	268,094.40
Loy, Myrna		100,000.00				100,000.00
Mandl, Hedwig K. (Hedy Lamarr)		114,000.00				114,000.00
Mannix, E. J.		158,600.00			142,125.86	300,725.86
Mayer, J. G.		78,000.00				78,000.00

NAME OF CORPORATION AND OFFICERS OR EMPLOYEES	CALENDAR OR FISCAL YEAR ENDED	SALARY	COMMISSION	BONUS	OTHER COMPEN-SATION	TOTAL
NEW YORK						
LOEW'S INCORPORATED	8/31/44					
Mayer, L. B.		156,000.00			752,069.95	908,069.95
McGuinness, James		109,875.00				109,875.00
McLeod, Norman		99,428.30				99,428.30
Morgan, Frank		244,680.52				244,680.52
Murphy, George		113,000.00				113,000.00
Pasternak, Joseph		163,000.00				163,000.00
Pidgeon, Walter		108,791.66				108,791.66
Powell, William		292,500.00				292,500.00
Rapf, Harry		99,875.00				99,875.00
Riskin, Everett		124,833.33				124,833.33
Roberts, Marguerite		76,500.00				76,500.00
Robinson, Casey		125,000.00				125,000.00
Rodgers, W. F.		104,000.00			10,400.00	114,400.00
Rooney, Mickey		66,566.66		100,000.00		166,566.66
Rubin, J. Robert		88,400.00			191,355.38	279,755.38
Ruggles, Wesley		185,066.67				185,066.67
Sanders, George		87,500.00				87,500.00
Schenck, N. M.		105,300.00			286,560.46	391,860.46
Sidney, Louis K.		78,000.00				78,000.00
Skelton, Richard		76,983.30				76,983.30
Sothern, Ann		99,166.68				99,166.68
Thau, Benjamin		91,000.00			109,144.40	200,144.40
Thorpe, Richard		91,000.00				91,000.00
Taurog, Norman		156,000.00				156,000.00
Tracy, Spencer		270,545.76				270,545.76
Turner, Lana		112,000.00				112,000.00
Vidor, King		115,333.33				115,333.33
Weingarten, L.		169,000.00			45,531.46	214,531.46
Wellman, William		105,833.33				105,833.33
Wilson, Carey		106,250.00				106,250.00
Young, Robert		119,500.00				119,500.00
Zimbalist, Sam		110,250.00				110,250.00
R. H. MACY & CO., INC.	1/31/44					
Marks, Edwin I.		91,900.00			300.00	92,200.00
Straus, Jack I.		102,733.34			320.00	103,053.34
MANUFACTURERS TRUST COMPANY	12/31/43					
Gibson, Harvey D.		135,000.00			127.00	135,127.00
THE MATHIESON ALKALI WORKS (INC.)	12/31/43					
Allen, E. M.		91,200.00				91,200.00
METROPOLITAN LIFE INSURANCE COMPANY	12/31/43					
Lincoln, Leroy A.		125,000.00				125,000.00
PHILIP MORRIS & CO., LTD., INC.	3/31/44					
Chalkley, O. H.		79,950.00		25,000.00		104,950.00
Lyon, A. E.		79,950.00		25,000.00		104,950.00
THE NATIONAL CITY BANK OF NEW YORK	12/31/43					
Brady, Wm. Gage, Jr.		99,999.84			4,300.00	104,299.84
Burgess, W. Randolph		79,999.92			4,200.00	84,199.92
Rentschler, Gordon S.		124,999.92			4,700.00	129,699.92
NESTLE'S MILK PRODUCTS, INC.	12/31/43					
Norton, D. F.		68,750.00		30,000.00		98,750.00
THE NEW JERSEY ZINC COMPANY	12/31/43					
Hayes, J. E.		76,500.00			4,190.00	80,690.00
OHRBACH'S, INC.	7/31/44					
Ohrbach, Nathan M.		100,000.00				100,000.00
REEVES BROTHERS, INC.	6/30/44					
Kerr, Arthur M.		36,000.00		42,000.00		78,000.00
Reeves, John M.		66,000.00		61,000.00		127,000.00
RUSSELL, BURDSALL & WARD BOLT AND NUT COMPANY	6/30/44					
Ward, Evans		22,500.00		58,940.61	45,408.00	126,848.61
SALMANSON & CO., INC. (Amended)	12/31/43					
Friedman, Joseph					81,384.02	81,384.02
SCHENLEY DISTILLERS CORPORATION	8/31/44					
Jacobi, Lester E.						75,220.00
SINCLAIR OIL CORPORATION	12/31/43					
Sinclair, H. F.		155,200.00			400.00	155,600.00
Sinclair, E. W.		100,000.00			750.00	100,750.00
SOCONY-VACUUM OIL COMPANY, INCORPORATED	12/31/43					
Brown, John A.		120,000.00				120,000.00
Holton, George V.		80,000.00				80,000.00
Sheets, Harold F.		85,000.00				85,000.00
L. SONNEBORN SONS, INC.	1/31/44					
Roten, J.		78,000.00		26,511.00		104,511.00
Sonneborn, F.		82,500.00		26,511.00		109,011.00
Sonneborn, R.		73,500.00		26,510.99		100,010.99

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NAME OF CORPORATION AND OFFICERS OR EMPLOYEES	CALENDAR OR FISCAL YEAR ENDED	SALARY	COMMISSION	BONUS	OTHER COMPEN-SATION	TOTAL
NEW YORK						
STANDARD OIL COMPANY (NEW JERSEY)	12/31/43					
Gallagher, R. W.		98,333.00				98,333.00
Harden, Orville		90,000.00				90,000.00
Holman, E.		80,833.00				80,833.00
STERN BROTHERS	1/31/44					
Riordan, William O.		50,000.00		25,000.00	140.00	75,140.00
THORER & HOLLENDER, INC.	11/30/44					
Mahler, Curt		24,000.00		60,414.18		84,414.18
TIDE WATER ASSOCIATED OIL COMPANY	12/31/43					
Humphrey, William F.		75,000.00			3,535.20	78,535.20
TOBIN PACKING CO., INC.	11/30/44					
Tobin, Frederick M.		65,000.00		90,000.00		155,000.00
W. H. TREADWELL COMPANY, INC.	12/31/43					
Casey, J. S.		44,800.00			50,000.00	94,800.00
UNION BAG & PAPER CORPORATION	12/31/43					
Calder, Alexander		85,000.00		15,565.99	975.00	101,540.99
UNITED ARTISTS CORPORATION	12/31/43					
Sears, Gradwell L.		130,000.00				130,000.00
UNITED STATES RUBBER COMPANY	12/31/43					
Davis, F. B., Jr.		150,000.00			550.00	150,550.00
Humphreys, H. E., Jr.		72,000.00		47,000.00	550.00	119,550.00
Lang, E. H. S.			114,551.63			114,551.63
Marlor, T. J.		41,596.09		38,600.00	500.00	80,696.09
Needham, Elmer		50,000.04		47,000.00	550.00	97,550.04
		50,000.04		47,000.00	500.00	97,500.04
Smith, H. E.		81,333.32		47,000.00	550.00	128,883.32
UNITED STATES STEEL CORPORATION	12/31/43					
Olds, Irving S.		100,000.08			5,700.00	105,700.08
Voorhees, E. M.		100,000.08			6,300.00	106,300.08
UNIVERSAL FILM EXCHANGES, INC.	10/31/44					
Scully, William A.		91,000.00				91,000.00
UNIVERSAL PICTURES COMPANY, INC.	10/31/44					
Abbott, Bud and Lou Costello		175,250.00			249,069.86	424,319.86
Blumberg, N. J.		117,000.00			113,523.25	230,523.25
Carrillo, Leo		86,916.67				86,916.67
Cowdin, J. Cheever		117,000.00			113,523.25	230,523.25
Durbin, Deanna		243,000.00			83,491.02	326,491.02
Jackson, Felix		85,208.35				85,208.35
Laughton, Charles		83,333.35				83,333.35
Oakie, Jack		137,000.00				137,000.00
Olson, Ole and Chic Johnson		200,000.00			12,707.28	212,707.28
Prutzman, Charles D.		75,400.00			56,479.14	131,879.14
Seidelman, Joseph		63,800.00			56,479.14	120,279.14
Wanger, Walter		65,000.00			344,928.43	409,928.43
Work, Cliff		104,000.00			56,479.14	160,479.14
WALDBURGER, GRANT & CO., INC.	10/31/44					
Waldburger, E. R. J.		22,500.00		77,059.53		99,559.53
WALLERSTEIN COMPANY, INC.	12/31/43					
Graf, William		60,000.00		21,000.00		81,000.00
Wallerstein, Leo		84,000.00		10,000.00		94,000.00
WESTERN ELECTRIC COMPANY, INCORPORATED	12/31/43					
Stoll, C. G.		90,000.00			520.00	90,520.00
OHIO						
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THE AETNA PAPER COMPANY	12/31/43					
Howard, H. M.		36,000.00		92,609.64		128,609.64
CHAMPION SPARK PLUG COMPANY	12/31/43					
Stranahan, Frank D.		120,000.00				120,000.00
Stranahan, Robert A.		170,000.00				170,000.00
THE GENERAL TIRE & RUBBER COMPANY	11/30/44					
O'Neil, W.		10,000.00	87,000.00			97,000.00
THE GLIDDEN COMPANY	10/31/44					
Joyce, Adrian D.		96,000.00			170.00	96,170.00
THE GOODYEAR TIRE & RUBBER COMPANY	12/31/43					
Litchfield, P. W.		100,000.00		75,000.00		175,000.00
Thomas, E. J.		58,000.00		33,760.09		91,760.09
JACK & HEINTZ, INC.	10/31/44					
Heintz, Ralph M.		125,000.00				125,000.00
Jack, Wm. R.		125,000.00				125,000.00
Jack, Wm. S.		125,000.00				125,000.00
LUCIAN Q. MOFFITT, INC.	12/31/43					
Bednar, A.		4,650.00		229,883.03		234,533.03
Moffitt, L. Q.		12,000.00		102,608.39		114,608.39
THE NATIONAL ACME COMPANY	12/31/43					
Chapin, F. H.		30,000.00		50,000.00		80,000.00
THE NATIONAL CASH REGISTER COMPANY	12/31/43					
Allyn, S. C.		80,000.00		16,000.00		96,000.00
Deeds, Col. E. A.		75,000.00			25,000.00	100,000.00

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NAME OF CORPORATION AND OFFICERS OR EMPLOYEES	CALENDAR OR FISCAL YEAR ENDED	SALARY	COMMISSION	BONUS	OTHER COMPEN-SATION	TOTAL
OHIO						
SPICER MANUFACTURING CORPORATION	8/31/44					
Carpenter, R. E.		36,000.00		63,250.00		99,250.00
Dana, C. A.		100,000.00				100,000.00
THE UNITED STATES SHOE CORPORATION	11/30/44					
Cohen, A. B.		50,000.00			33,990.84	83,990.84
Salinger, Alvin		50,000.00			33,990.84	83,990.84
Stern, Joseph S.		50,000.00			33,990.84	83,990.84
THE WELDON TOOL COMPANY	12/31/43					
Bergstrom, C. A.		25,090.00		71,620.00		96,710.00
OREGON						
MEIER & FRANK COMPANY, INC.	1/31/44					
Adams, R. R.		60,000.00		25,000.00		85,000.00
PENNSYLVANIA						
ALUMINUM COMPANY OF AMERICA	12/31/43					
Davis, Arthur V.		108,000.00				108,000.00
Gibbons, G. R.		75,400.00				75,400.00
ARMSTRONG CORK COMPANY	12/31/43					
Prentis, H. W., Jr.		125,000.00				125,000.00
ERIE FOUNDRY COMPANY	6/30/44					
Currie, D. A.		40,547.26	122,102.23	49,769.72		212,419.21
FIRTH STERLING STEEL COMPANY	12/31/43					
Clark, Donald G.		17,550.00	120,776.56			138,326.56
Firth, L. Gerald		23,400.00	120,776.56			144,176.56
GREAT LAKES STEEL CORPORATION	12/31/43					
Fink, G. R.		62,500.00		75,000.00		137,500.00
HERSHEY CHOCOLATE CORPORATION	12/31/43					
Murrie, Wm. F. R.		91,550.00				91,550.00
JONES & LAUGHLIN STEEL CORPORATION	12/31/43					
Lewis, H. E.		135,000.00				135,000.00
NATIONAL STEEL CORPORATION	12/31/43					
Fink, G. R.		62,500.00		75,000.00	400.00	137,900.00
Millsop, T. E.		26,666.64		50,000.00	400.00	77,066.64
Weir, E. T.		93,750.00		112,500.00	300.00	206,550.00
THE PENNSYLVANIA RAILROAD COMPANY	12/31/43					
Clement, M. W.		110,000.00*			955.00	110,955.00

* Because of restrictions imposed by Federal Regulations, actually paid at the rate of $110,000.00 per annum, although the salary is $125,000.00.

NAME OF CORPORATION AND OFFICERS OR EMPLOYEES	CALENDAR OR FISCAL YEAR ENDED	SALARY	COMMISSION	BONUS	OTHER COMPEN-SATION	TOTAL
TASTY BAKING COMPANY	12/31/43					
Baur, P. J.		122,851.12				122,851.12
Morris, H. C.		122,851.12				122,851.12
SOUTH CAROLINA						
ROCK HILL PRINTING & FINISHING COMPANY	12/31/43					
Joslin, Archie O.		55,000.00		50,560.37		105,560.37
TENNESSEE						
COCA-COLA BOTTLING CO., (THOMAS), INC.	12/31/43					
Hunter, G. T.		76,501.95				76,501.95
VERMONT						
E. B. AND A. C. WHITING COMPANY	5/31/44					
Unsworth, Thomas A.		48,000.00		75,000.00		123,000.00
VIRGINIA						
PLANTERS NUT AND CHOCOLATE COMPANY	9/30/44					
Obici, A.		5,000.04	217,599.96		400.00	223,000.00
Peruzzi, M.		7,500.00	88,100.00		400.00	96,000.00

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REPORT OF PAYMENTS OF SALARY, COMMISSION,

BONUS OR OTHER COMPENSATION PAID IN

EXCESS OF $75,000.00 COMPILED FROM

INCOME RETURNS, SCHEDULE F-1, FILED

FOR THE CALENDAR YEAR 1942 AND FISCAL

YEARS ENDED IN 1943

SUPPLEMENTAL NO. 3

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NAME OF CORPORATION AND OFFICERS OR EMPLOYEES	CALENDAR OR FISCAL YEAR ENDED	SALARY	COMMISSION	BONUS	OTHER COMPENSATION	TOTAL
MICHIGAN						
YELLOW TRUCK & COACH MANUFACTURING COMPANY	1/1/43 to 9/30/43					
Babcock, Irving B.		45,000.00		75,155.33	400.00	120,555.33

Note:

In addition to the above, Mr. Babcock is a party to the Contributory Retirement Plan of Yellow Truck & Coach Manufacturing Company, and may become entitled to receive benefits of contributions made by Yellow Truck & Coach Manufacturing Company thereunder in accordance with the terms of said Contributory Retirement Plan.

During the year 1943, (January 1st to September 30th, inclusive), the total contributions by employees participating in the Plan amounted to $31,662.36, of which Mr. Babcock contributed $2,137.50. The total contribution by Yellow Truck & Coach Manufacturing Company during the year 1943 amounted to $61,734.19.

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NAME OF CORPORATION AND OFFICERS OR EMPLOYEES	CALENDAR OR FISCAL YEAR ENDED	SALARY	COMMISSION	BONUS	OTHER COMPENSATION	TOTAL
NEW YORK						
CARL L. NORDEN, INC.	1/1/43 to 10/31/43					
Barth, T. H.		83,333.36		8,333.33		91,666.69
UNITED STATES RUBBER COMPANY	12/31/42					
Davis, F. B., Jr.		150,000.00			420.00	150,420.00
Humphreys, H. E., Jr.		60,184.53		60,056.75	420.00	120,661.28
Needham, T. J.		44,666.68		60,056.75	420.00	105,143.43
Roberts, Elmer		44,666.68		60,056.75	420.00	105,143.43
Smith, H. E.		60,184.53		60,056.75	300.00	120,541.28
Tompkins, L. D.		55,999.92		60,056.75	310.00	116,366.67
NORTH CAROLINA						
BLUE BELL, INC.	11/30/43					
Fox, J. C.						102,511.08

NAME OF OFFICER OR EMPLOYEE	NAME OF CORPORATION	STATE
Abbott, Bud and Lou Costello	Universal Pictures Company, Inc.	New York
Adams, C. E.	Air Reduction Company, Inc.	New York
Adams, R. R.	Meier & Frank Company, Inc.	Oregon
Aherne, Brian	Columbia Pictures Corporation	New York
Alexander, Sir Douglas, Bart.	The Singer Manufacturing Company	New Jersey
Allen, E. M.	The Mathieson Alkali Works (Inc.)	New York
Allyn, S. C.	The National Cash Register Company	Ohio
Arnold, Edward	Loew's Incorporated	New York
Astaire, Fred	Loew's Incorporated	New York
Atherton, H. F.	Allied Chemical & Dye Corporation	New York
Atwood, J. L.	North American Aviation, Inc.	California
Badenhausen, Carl W.	P. Ballantine & Sons	New Jersey
Badenhausen, Otto A.	P. Ballantine & Sons	New Jersey
Barit, A. E.	Hudson Motor Car Company	Michigan
Barrows, A. S.	Sears, Roebuck and Co.	Illinois
Baur, P. J.	Tasty Baking Company	Pennsylvania
Bednar, A.	Lucian Q. Moffitt, Inc.	Ohio
Beech, Walter H.	Beech Aircraft Corporation	Kansas
Belcher, F. J., Jr.	J. D. and A. B. Spreckels Company	California
Bell, Lawrence D.	Bell Aircraft Corporation	New York
Bergstrom, C. A.	The Weldon Tool Company	Ohio
Berlin, R. E.	Hearst Magazines, Inc.	New York
Berman, Pandro S.	Loew's Incorporated	New York
Bernstein, David	Loew's Incorporated	New York
Beery, Wallace	Loew's Incorporated	New York
Bischoff, Samuel	Columbia Pictures Corporation	New York
Black, Jas. B.	Pacific Gas and Electric Company	California
Blum, Jacques	Kaufmann and Baer Company	New York
Blumberg, N. J.	Universal Pictures Company, Inc.	New York
Boyer, Charles	Loew's Incorporated	New York
Brady, Wm. Gage, Jr.	The National City Bank of New York	New York
Brandeis, George	J. L. Brandeis & Sons	Nebraska
Breech, Ernest R.	Bendix Aviation Corporation	Michigan
Bristol, H. P.	Bristol-Myers Company	New Jersey
Bristol, L. H.	Bristol-Myers Company	New Jersey
Bristol, W. M., Jr.	Bristol-Myers Company	New Jersey
Broido, Louis	Gimbel Brothers, Inc.	New York
Brown, Clarence	Loew's Incorporated	New York
Brown, John A.	Socony-Vacuum Oil Company, Incorporated	New York
Brush, Alvin G.	American Home Products Corporation	New Jersey
Buchman, Sidney	Columbia Pictures Corporation	New York
Burgess, W. Randolph	The National City Bank of New York	New York
Busch, Adolphus, III	Anheuser-Busch, Inc.	Missouri
Busiel, Alfred	Lady Esther, Ltd.	Illinois
Busiel, Syma	Lady Esther, Ltd.	Illinois
Buzzell, Edward	Loew's Incorporated	New York
Calder, Alexander	Union Bag & Paper Corporation	New York
Calvert, James H.	Joske Bros. Co.	New York
Carpenter, R. E.	Spicer Manufacturing Corporation	Ohio
Carrillo, Leo	Universal Pictures Company, Inc.	New York
Casey, J. S.	M. H. Treadwell Company, Inc.	New York
Chalkley, O. H.	Philip Morris & Co., Ltd., Inc.	New York
Chapin, F. H.	The National Acme Company	Ohio
Chester, Colby M.	General Foods Corporation	New York
Clark, Donald G.	Firth Sterling Steel Company	Pennsylvania
Clement, M. W.	The Pennsylvania Railroad Company	Pennsylvania
Cohen, A. B.	The United States Shoe Corporation	Ohio
Cohn, Harry	Columbia Pictures Corporation	New York
Cohn, J. J.	Loew's Incorporated	New York
Cohn, Jack	Columbia Pictures Corporation	New York
Coleman, Ronald	Loew's Incorporated	New York
Collier, Henry D.	Standard Oil Company of California	California
Considine, J. W., Jr.	Loew's Incorporated	New York
Conway, Jack	Loew's Incorporated	New York
Cook, Cheney E.	Winslow Bros. & Smith Co.	Massachusetts
Cowdin, J. Cheever	Universal Pictures Company, Inc.	New York
Crisp, Donald	Loew's Incorporated	New York
Cukor, George	Loew's Incorporated	New York
Cummings, Irving	Columbia Pictures Corporation	New York
Cummings, John S.	Loew's Incorporated	New York
Curlee, F. M.	Curlee Clothing Company	Missouri
Curlee, S. H., Jr.	Curlee Clothing Company	Missouri
Currie, D. A.	Erie Foundry Company	Pennsylvania
Dana, C. A.	Spicer Manufacturing Corporation	Ohio
Davis, Arthur V.	Aluminum Company of America	Pennsylvania
Davis, C. K.	Remington Arms Company, Inc.	Connecticut
Davis, F. B., Jr.	United States Rubber Company	New York
Deeds, Col. E. A.	The National Cash Register Company	Ohio

NAME OF OFFICER OR EMPLOYEE	NAME OF CORPORATION	STATE
Del Ruth, Roy	Loew's Incorporated	New York
Derby, H. L.	American Cyanamid & Chemical Corporation	New York
Dietrich, Marlene	Loew's Incorporated	New York
Dietz, Arthur O.	Commercial Investment Trust Corporation	New York
Dietz, Howard	Loew's Incorporated	New York
Douglas, Donald W.	Douglas Aircraft Company, Inc.	California
Drummond, Robert S.	National Broach and Machine Company	Michigan
Dulcan, Charles B., Sr.	The Hecht Company	Maryland
Duncan, A. E.	Commercial Credit Company	Maryland
Durante, Jimmy	Loew's Incorporated	New York
Durbin, Deanna	Universal Pictures Company, Inc.	New York
Dyke, George E.	Robert Gair Company, Inc.	New York
Edwards, R. Stafford	Edwards and Company, Inc.	Connecticut
Emanuel, Victor	The Aviation Corporation	New York
~~Fink, G. R.~~	Great Lakes Steel Corporation	Pennsylvania
Fink, G. R.	National Steel Corporation	Pennsylvania
Firth, L. Gerald	Firth Sterling Steel Company	Pennsylvania
Fleming, Victor	Loew's Incorporated	New York
Francis, Clarence	General Foods Corporation	New York
Franklin, Sidney	Loew's Incorporated	New York
Freed, Arthur	Loew's Incorporated	New York
Friedman, Joseph	Salmanson & Co., Inc.	New York
Gable, Clark	Loew's Incorporated	New York
Gallagher, R. W.	Standard Oil Company (New Jersey)	New York
Garnett, Tay	Loew's Incorporated	New York
Garson, Greer	Loew's Incorporated	New York
Gibbons, Cedric	Loew's Incorporated	New York
Gibbons, G. R.	Aluminum Company of America	Pennsylvania
Gibson, Charles J.	Gibson Refrigerator Company	Michigan
Gibson, Harvey D.	Manufacturers Trust Company	New York
Gimbel, Adam L.	Saks & Company	New York
Gimbel, Bernard F.	Gimbel Brothers, Inc.	New York
Gimbel, Frederic A.	Gimbel Brothers, Inc.	New York
Girdler, T. M.	Consolidated Vultee Aircraft Corporation	California
Goetz, Ben	Loew's Incorporated	New York
Goodman, Moses H.	The Hecht Company	Maryland
Graessle, W. F.	T. M. Duche & Sons, Inc.	New York
Graf, William	Wallerstein Company, Inc.	New York
Grant, Cary	Columbia Pictures Corporation	New York
Gumm, Frances (Judy Garland)	Loew's Incorporated	New York
Hall, Al	Columbia Pictures Corporation	New York
Harden, Orville	Standard Oil Company (New Jersey)	New York
Hardy, Charles J.	American Car and Foundry Company	New York
Hawley, John B., Jr.	Northern Ordnance, Incorporated	Minnesota
Hayes, J. E.	The New Jersey Zinc Company	New York
Hecht, Malcolm	The Hecht Company	Maryland
Heintz, Ralph M.	Jack & Heintz, Inc.	Ohio
Heller, Paul E.	Heller Brothers Company	New Jersey
Hepburn, Katherine	Loew's Incorporated	New York
Higgins, Andrew J.	Higgins Industries, Inc.	Louisiana
Holman, E.	Standard Oil Company (New Jersey)	New York
Holton, George V.	Socony-Vacuum Oil Company, Incorporated	New York
Holtz, Lou	Loew's Incorporated	New York
Hornblow, Arthur, Jr.	Loew's Incorporated	New York
Houser, T. V.	Sears, Roebuck and Co.	Illinois
Houston, L. E.	Northwest Engineering Company	Illinois
Howard, H. M.	The Aetna Paper Company	Ohio
Huber, Phil	Ex-Cell-O Corporation	Michigan
Humphrey, William F.	Tide Water Associated Oil Company	New York
Humphreys, H. E., Jr.	United States Rubber Company	New York
Hund, H. E.	Reo Motors, Inc.	Michigan
Hunter, G. T.	Coca-Cola Bottling Co. (Thomas), Inc.	Tennessee
Huston, Walter	Loew's Incorporated	New York
Igleheart, Austin S.	General Foods Corporation	New York
Jack, Wm. R.	Jack & Heintz, Inc.	Ohio
Jack, Wm. S.	Jack & Heintz, Inc.	Ohio
Jackson, Felix	Universal Pictures Company, Inc.	New York
Jacobi, Lester E.	Schenley Distillers Corporation	New York
James, Harry	Loew's Incorporated	New York
Johnson, Lambert D.	Mead Johnson & Company	Indiana
Jones, W. Alton	Cities Service Company	New York
Joslin, Archie O.	Rock Hill Printing & Finishing Company	South Carolina
Joyce, Adrian D.	The Glidden Company	Ohio

NAME OF OFFICER OR EMPLOYEE	NAME OF CORPORATION	STATE
Katz, Sam	Loew's Incorporated	New York
Kaufmann, Arthur C.	Gimbel Brothers, Inc.	New York
Kerr, Arthur M.	Reeves Brothers, Inc.	New York
Kindelberger, J. H.	North American Aviation, Inc.	California
Kingsmill, Harold	Cerro De Pasco Copper Corporation	New York
Koster, Henry	Loew's Incorporated	New York
Kyser, Kay	Columbia Pictures Corporation	New York
Laddon, I. M.	Consolidated Vultee Aircraft Corporation	California
Lang, E. J.	United States Rubber Company	New York
Larson, W. N.	Mead Johnson & Company	Indiana
~~Laughton, Charles~~	~~Loew's Incorporated~~	New York
Laughton, Charles	Universal Pictures Company, Inc.	New York
Lawrence, Vincent	Loew's Incorporated	New York
Leonard, Robert Z.	Loew's Incorporated	New York
Leonard, Russell H.	Pepperell Manufacturing Company	Massachusetts
Le Roy, Mervyn	Loew's Incorporated	New York
Lewin, Albert	Loew's Incorporated	New York
Lewis, H. E.	Jones & Laughlin Steel Corporation	Pennsylvania
Lichtman, Al	Loew's Incorporated	New York
Lincoln, Leroy A.	Metropolitan Life Insurance Company	New York
Litchfield, P. W.	The Goodyear Tire & Rubber Company	Ohio
Littell, C. G.	R. R. Donnelley & Sons Co.	Illinois
Loy, Myrna	Loew's Incorporated	New York
Lyon, A. E.	Philip Morris & Co. Ltd., Inc.	New York
Mahler, Curt	Thorer & Hollender, Inc.	New York
Mandl, Hedwig K. (Hedy Lamarr)	Loew's Incorporated	New York
Mannix, E. J.	Loew's Incorporated	New York
Marks, Edwin I.	R. H. Macy & Co., Inc.	New York
Marlor, H. S.	United States Rubber Company	New York
Mars, Mrs. E. V.	Mars, Incorporated	Illinois
Mason, George W.	Nash-Kelvinator Corporation	Michigan
Mayer, J. G.	Loew's Incorporated	New York
Mayer, L. B.	Loew's Incorporated	New York
McGuinness, James	Loew's Incorporated	New York
McHugh, Edward P.	Edwards and Company, Inc.	Connecticut
McLeod, Norman	Loew's Incorporated	New York
McManus, Charles E.	Crown Cork & Seal Company, Inc.	Maryland
McMillan, James G.	The Wander Company	Illinois
Means, E. A.	Bristol-Myers Company	New Jersey
Metcalf, Charles W.	General Foods Corporation	New York
Miller, Christian	Edwards and Company, Inc.	Connecticut
Millsop, T. E.	National Steel Corporation	Pennsylvania
Moffitt, L. Q.	Lucian Q. Moffitt, Inc.	Ohio
Monrad, Karl J.	Chr. Hansen's Laboratory, Inc.	New York
Montague, Abraham	Columbia Pictures Corporation	New York
Morgan, Frank	Loew's Incorporated	New York
Morris, H. C.	Tasty Baking Company	Pennsylvania
Muni, Paul	Columbia Pictures Corporation	New York
Murphy, George	Loew's Incorporated	New York
Murrie, Wm. F. R.	Hershey Chocolate Corporation	Pennsylvania
Needham, T. J.	United States Rubber Company	New York
Nolan, Thomas S.	Edwards and Company, Inc.	Connecticut
Norton, D. F.	Nestle's Milk Products, Inc.	New York
Oakie, Jack	Universal Pictures Company, Inc.	New York
Obici, A.	Planters Nut and Chocolate Company	Virginia
Odlum, Floyd B.	Atlas Corporation	New York
Ohrbach, Nathan M.	Ohrbach's Inc.	New York
Olds, Irving S.	United States Steel Corporation	New York
Olson, Ole and Chic Johnson	Universal Pictures Company, Inc.	New York
O'Neil, W.	The General Tire & Rubber Company	Ohio
Palmer, D. R. G.	General Cable Corporation	New York
Parish, Richard L.	American Flange & Mfg. Co., Inc.	New York
Pasternak, Joseph	Loew's Incorporated	New York
Pendleton, Moses	American Woolen Company	New York
Peruzzi, M.	Planters Nut and Chocolate Company	Virginia
Pidgeon, Walter	Loew's Incorporated	New York
Powell, William	Loew's Incorporated	New York
Prentis, H. W., Jr.	Armstrong Cork Company	Pennsylvania
Preston, Geo. E.	The J. L. Hudson Company	Michigan
Prutzman, Charles D.	Universal Pictures Company, Inc.	New York
Purdy, S. E.	Hyman-Michaels Company	Illinois

NAME OF OFFICER OR EMPLOYEE	NAME OF CORPORATION	STATE
Rapf, Harry	Loew's Incorporated	New York
Reeves, John M.	Reeves Brothers, Inc.	New York
Rentschler, Frederick B.	United Aircraft Corporation	Connecticut
Rentschler, Gordon S.	The National City Bank of New York	New York
Riordan, William O.	Stern Brothers	New York
Riskin, Everett	Loew's Incorporated	New York
Robbins, Burnett W.	General Outdoor Advertising Co., Inc.	Illinois
Roberts, E. A.	Waterman Steamship Corporation	Alabama
Roberts, Elmer	United States Rubber Company	New York
Roberts, Marguerite	Loew's Incorporated	New York
Robinson, Casey	Loew's Incorporated	New York
Robinson, Edward G.	Columbia Pictures Corporation	New York
Rodgers, W. F.	Loew's Incorporated	New York
Rooney, Mickey	Loew's Incorporated	New York
Rose, A. L.	Mead Johnson & Company	Indiana
Rosenberg, Bernard A.	Julius Forstmann Corporation	New York
Rosensweig, Louis	S. Liebovitz & Sons, Inc.	New York
Roten, J.	L. Sonneborn Sons, Inc.	New York
Rubin, J. Robert	Loew's Incorporated	New York
Ruggles, Wesley	Loew's Incorporated	New York
Russell, N. F. S.	United States Pipe & Foundry Company	New Jersey
Russell, Rosalind	Columbia Pictures Corporation	New York
Ruthenburg, Louis	Servel, Inc.	Indiana
Salinger, Alvin	The United States Shoe Corporation	Ohio
Sanders, George	Loew's Incorporated	New York
Saville, Victor	Columbia Pictures Corporation	New York
Schenck, N. M.	Loew's Incorporated	New York
Schneider, Abraham	Columbia Pictures Corporation	New York
Scully, William A.	Universal Film Exchanges, Inc.	New York
Sears, Gradwell L.	United Artists Corporation	New York
Seeburg, J. P.	J. P. Seeburg Corporation	Illinois
Seeburg, N. Marshall	J. P. Seeburg Corporation	Illinois
Seidelman, Joseph	Universal Pictures Company, Inc.	New York
Seubert, Edward G.	Standard Oil Company (Indiana)	Illinois
Sheets, Harold F.	Socony-Vacuum Oil Company, Incorporated	New York
Sidney, Louis K.	Loew's Incorporated	New York
Siegel, Sol	Columbia Pictures Corporation	New York
Sinclair, E. W.	Sinclair Oil Corporation	New York
Sinclair, H. F.	Sinclair Oil Corporation	New York
Skelton, Richard	Loew's Incorporated	New York
Smith, H. E.	United States Rubber Company	New York
Sonneborn, F.	L. Sonneborn Sons, Inc.	New York
Sonneborn, R.	L. Sonneborn Sons, Inc.	New York
Sothern, Ann	Loew's Incorporated	New York
Stern, Joseph S.	The United States Shoe Corporation	Ohio
Steur, John A. C.	H. Duys & Co., Inc.	New York
Stevenson, F. A.	American Car and Foundry Company	New York
Stoll, C. G.	Western Electric Company, Incorporated	New York
Stone, Edward C.	U. S. Branch of the Employers' Liability Assurance Corporation, Limited	Massachusetts
Stranahan, Frank D.	Champion Spark Plug Company	Ohio
Stranahan, Robert A.	Champion Spark Plug Company	Ohio
Straus, Jack I.	R. H. Macy & Co., Inc.	New York
Taurog, Norman	Loew's Incorporated	New York
Thau, Benjamin	Loew's Incorporated	New York
Thomas, E. J.	The Goodyear Tire & Rubber Company	Ohio
Thorpe, Richard	Loew's Incorporated	New York
Tobin, Frederick M.	Tobin Packing Co., Inc.	New York
Tracy, Spencer	Loew's Incorporated	New York
Turner, Lana	Loew's Incorporated	New York
Unsworth, Thomas A.	E. B. and A. C. Whiting Company	Vermont
Van Upp, Virginia	Columbia Pictures Corporation	New York
Vidor, King	Loew's Incorporated	New York
Voorhees, E. M.	United States Steel Corporation	New York
Waldburger, E. R. J.	Waldburger, Grant & Co., Inc.	New York
Wallace, Dwane L.	The Cessna Aircraft Company	Kansas
Wallace, Dwight S.	The Cessna Aircraft Company	Kansas
Wallerstein, Leo	Wallerstein Company, Inc.	New York
Wanger, Walter	Universal Pictures Company, Inc.	New York
Ward, Evans	Russell, Burdsall & Ward Bolt and Nut Company	New York
Webb, Earle W.	Ethyl Corporation	New York
Webber, J. B., Sr.	The J. L. Hudson Company	Michigan
Webber, Oscar	The J. L. Hudson Company	Michigan
Webber, Richard H.	The J. L. Hudson Company	Michigan
Weed, Hugh H. C.	Carter Carburetor Corporation	New York

NAME OF OFFICER OR EMPLOYEE	NAME OF CORPORATION	STATE
Weingarten, L.	Loew's Incorporated	New York
Weir, E. T.	National Steel Corporation	Pennsylvania
Wellman, William	Loew's Incorporated	New York
Whitman, Ray P.	Bell Aircraft Corporation	New York
Wilson, Carey	Loew's Incorporated	New York
Wilson, Eugene E.	United Aircraft Corporation	Connecticut
Wolfson, P. J.	Columbia Pictures Corporation	New York
Wood, R. E.	Sears, Roebuck and Co.	Illinois
Woodhead, Harry	Consolidated Vultee Aircraft Corporation	California
Woodworth, N. A.	N. A. Woodworth Company	Michigan
Work, Cliff	Universal Pictures Company, Inc.	New York
Young, Robert	Loew's Incorporated	New York
Young, Udell C.	General Foods Corporation	New York
Zimbalist, Sam	Loew's Incorporated	New York

REPORT OF PAYMENTS OF SALARY, COMMISSION,

BONUS OR OTHER COMPENSATION PAID IN

EXCESS OF $75,000.00 COMPILED FROM

INCOME RETURNS, SCHEDULE F-1, FILED

FOR THE CALENDAR YEAR 1942 AND FISCAL

YEARS ENDED IN 1943

SUPPLEMENTAL NO. 3

Babcock, Irving B.	Yellow Truck & Coach Manufacturing Company	Michigan
Barth, T. H.	Carl L. Norden, Inc.	New York
Davis, F. B., Jr.	United States Rubber Company	New York
Fox, J. C.	Blue Bell, Inc.	North Carolina
Humphreys, H. E., Jr.	United States Rubber Company	New York
Needham, T. J.	United States Rubber Company	New York
Roberts, Elmer	United States Rubber Company	New York
Smith, H. E.	United States Rubber Company	New York
Tompkins, L. D.	United States Rubber Company	New York

TREASURY DEPARTMENT
Washington

FOR RELEASE, MORNING NEWSPAPERS,
Thursday, December 13, 1945.

Press Service
No. V-159

Secretary Vinson today made public, in accordance with a provision of the Internal Revenue Code, a supplemental list of individuals receiving from corporations compensation for personal services in excess of $75,000 for the calendar year 1943 and fiscal years ending in 1944, as well as a supplemental report for the calendar year 1942 and fiscal years ended in 1943.

The Secretary of the Treasury is required by Section 148 (f) of the Code, as amended by Section 407 of the Revenue Act of 1939, to make public the names of such individuals as were reported by employing corporations in their income tax returns. The list compiled shows the amounts paid to officers and employees by reporting corporations in the form of salary, commission, bonus or other compensation for personal services.

Section 148 (f) of the Internal Revenue Code, as amended by Section 407 of the Revenue Act of 1939, is as follows:

> "Compensation of Officers and Employees: - Under regulations prescribed by the Commissioner with the approval of the Secretary, every corporation subject to taxation under this chapter shall, in its return, submit a list of the names of all officers and employees of such corporation and the respective amounts paid to them during the taxable year of the corporation by the corporation as salary, commission, bonus, or other compensation for personal services rendered, if the aggregate amount so paid to the individual is in excess of $75,000.
>
> "The Secretary shall compile from the returns made a list containing the names of, and the amounts paid to, each such officer and employee and the name of the paying corporation and shall make such list available to the public. It shall be unlawful for any person to sell, offer for sale, or circulate, for any consideration whatsoever, any copy or reproduction of any list, or part thereof, authorized to be made public by this Act or by any prior Act, relating to the publication of information derived from income tax returns; and any offense against the foregoing provision shall be a misdemeanor and be punished by a fine not exceeding $1,000 or by imprisonment not exceeding one year, or both, at the discretion of the court: Provided, that nothing in this sentence shall be construed to be applicable with respect to any newspaper, or other periodical publication entitled to admission to the mails as second-class matter."

The names of the corporations and of the officers and employees who received compensation in excess of $75,000, as reported to the Secretary by the Bureau of Internal Revenue, are as follows:

NAME OF CORPORATION AND OFFICERS OR EMPLOYEES	CALENDAR OR FISCAL YEAR ENDED	SALARY	COMMISSION	BONUS	OTHER COMPEN-SATION	TOTAL
ALABAMA						
WATERMAN STEAMSHIP CORPORATION	9/30/44					
Roberts, E. A.		61,722.41		50,000.00	340.00	112,062.41
CALIFORNIA						
CONSOLIDATED VULTEE AIRCRAFT CORP.	11/30/44					
Girdler, T. M.		137,500.00				137,500.00
Laddon, I. M.		85,000.00			5.00	85,005.00
Woodhead, Harry		85,000.00			5.00	85,005.00

Note: The compensation of T. M. Girdler shown above of $137,500 was paid to the Republic Steel Corporation and not direct to Mr. Girdler.

NAME OF CORPORATION AND OFFICERS OR EMPLOYEES	CALENDAR OR FISCAL YEAR ENDED	SALARY	COMMISSION	BONUS	OTHER COMPEN-SATION	TOTAL
DOUGLAS AIRCRAFT COMPANY, INC.	11/30/44					
Douglas, Donald W.		120,000.00			400.00	120,400.00
NORTH AMERICAN AVIATION, INC.	9/30/44					
Atwood, J. L.		75,000.00			300.00	75,300.00
Kindelberger, J. H.		140,000.00			350.00	140,350.00
PACIFIC GAS AND ELECTRIC COMPANY	12/31/43					
Black, Jas. B.		75,000.00			1,160.00	76,160.00
J. D. AND A. B. SPRECKELS COMPANY	12/31/43					
Belcher, F. J., Jr.		75,000.00		18,750.00		93,750.00
STANDARD OIL COMPANY OF CALIFORNIA	12/31/43					
Collier, Henry D.		123,555.20*				123,555.20

* Includes an annuity of $3,629.60 monthly paid to Mr. Collier by Insurance Companies under the Company's Annuity Plan.

NAME OF CORPORATION AND OFFICERS OR EMPLOYEES	CALENDAR OR FISCAL YEAR ENDED	SALARY	COMMISSION	BONUS	OTHER COMPEN-SATION	TOTAL
CONNECTICUT						
EDWARDS AND COMPANY, INC.	12/31/43					
Edwards, R. Stafford		118,817.18				118,817.18
McHugh, Edward P.		77,231.94				77,231.94
Miller, Christian		77,231.94				77,231.94
Nolan, Thomas S.		77,231.94				77,231.94
REMINGTON ARMS COMPANY, INC.	12/31/43					
Davis, C. K.		39,996.00		46,250.00	260.00	86,506.00
UNITED AIRCRAFT CORPORATION	12/31/43					
Rentschler, Frederick B.		75,000.00			2,900.00	77,900.00
Wilson, Eugene E.		75,000.00			3,100.00	78,100.00
ILLINOIS						
R. R. DONNELLEY & SONS CO.	12/31/43					
Littell, C. G.		26,000.00		68,308.50		94,308.50
GENERAL OUTDOOR ADVERTISING CO., INC.	12/31/43					
Robbins, Burnett W.		75,000.00			150.00	75,150.00
HYMAN-MICHAELS COMPANY	12/31/43					
Purdy, S. E.		96,999.96				96,999.96
LADY ESTHER, LTD.	12/31/43					
Busiel, Alfred		96,000.00				96,000.00
Busiel, Syma		96,000.00				96,000.00
MARS, INCORPORATED	12/31/43					
Mars, Mrs. E. V.		120,000.00				120,000.00
NORTHWEST ENGINEERING COMPANY	12/31/43					
Houston, L. E.		50,000.00		50,000.00		100,000.00
SEARS, ROEBUCK AND COMPANY	12/31/43					
Barrows, A. S.		73,470.00		25,000.00		98,470.00
Houser, T. V.		60,000.00		20,000.00		80,000.00
Wood, R. E.		73,200.00		10,000.00		83,200.00

NAME OF CORPORATION AND OFFICERS OR EMPLOYEES	CALENDAR OR FISCAL YEAR ENDED	SALARY	COMMISSION	BONUS	OTHER COMPEN-SATION	TOTAL
ILLINOIS (Cont.)						
J. P. SEEBURG CORPORATION	9/30/44					
Seeburg, J. P.		49,999.92		40,000.00		89,999.92
Seeburg, N. Marshall		49,999.92		30,000.00		79,999.92
STANDARD OIL COMPANY (INDIANA)	12/31/43					
Seubert, Edward G.		41,925.60			66,911.76	108,837.36
THE WANDER COMPANY	12/31/43					
McMillan, James G.		40,000.00		116,422.96		156,422.96
INDIANA						
MEAD JOHNSON & COMPANY	12/31/43					
Johnson, Lambert D.		40,368.41		90,789.73		131,158.14
Larson, W. N.		20,104.67		60,526.49		80,631.16
Rose, A. L.		20,104.67		60,526.49		80,631.16
SERVEL, INC.	10/31/44					
Ruthenburg, Louis		60,000.00		27,500.00	1,200.00	88,700.00
KANSAS						
BEECH AIRCRAFT CORPORATION	9/30/44					
Beech, Walter H.		40,000.08			41,270.04	81,270.12
THE CESSNA AIRCRAFT COMPANY	9/30/44					
Wallace, Dwane L.		53,000.00		26,000.00		79,000.00
Wallace, Dwight S.		53,000.00		26,000.00		79,000.00
LOUISIANA						
HIGGINS INDUSTRIES, INC.	12/31/43					
Higgins, Andrew J.		83,333.33				83,333.33

NAME OF CORPORATION AND OFFICERS OR EMPLOYEES	CALENDAR OR FISCAL YEAR ENDED	SALARY	COMMISSION	BONUS	OTHER COMPEN- SATION	TOTAL
MARYLAND						
COMMERCIAL CREDIT COMPANY	12/31/43					
Duncan, A. E.		85,000.00				85,000.00
CROWN CORK & SEAL COMPANY, INC.	12/31/43					
McManus, Charles E.		108,333.33				108,333.33
THE HECHT COMPANY	1/31/44					
Dulcan, Charles B., Sr.		50,000.00		123,708.34		173,708.34
Goodman, Moses H.		45,000.00		39,680.54		84,680.54
Hecht, Malcolm		45,000.00		31,479.97		76,479.97
MASSACHUSETTS						
PEPPERELL MANUFACTURING COMPANY	6/30/44					
Leonard, Russell H.		60,000.00		40,000.00		100,000.00
U. S. BRANCH OF THE EMPLOYERS' LIABILITY ASSURANCE CORP., LTD.	12/31/43					
Stone, Edward C.		81,000.00			127,375.53	208,375.53
WINSLOW BROS. & SMITH CO.	10/31/44					
Cook, Cheney E.		75,000.00			260.00	75,260.00
MICHIGAN						
BENDIX AVIATION CORPORATION	9/30/44					
Breech, Ernest R.		79,999.92				79,999.92
EX-CELL-O CORPORATION	11/30/44					
Huber, Phil		26,400.00		98,600.00		125,000.00
GIBSON REFRIGERATOR COMPANY	7/31/44					
Gibson, Charles J.		100,000.00		12,916.91		112,916.91

NAME OF CORPORATION AND OFFICERS OR EMPLOYEES	CALENDAR OR FISCAL YEAR ENDED	SALARY	COMMISSION	BONUS	OTHER COMPEN-SATION	TOTAL
MICHIGAN (Cont.)						
THE J. L. HUDSON COMPANY	1/31/44					
Preston, Geo. E.						80,183.33
Webber, Richard H.						102,266.66
Webber, Oscar						139,183.33
Webber, J. B., Sr.						101,183.33
HUDSON MOTOR CAR COMPANY	12/31/43					
Barit, A. E.		90,000.00				90,000.00
NASH-KELVINATOR CORPORATION	9/30/44					
Mason, George W.		125,000.16				125,000.16
NATIONAL BROACH AND MACHINE CO.	11/30/44					
Drummond, Robert S.						86,186.20
REO MOTORS, INC.	12/31/43					
Hund, H. E.		40,800.00			70,000.00	110,800.00
N. A. WOODWORTH COMPANY	11/30/44					
Woodworth, N. A.		90,000.00				90,000.00
MINNESOTA						
NORTHERN ORDNANCE, INCORPORATED	6/30/44					
Hawley, John B., Jr.		60,000.00		340,000.00		400,000.00
MISSOURI						
ANHEUSER-BUSCH, INC.	12/31/43					
Busch, Adolphus, III		85,000.00		60,000.00		145,000.00
CURLEE CLOTHING COMPANY	11/30/44					
Curlee, F. M.		8,333.34		73,864.05	5,000.00	87,197.39
Curlee, S. H., Jr.		8,333.33		72,879.20		81,212.53

NAME OF CORPORATION AND OFFICERS OR EMPLOYEES	CALENDAR OR FISCAL YEAR ENDED	SALARY	COMMISSION	BONUS	OTHER COMPEN-SATION	TOTAL
NEBRASKA						
J. L. BRANDEIS & SONS	1/31/44					
Brandeis, George		49,999.92		69,746.10		119,746.02
NEW JERSEY						
AMERICAN HOME PRODUCTS CORPORATION	12/31/43					
Brush, Alvin G.		50,000.00		15,000.00	15,000.00	80,000.00
P. BALLANTINE & SONS	3/31/44					
Badenhausen, Carl W.		130,000.00		15,000.00		145,000.00
Badenhausen, Otto A.		128,000.00		15,000.00		143,000.00
BRISTOL-MYERS COMPANY	12/31/43					
Bristol, H. P.		60,000.00		27,415.69		87,415.69
Bristol, L. H.		49,999.92		27,415.69		77,415.61
Bristol, W. M., Jr.		49,999.92		27,415.69		77,415.61
Means, E. A.		49,999.92		27,415.69		77,415.61
HELLER BROTHERS COMPANY	7/31/44					
Heller, Paul E.		48,000.00		36,316.63		84,316.63
E SINGER MANUFACTURING COMPANY	12/31/43					
Alexander, Sir Douglas, Bart.		100,000.00				100,000.00
ITED STATES PIPE & FOUNDRY CO.	12/31/43					
Russell, N. F. S.		60,000.00			10,336.00*	70,336.00**

** In addition to the above there was $10,136.00 deposited in Trust Fund for future benefit.
* Added Compensation amounting to $10,136.00 paid January 28, 1944.

NAME OF CORPORATION AND OFFICERS OR EMPLOYEES	CALENDAR OR FISCAL YEAR ENDED	SALARY	COMMISSION	BONUS	OTHER COMPEN-SATION	TOTAL
NEW YORK						
AIR REDUCTION COMPANY, INC.	12/31/43					
Adams, C. E.		65,000.00		49,375.00	1,200.00	115,575.00
ALLIED CHEMICAL & DYE CORPORATION	12/31/43					
Atherton, H. F.		125,000.00				125,000.00
AMERICAN CAR AND FOUNDRY COMPANY	4/30/44					
Hardy, Charles J.		117,083.48			1,429.00	118,512.48
Stevenson, F. A.		64,275.00			36,429.00	100,704.00
AMERICAN CYANAMID & CHEMICAL CORP.	12/31/43					
Derby, H. L.		44,928.00		37,670.29		82,598.29
AMERICAN FLANGE & MFG. CO., INC.	11/30/44					
Parish, Richard L.		125,000.00				125,000.00
AMERICAN WOOLEN COMPANY	12/31/43					
Pendleton, Moses		125,000.00			550.00	125,550.00
ATLAS CORPORATION	12/31/43					
Odlum, Floyd B.		100,000.00				100,000.00
THE AVIATION CORPORATION	11/30/44					
Emanuel, Victor		90,000.00				90,000.
BELL AIRCRAFT CORPORATION	12/31/43					
Bell, Lawrence D.		100,000.00		50.00	22,824.21	122,874.
Whitman, Ray P.		60,000.00		50.00	21,759.20	81,809.

Included in Other Compensation is the contribution made by the Corporation to a trust fund which forms a part of a pension plan for the benefit of employees. The amount included for Lawrence D. Bell is $22,024.21 and for Ray P. Whitman is $21,059.20.

CARTER CARBURETOR CORPORATION	4/30/44					
Wood, Hugh H. C.		48,000.00			58,531.00	106,531.0
CERRO DE PASCO COPPER CORPORATION	12/31/43					
Kingsmill, Harold		75,000.00			1,184.13	76,184.1

NAME OF CORPORATION AND OFFICERS OR EMPLOYEES	CALENDAR OR FISCAL YEAR ENDED	SALARY	COMMISSION	BONUS	OTHER COMPEN-SATION	TOTAL
NEW YORK (Cont.)						
CITIES SERVICE COMPANY	12/31/43					
Jones, W. Alton		150,000.00			180.00	150,180.00
COLUMBIA PICTURES CORPORATION	6/30/44					
Aherne, Brian		113,875.00				113,875.00
Bischoff, Samuel		91,000.00				91,000.00
Buchman, Sidney		130,000.00				130,000.00
Cohn, Harry		182,000.00			67,600.00	249,600.00
Cohn, Jack		105,750.00			36,600.00	142,350.00
Cummings, Irving		194,444.33				194,444.33
Grant, Cary		133,333.33				133,333.33
Hall, Al		108,750.00				108,750.00
Kyser, Kay		100,000.00				100,000.00
Montague, Abraham		79,500.00				79,500.00
Muni, Paul		125,000.00				125,000.00
Robinson, Edward G.		127,083.33				127,083.33
Russell, Rosalind		166,666.67				166,666.67
Saville, Victor		117,500.00				117,500.
Schneider, Abraham		90,100.00			8,200.00	98,300.
Siegel, Sol		87,608.33				87,608.
Van Upp, Virginia		91,000.00				91,000.
Wolfson, P. J.		85,166.67				85,166.
COMMERCIAL INVESTMENT TRUST CORP.	12/31/43					
Dietz, Arthur O.		100,000.00			110.00	100,110.
T. M. DUCHE & SONS, INC.	11/30/44					
Graessle, W. F.		3,180.00			101,049.07	104,229.
H. DUYS & CO., INC.	3/31/44					
Steur, John A. C.					86,426.72	86,426.7

* Includes $10,000.00 paid on account for expenses.

NAME OF CORPORATION AND OFFICERS OR EMPLOYEES	CALENDAR OR FISCAL YEAR ENDED	SALARY	COMMISSION	BONUS	OTHER COMPEN-SATION	TOTAL
NEW YORK (Cont.)						
ETHYL CORPORATION	12/31/43					
Webb, Earle W.		60,000.00		39,931.48		99,931.48
JULIUS FORSTMANN CORPORATION	11/30/44					
Rosenberg, Bernard A.			70,706.06		27,000.00	97,706.06
ROBERT GAIR COMPANY, INC.	12/31/43					
Dyke, George E.		48,000.00		43,166.36	327.23	91,493.59
GENERAL CABLE CORPORATION	12/31/43					
Palmer, D. R. G.		60,000.00		30,000.00		90,000.00
GENERAL FOODS CORPORATION	12/31/43					
Chester, Colby M.		122,333.27				122,333.27
Francis, Clarence		116,818.07				116,818.07
Igleheart, Austin S.		101,818.14				101,818.14
Metcalf, Charles W.		86,818.10				86,818.10
Young, Udell C.		76,212.08				76,212.08
GIMBEL BROTHERS, INC.	1/31/44					
Gimbel, Bernard F.		100,000.00				100,000.00
Broido, Louis		50,000.04		35,000.00		85,000.04
Gimbel, Frederic A.		49,999.92		47,500.08		97,500.00
Kaufmann, Arthur C.		50,000.00		47,500.00		97,500.00
KAUFMANN AND BAER COMPANY	1/31/44					
Blum, Jacques		50,000.00		47,500.00		97,500.00
SAKS & COMPANY	1/31/44					
Gimbel, Adam L.		60,000.00		40,000.00		100,000.00
CHR. HANSEN'S LABORATORY, INC.	8/31/43					
Monrad, Karl J.		12,000.00		67,634.85		79,634.85
HEARST MAGAZINES, INC.	12/31/43					
Berlin, R. E.		50,000.00		74,121.90		124,121.90
JOSKE BROS. CO.	1/31/44					
Calvert, James H.		24,000.00		94,679.49		118,679.49
S. LIEBOVITZ & SONS, INC.	12/31/43					
Rosensweig, Louis		25,000.00		96,989.56		121,989.56

NAME OF CORPORATION AND OFFICERS OR EMPLOYEES	CALENDAR OR FISCAL YEAR ENDED	SALARY	COMMISSION	BONUS	OTHER COMPEN-SATION	TOTAL
NEW YORK (Cont.)						
LOEW'S INCORPORATED	8/31/44					
Arnold, Edward		99,583.31				99,583.31
Astaire, Fred		225,127.87				225,127.87
Beery, Wallace		250,000.00				250,000.00
Berman, Pandro S.		191,750.00				191,750.00
Bernstein, David		93,600.00			192,306.28	285,906.28
Boyer, Charles		122,916.67				122,916.67
Brown, Clarence		209,200.00				209,200.00
Buzzell, Edward		78,375.00				78,375.00
Cohn, J. J.		130,083.33				130,083.33
Coleman, Ronald		178,333.32				178,333.32
Considine, J. W., Jr.		169,000.00				169,000.00
Conway, Jack		176,000.00				176,000.00
Crisp, Donald		110,833.34				110,833.34
Cukor, George		210,600.00				210,600.00
Cummings, John S.		107,250.00				107,250.00
Del Ruth, Roy		91,000.00				91,000.00
Dietrich, Marlene		120,000.00				120,000.00
Dietz, Howard		65,000.00			13,000.00	78,000.00
Durante, Jimmy		133,749.98				133,749.98
Fleming, Victor		110,500.00				110,500.00
Franklin, Sidney		232,500.00				232,500.00
Freed, Arthur		138,166.66				138,166.66
Gable, Clark		161,250.00				161,250.00
Garnett, Tay		109,856.95				109,856.95
Garson, Greer		200,000.00				200,000.00
Gibbons, Cedric		91,000.00				91,000.00
Goetz, Ben		104,000.00				104,000.00
Gumm, Frances (Judy Garland)		142,083.33				142,083.33
Hepburn, Katherine		227,013.49				227,013.49
Holtz, Lou		84,250.00				84,250.00

NAME OF CORPORATION AND OFFICERS OR EMPLOYEES	CALENDAR OR FISCAL YEAR ENDED	SALARY	COMMISSION	BONUS	OTHER COMPEN-SATION	TOTAL
NEW YORK (Cont.)						
LOEWS'S INCORPORATED (Cont.)	8/31/44					
Hornblow, Arthur, Jr.		182,000.00				182,000.00
Huston, Walter		93,333.32				93,333.32
James, Harry		98,512.01				98,512.01
Katz, Sam		156,000.00			142,125.86	298,125.86
Koster, Henry		143,000.00				143,000.00
Laughton, Charles		102,187.50				102,187.50
Lawrence, Vincent		84,666.67				84,666.67
Leonard, Robert Z.		208,000.00				208,000.00
Le Roy, Mervyn		182,000.00				182,000.00
Lewin, Albert		104,000.00				104,000.00
Lichtman, Al.		156,000.00			112,094.40	268,094.40
Loy, Myrna		100,000.00				100,000.00
Mandl, Hedwig K. (Hedy Lamarr)		114,000.00				114,000.00
Mannix, E. J.		158,600.00			142,125.86	300,725.86
Mayer, J. G.		78,000.00				78,000.00
Mayer, L. B.		156,000.00			752,069.95	908,069.95
McGuinness, James		109,875.00				109,875.00
McLeod, Norman		99,428.30				99,428.30
Morgan, Frank		244,680.52				244,680.52
Murphy, George		113,000.00				113,000.00
Pasternak, Joseph		163,000.00				163,000.00
Pidgeon, Walter		108,791.66				108,791.66
Powell, William		292,500.00				292,500.00
Rapf, Harry		99,875.00				99,875.00
Riskin, Everett		124,833.33				124,833.33
Roberts, Marguerite		76,500.00				76,500.00
Robinson, Casey		125,000.00				125,000.00
Rodgers, W. F.		104,000.00			10,400.00	114,400.00
Rooney, Mickey		66,566.66		100,000.00		166,566.66

NAME OF CORPORATION AND OFFICERS OR EMPLOYEES	CALENDAR OR FISCAL YEAR ENDED	SALARY	COMMISSION	BONUS	OTHER COMPEN-SATION	TOTAL
NEW YORK (Cont.)						
LOEW'S INCORPORATED (Cont.)	8/31/44					
Rubin, J. Robert		88,400.00			191,355.38	279,755.38
Ruggles, Wesley		185,066.67				185,066.67
Sanders, George		87,500.00				87,500.00
Schenck, N. M.		105,300.00			286,560.46	391,860.46
Sidney, Louis K.		78,000.00				78,000.00
Skelton, Richard		76,983.30				76,983.30
Sothern, Ann		99,166.68				99,166.68
Thau, Benjamin		91,000.00			109,144.40	200,144.40
Thorpe, Richard		91,000.00				91,000.00
Taurog, Norman		156,000.00				156,000.00
Tracy, Spencer		270,545.76				270,545.76
Turner, Lana		112,000.00				112,000.00
Vidor, King		115,333.33				115,333.33
Weingarten, L.		169,000.00			45,531.46	214,531.46
Wellman, William		105,833.33				105,833.33
Wilson, Carey		106,250.00				106,250.00
Young, Robert		119,500.00				119,500.00
Zimbalist, Sam		110,250.00				110,250.00
R. H. MACY & CO., INC.	1/31/44					
Marks, Edwin I.		91,900.00			300.00	92,200.00
Straus, Jack I.		102,733.34			320.00	103,053.34
MANUFACTURERS TRUST COMPANY	12/31/43					
Gibson, Harvey D.		135,000.00			127.00	135,127.00
THE MATHIESON ALKALI WORKS (INC.)	12/31/43					
Allen, E. M.		91,200.00				91,200.00
METROPOLITAN LIFE INSURANCE CO.	12/31/43					
Lincoln, Leroy A.		125,000.00				125,000.00

NAME OF CORPORATION AND OFFICERS OR EMPLOYEES	CALENDAR OR FISCAL YEAR ENDED	SALARY	COMMISSION	BONUS	OTHER COMPEN-SATION	TOTAL
NEW YORK (Cont.)						
PHILIP MORRIS & CO., LTD., INC.	3/31/44					
Chalkley, O. H.		79,950.00		25,000.00		104,950.00
Lyon, A. E.		79,950.00		25,000.00		104,950.00
THE NATIONAL CITY BANK OF N. Y.	12/31/43					
Brady, Wm. Gage, Jr.		99,999.84			4,300.00	104,299.84
Burgess, W. Randolph		79,999.92			4,200.00	84,199.92
Rentschler, Gordon S.		124,999.92			4,700.00	129,699.92
NESTLE'S MILK PRODUCTS, INC.	12/31/43					
Norton, D. F.		68,750.00		30,000.00		98,750.00
THE NEW JERSEY ZINC COMPANY	12/31/43					
Hayes, J. E.		76,500.00			4,190.00	80,690.00
OHRBACH'S, INC.	7/31/44					
Ohrbach, Nathan M.		100,000.00				100,000.00
REEVES BROTHERS, INC.	6/30/44					
Kerr, Arthur M.		36,000.00		42,000.00		78,000.00
Reeves, John M.		66,000.00		61,000.00		127,000.00
RUSSELL, BURDSALL & WARD BOLT AND NUT COMPANY	6/30/44					
Ward, Evans		22,500.00		58,940.61	45,408.00	126,848.61
SALMANSON & CO., INC. (Amended)	12/31/43					
Friedman, Joseph					81,384.02	81,384.02
SCHENLEY DISTILLERS CORPORATION	8/31/44					
Jacobi, Lester E.						75,220.00
SINCLAIR OIL CORPORATION	12/31/43					
Sinclair, H. F.		155,200.00			400.00	155,600.00
Sinclair, E. W.		100,000.00			750.00	100,750.00
SOCONY-VACUUM OIL COMPANY, INC.	12/31/43					
Brown, John A.		120,000.00				120,000.00
Holton, George V.		80,000.00				80,000.00
Sheets, Harold F.		85,000.00				85,000.00

NAME OF CORPORATION AND OFFICERS OR EMPLOYEES	CALENDAR OR FISCAL YEAR ENDED	SALARY	COMMISSION	BONUS	OTHER COMPEN-SATION	TOTAL
NEW YORK (Cont.)						
L. SONNEBORN SONS, INC.	1/31/44					
Roten, J.		78,000.00		26,511.00		104,511.00
Sonneborn, F.		82,500.00		26,511.00		109,011.00
Sonneborn, R.		73,500.00		26,510.99		100,010.99
STANDARD OIL COMPANY (NEW JERSEY)	12/31/43					
Gallagher, R. W.		98,333.00				98,333.00
Harden, Orville		90,000.00				90,000.00
Holman, E.		80,833.00				80,833.00
STERN BROTHERS	1/31/44					
Riordan, William O.		50,000.00		25,000.00	140.00	75,140.00
THORER & HOLLENDER, INC.	11/30/44					
Mahler, Curt		24,000.00		60,414.18		84,414.18
TIDE WATER ASSOCIATED OIL CO.	12/31/43					
Humphrey, William F.		75,000.00			3,535.20	78,535.20
TOBIN PACKING CO., INC.	11/30/44					
Tobin, Frederick M.		65,000.00		90,000.00		155,000.00
M. H. TREADWELL COMPANY, INC.	12/31/43					
Casey, J. S.		44,800.00			50,000.00	94,800.00
UNION BAG & PAPER CORPORATION	12/31/43					
Calder, Alexander		85,000.00		15,565.99	975.00	101,540.99
UNITED ARTISTS CORPORATION	12/31/43					
Sears, Gradwell L.		130,000.00				130,000.00
UNITED STATES RUBBER COMPANY	12/31/43					
Davis, F. B., Jr.		150,000.00			550.00	150,550.00
Humphreys, H. E., Jr.		72,000.00		47,000.00	550.00	119,550.00
Lang, E. J.			114,551.63			114,551.63
Marlor, H. S.		41,596.09		38,600.00	500.00	80,696.09
Needham, T. J.		50,000.04		47,000.00	550.00	97,550.04
Roberts, Elmer		50,000.04		47,000.00	500.00	97,500.04
Smith, H. E.		81,333.32		47,000.00	550.00	128,883.32

NAME OF CORPORATION AND OFFICERS OR EMPLOYEES	CALENDAR OR FISCAL YEAR ENDED	SALARY	COMMISSION	BONUS	OTHER COMPEN-SATION	TOTAL
NEW YORK (Cont.)						
UNITED STATES STEEL CORPORATION	12/31/43					
Olds, Irving S.		100,000.08			5,700.00	105,700.08
Vorhees, E. M.		100,000.08			6,300.00	106,300.08
UNIVERSAL FILM EXCHANGES, INC.	10/31/44					
Scully, William A.		91,000.00				91,000.00
UNIVERSAL PICTURES COMPANY, INC.	10/31/44					
Abbott, Bud and Lou Costello		175,250.00			249,069.86	424,319.86
Blumberg, N. J.		117,000.00			113,523.25	230,523.25
Carrillo, Leo		86,916.67				86,916.67
Cowdin, J. Cheever		117,000.00			113,523.25	230,523.25
Durbin, Deanna		243,000.00			83,491.02	326,491.02
Jackson, Felix		85,208.35				85,208.35
Laughton, Charles		83,333.35				83,333.35
Oakie, Jack		137,000.00				137,000.00
Olson, Ole and Chic Johnson		200,000.00			12,707.28	212,707.28
Prutzman, Charles D.		75,400.00			56,479.14	131,879.14
Seidelman, Joseph		63,800.00			56,479.14	120,279.14
Wanger, Walter		65,000.00			344,928.43	409,928.43
Work, Cliff		104,000.00			56,479.14	160,479.14
WALDBURGER, GRANT & CO., INC.	10/31/44					
Waldburger, E. R. J.		22,500.00		77,059.53		99,559.53
WALLERSTEIN COMPANY, INC.	12/31/43					
Graf, William		60,000.00		21,000.00		81,000.00
Wallerstein, Leo		84,000.00		10,000.00		94,000.00
WESTERN ELECTRIC COMPANY, INC.	12/31/43					
Stoll, C. G.		90,000.00			520.00	90,520.00

NAME OF CORPORATION AND OFFICERS OR EMPLOYEES	CALENDAR OR FISCAL YEAR ENDED	SALARY	COMMISSION	BONUS	OTHER COMPEN-SATION	TOTAL
OHIO						
THE AETNA PAPER COMPANY	12/31/43					
Howard, H. M.		36,000.00		92,609.64		128,609.64
CHAMPION SPARK PLUG COMPANY	12/31/43					
Stranahan, Frank D.		120,000.00				120,000.00
Stranahan, Robert A.		170,000.00				170,000.00
THE GENERAL TIRE & RUBBER COMPANY	11/30/44					
O'Neil, W.		10,000.00	87,000.00			97,000.00
THE GLIDDEN COMPANY	10/31/44					
Joyce, Adrian D.		96,000.00			170.00	96,170.00
THE GOODYEAR TIRE & RUBBER CO.	12/31/43					
Litchfield, P. W.		100,000.00		75,000.00		175,000.00
Thomas, E. J.		58,000.00		33,760.09		91,760.09
JACK & HEINTZ, INC.	10/31/44					
Heintz, Ralph M.		125,000.00				125,000.00
Jack, Wm. R.		125,000.00				125,000.00
Jack, Wm. S.		125,000.00				125,000.00
LUCIAN Q. MOFFITT, INC.	12/31/43					
Bednar, A.		4,650.00		229,883.03		234,533.03
Moffitt, L. Q.		12,000.00		102,608.39		114,608.39
THE NATIONAL ACME COMPANY	12/31/43					
Chapin, F. H.		30,000.00		50,000.00		80,000.00
THE NATIONAL CASH REGISTER CO.	12/31/43					
Allyn, S. C.		80,000.00		16,000.00		96,000.00
Deeds, Col. E. A.		75,000.00			25,000.00	100,000.00
SPICER MANUFACTURING CORP.	8/31/44					
Carpenter, R. E.		36,000.00		63,250.00		99,250.00
Dana, C. A.		100,000.00				100,000.00

NAME OF CORPORATION AND OFFICERS OR EMPLOYEES	CALENDAR OR FISCAL YEAR ENDED	SALARY	COMMISSION	BONUS	OTHER COMPEN-SATION	TOTAL
OHIO (Cont.)						
THE UNITED STATES SHOE CORP.	11/30/44					
Cohen, A. B.		50,000.00			33,990.84	83,990.84
Salinger, Alvin		50,000.00			33,990.84	83,990.84
Stern, Joseph S.		50,000.00			33,990.84	83,990.84
THE WELDON TOOL COMPANY	12/31/43					
Bergstrom, C. A.		25,090.00		71,620.00		96,710.00
OREGON						
MEIER & FRANK COMPANY, INC.	1/31/44					
Adams, R. R.		60,000.00		25,000.00		85,000.00
PENNSYLVANIA						
ALUMINUM COMPANY OF AMERICA	12/31/43					
Davis, Arthur V.		108,000.00				108,000.00
Gibbons, G. R.		75,400.00				75,400.00
ARMSTRONG CORK COMPANY	12/31/43					
Prentis, H. W., Jr.		125,000.00				125,000.00
ERIE FOUNDRY COMPANY	6/30/44					
Currie, D. A.		40,547.26	122,102.23	49,769.72		212,419.21
FIRTH STERLING STEEL COMPANY	12/31/43					
Clark, Donald G.		17,550.00	120,776.56			138,326.56
Firth, L. Gerald		23,400.00	120,776.56			144,176.56
GREAT LAKES STEEL CORPORATION	12/31/43					
Fink, G. R.		62,500.00		75,000.00		137,500.00
HERSHEY CHOCOLATE CORPORATION	12/31/43					
Murrie, Wm. F. R.		91,550.00				91,550.00
JONES & LAUGHLIN STEEL CORP.	12/31/43					
Lewis, H. E.		135,000.00				135,000.00

NAME OF CORPORATION AND OFFICERS OR EMPLOYEES	CALENDAR OR FISCAL YEAR ENDED	SALARY	COMMISSION	BONUS	OTHER COMPEN-SATION	TOTAL
PENNSYLVANIA (Cont.)						
NATIONAL STEEL CORPORATION	12/31/43					
Fink, G. R.		62,500.00		75,000.00	400.00	137,900.00
Millsop, T. E.		26,666.64		50,000.00	400.00	77,066.64
Weir, E. T.		93,750.00		112,500.00	300.00	206,550.00
THE PENNSYLVANIA RAILROAD CO.	12/31/43					
Clement, M. W.		110,000.00*			955.00	110,955.00

* Because of restrictions imposed by Federal Regulations, actually paid at the rate of $110,000.00 per annum, although the salary is $125,000.00.

NAME OF CORPORATION AND OFFICERS OR EMPLOYEES	CALENDAR OR FISCAL YEAR ENDED	SALARY	COMMISSION	BONUS	OTHER COMPEN-SATION	TOTAL
TASTY BAKING COMPANY	12/31/43					
Baur, P. J.		122,851.12				122,851.12
Morris, H. C.		122,851.12				122,851.12
SOUTH CAROLINA						
ROCK HILL PRINTING & FINISHING CO.	12/31/43					
Joslin, Archie O.		55,000.00		50,560.37		105,560.37
TENNESSEE						
COCA-COLA BOTTLING CO., (THOMAS), INC.	12/31/43					
Hunter, G. T.		76,501.95				76,501.95
VERMONT						
E. B. AND A. C. WHITING COMPANY	5/31/44					
Unsworth, Thomas A.		48,000.00		75,000.00		123,000.00

NAME OF CORPORATION AND OFFICERS OR EMPLOYEES	CALENDAR OR FISCAL YEAR ENDED	SALARY	COMMISSION	BONUS	OTHER COMPEN-SATION	TOTAL
VIRGINIA						
PLANTERS NUT AND CHOCOLATE CO.	9/30/44					
Obici, A.		5,000.04	217,599.96		400.00	223,000.00
Peruzzi, M.		7,500.00	88,100.00		400.00	96,000.00

REPORT OF PAYMENTS OF SALARY, COMMISSION, BONUS OR OTHER COMPENSATION PAID IN EXCESS OF $75,000.00 COMPILED FROM INCOME RETURNS, SCHEDULE F-1, FILED FOR THE CALENDAR YEAR 1942 AND FISCAL YEARS ENDED IN 1943
SUPPLEMENTAL NO. 3

NAME OF CORPORATION AND OFFICERS OR EMPLOYEES	CALENDAR OR FISCAL YEAR ENDED	SALARY	COMMISSION	BONUS	OTHER COMPEN-SATION	TOTAL
MICHIGAN						
YELLOW TRUCK & COACH MFG. CO.	1/1/43 to 9/30/43					
Babcock, Irving B.		45,000.00		75,155.33	400.00	120,555.33

Note:

In addition to the above, Mr. Babcock is a party to the Contributory Retirement Plan of Yellow Truck & Coach Manufacturing Company, and may become entitled to receive benefits of contributions made by Yellow Truck & Coach Manufacturing Company thereunder in accordance with the terms of said Contributory Retirement Plan.

During the year 1943, (January 1st to September 30th, inclusive), the total contributions by employees partici pating in the Plan amounted to $31,662.36, of which Mr. Babcock contributed $2,137.50. The total contribution by Yellow Truck & Coach Manufacturing Company during the year 1943 amounted to $61,734.19.

REPORT OF PAYMENTS OF SALARY, COMMISSION, BONUS OR OTHER COMPENSATION PAID IN EXCESS OF $75,000.00 COMPILED FROM INCOME RETURNS, SCHEDULE F-1, FILED FOR THE CALENDAR YEAR 1942 AND FISCAL YEARS ENDED IN 1943

SUPPLEMENTAL NO. 3

NAME OF CORPORATION AND OFFICERS OR EMPLOYEES	CALENDAR OR FISCAL YEAR ENDED	SALARY	COMMISSION	BONUS	OTHER COMPEN-SATION	TOTAL
NEW YORK						
CARL L. NORDEN, INC.	1/1/43 to 10/31/43					
Barth, T. H.		83,333.36		8,333.33		91,666.69
UNITED STATES RUBBER COMPANY	12/31/42					
Davis, F. B., Jr.		150,000.00			420.00	150,420.00
Humphreys, H. E., Jr.		60,184.53		60,056.75	420.00	120,661.28
Needham, T. J.		44,666.68		60,056.75	420.00	105,143.43
Roberts, Elmer		44,666.68		60,056.75	420.00	105,143.43
Smith, H. E.		60,184.53		60,056.75	300.00	120,541.28
Tompkins, L. D.		55,999.92		60,056.75	310.00	116,366.67
NORTH CAROLINA						
BLUE BELL, INC.	11/30/43					
Fox, J. C.						102,511.0

TREASURY DEPARTMENT
Washington

FOR RELEASE, MORNING NEWSPAPERS,
Tuesday, December 11, 1945.

U-160

The Secretary of the Treasury announced last evening that the tenders for $1,300,000,000, or thereabouts, of 91-day Treasury bills to be dated December 13, 1945, and to mature March 14, 1946, which were offered on December 7, 1945, were opened at the Federal Reserve Banks on December 10.

The details of this issue are as follows:

Total applied for - $2,085,361,000
Total accepted - 1,301,797,000 (includes $55,641,000 entered on a fixed-price basis at 99.905 and accepted in full)
Average price - 99.905/ Equivalent rate of discount approx. 0.375% per annum

Range of accepted competitive bids:

High - 99.908 Equivalent rate of discount approx. 0.364% per annum
Low - 99.905 " " " " " 0.376% per annum

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

Federal Reserve District		Total Applied for	Total Accepted
Boston		$ 21,650,000	$ 15,028,000
New York		1,464,285,000	876,125,000
Philadelphia		72,965,000	57,125,000
Cleveland		47,210,000	34,010,000
Richmond		30,457,000	29,577,000
Atlanta		16,365,000	16,365,000
Chicago		276,785,000	165,839,000
St. Louis		28,423,000	18,523,000
Minneapolis		15,670,000	10,478,000
Kansas City		23,956,000	18,412,000
Dallas		7,060,000	6,180,000
San Francisco		80,535,000	54,135,000
	TOTAL	$2,085,361,000	$1,301,797,000

TREASURY DEPARTMENT
Washington

FOR RELEASE, MORNING NEWSPAPERS,
Tuesday, December 11, 1945.

Press Service
No. V-160

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Minneapolis	15,670,000	10,478,000
Kansas City	23,956,000	18,412,000
Dallas	7,060,000	6,180,000
San Francisco	80,535,000	54,135,000
TOTAL	$2,085,361,000	$1,301,797,000

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Prior to military service, Mr. Balderson was employed at the Farm Credit Administration as a legal research assistant and has had wide experience in personnel administration as it applies to the armed forces. He attended ~~army~~-conducted personnel courses in Calcutta, after which he assisted in ironing out malassignments, in the Tenth Air force caused by large personnel increases. This work, [redacted] together with his other duties, [redacted] well qualified him for his new position.

The Treasury Department today announced the appointment of Wilmer H. Balderson to fill the [redacted] position of veterans' placement officer in the Department's Division of Personnel.

Mr. Balderson, a [redacted] native of [redacted] the District, received his discharge from the Army Air Corps on October 5. As a sergeant in the Tenth Air Force, he served overseas in the China - Burma - India Theater of operations for twenty-seven months.

The position of veterans' placement officer, created at the request of Secretary Fred M. Vinson, is in furtherance of the policy of the Treasury Department to provide adequate counsel for returning veterans.

Mr. Balderson's duties will include the placement of former employees returned from military service, and establishment of the employment rights of other veterans under the Veterans' Preference Act of 1944. He will discuss with veterans their interests, aptitudes, skills and experience, both civilian and military, for the purpose of determining future employment opportunities or reinstatement rights in the Treasury Department.

Other functions of the new office will include that of maintaining a complete information service on the G. I. Bill of Rights, arranging interviews with operating officials and the Civil Service Commission, ~~assisting in the preparation of appropriate applications,~~ maintaining liaison with the Veterans' Administration, ~~for the re-~~ [redacted] seeking employment for the physically-handicapped, and advising veterans' widows on their rights as potential Federal employees.

TREASURY DEPARTMENT
Washington

FOR IMMEDIATE RELEASE
Tuesday, December 11, 1945

Press Service
No. V-161

The Treasury Department today announced the appointment of Wilmer H. Balderson to fill the position of veterans' placement officer in the Department's Division of Personnel.

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Prior to military service, Mr. Balderson was employed at the Farm Credit Administration as a legal research assistant and has had wide experience in personnel administration as it applies to the armed forces. He attended army-conducted personnel courses in Calcutta, after which he assisted in ironing out malassignments, in the Tenth Air Force caused by large personnel increases. This work, together with his other duties, well qualifies him for his new position.

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Press Service
No. V-162

FOR IMMEDIATE RELEASE
December ~~[illegible]~~, 1945
12

The Bureau of Customs announced today preliminary figures showing the quantities of coffee entered for consumption during the period commencing October 1, 1945 as follows:

Country of Production	Quantity in Pounds As of December 1, 1945
Signatory Countries:	
Brazil	254,204,310
Colombia	110,519,261
Costa Rica	6,479,173
Cuba	61
Dominican Republic	5,755,046
Ecuador	5,907,793
El Salvador	5,600,053
Guatemala	10,566,723
Haiti	180,781
Honduras	2,992,414
Mexico	6,336,884
Nicaragua	761,973
Peru	777,946
Venezuela	2,855,165
Non-Signatory Countries:	100,400
TOTAL	413,037,983

TREASURY DEPARTMENT
Washington

FOR IMMEDIATE RELEASE,
Wednesday, December 12, 1945.

Press Service
No. V-162

The Bureau of Customs announced today preliminary figures showing the quantities of coffee entered for consumption during the period commencing October 1, 1945 as follows:

Country of Production	Quantity in Pounds As of December 1, 1945
Signatory Countries:	
Brazil	254,204,310
Colombia	110,519,261
Costa Rica	6,479,173
Cuba	61
Dominican Republic	5,755,046
Ecuador	5,907,793
El Salvador	5,600,053
Guatemala	10,566,723
Haiti	180,781
Honduras	2,992,414
Mexico	6,336,884
Nicaragua	761,973
Peru	777,946
Venezuela	2,855,165
Non-Signatory Countries:	100,400
TOTAL	413,037,983

Press Service
No. 163

FOR IMMEDIATE RELEASE,
December ~~17~~, 1945
12

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, as modified by the President's proclamations of April 13, 1942, and April 29, 1943, for the 12 months commencing May 29, 1945, as follows:

Country of Origin	Wheat: Established Quota	Wheat: Imports May 29, 1945, to Dec. 1, 1945	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, 1945, to Dec. 1, 1945
	(Bushels)	(Bushels)	(Pounds)	(Pounds)
Canada	795,000	794,421	3,815,000	1,082,863
China			24,000	
Hungary			13,000	
Hong Kong			13,000	
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	
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	794,421	4,000,000	1,082,863

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TREASURY DEPARTMENT
Washington

FOR IMMEDIATE RELEASE,
Wednesday, December 12, 1945.

Press Service
No. V-163

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, as modified by the President's proclamations of April 13, 1942, and April 29, 1943, for the 12 months commencing May 29, 1945, as follows:

Country of Origin	Wheat		Wheat flour, semolina, crushed or cracked wheat, and similar wheat products	
	Established Quota	Imports May 29, 1945, to Dec. 1, 1945	Established Quota	Imports May 29, 1945, to Dec. 1, 1945
	(Bushels)	(Bushels)	(Pounds)	(Pounds)
Canada	795,000	794,421	3,815,000	1,082,863
China			24,000	
Hungary			13,000	
Hong Kong			13,000	
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	
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	794,421	4,000,000	1,082,863

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COTTON CARD STRIPS made from cottons having a staple of less than 1-3/16 inches in length, 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 made from cottons having a staple less than 1-3/16 inches in length 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, 1945 to Dec. 1, 1945	ESTABLISHED 33-1/3% of Total Quota	Imports Sept. 20, 1945 to Dec. 1, 1945 1/
United Kingdom......	4,323,457	-	1,441,152	-
Canada..............	239,690	-	-	-
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	-
TOTALS	5,482,509	69,627	1,599,886	-

1/ Included in total imports, column 2.

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FOR IMMEDIATE RELEASE
December 11, 1945

Press Service
No. V-164

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, as amended by the proclamations of December 19, 1940, March 31, 1942, and June 29, 1942, during the period September 20, 1945, to December 1, 1945.

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, 1945, to Dec. 1, 1945	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, 1945, to Dec. 1, 1945
			45,656,420	
Egypt and the Anglo-Egyptian Sudan........	783,816	-		5,169,623
Peru....................	247,952	247,952		3,014,747
British India...........	2,003,483	685,961		-
China...................	1,370,791	-		-
Mexico..................	8,883,259	8,883,259		-
Brazil..................	618,723	618,723		-
Union of Soviet Socialist Republics...	475,124	-		-
Argentina...............	5,203	-		-
Haiti...................	237	-		-
Ecuador.................	9,333	-		-
Honduras................	752	-		-
Paraguay................	871	-		-
Colombia................	124	-		-
Iraq....................	195	-		-
British East Africa.....	2,240	-		-
Netherlands East Indies.	71,388	-		-
Barbados................	-	-		-
Other British West Indies 1/...........	21,321	-		-
Nigeria.................	5,377	-		-
Other British West Africa 2/	16,004	-		-
Other French Africa 3/..	689	-		-
Algeria and Tunisia.....	-	-		-
	14,516,882	10,435,895	45,656,420	8,184,370

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, December 12, 1945.

Press Service
No. V-164

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(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, 1945 to Dec. 1, 1945	Established Quota 45,656,420	Imports Sept. 20, 1945, to Dec. 1, 1945
Egypt and the Anglo-Egyptian Sudan.......	783,816	-		5,169,623
Peru....................	247,952	247,952		3,014,747
British India..........	2,003,483	685,961		-
China...................	1,370,791	-		-
Mexico..................	8,883,259	8,883,259		-
Brazil..................	618,723	618,723		-
Union of Soviet Socialist Republics..	475,124	-		-
Argentina..............	5,203	-		-
Haiti...................	237	-		-
Ecuador.................	9,333	-		-
Honduras................	752	-		-
Paraguay................	871	-		-
Colombia................	124	-		-
Iraq....................	195	-		-
British East Africa....	2,240	-		-
Netherlands East Indies	71,388	-		-
Barbados................	-	-		-
Other British West Indies 1/............	21,321	-		-
Nigeria.................	5,377	-		-
Other British West Africa 2/............	16,004	-		-
Other French Africa 3/.	689	-		-
Algeria and Tunisia....	-	-		-
	14,516,882	10,435,895	45,656,420	8,184,370

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

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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 made from cottons having a staple less than 1-3/16 inches in length 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, 1945 to Dec. 1, 1945	ESTABLISHED 33-1/3% of Total Quota	Imports Sept. 20, 1945 to Dec. 1,1945 1/
United Kingdom.....	4,323,457	-	1,441,152	-
Canada.............	239,690	-	-	-
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	-
TOTALS	5,482,509	69,627	1,599,886	-

1/ Included in total imports, column 2.

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Commodity	Established quota: Period and Country	Established quota: Quantity	Unit of Quantity	Imports as of November 30, 1945
Silver or black foxes, furs, and articles: Foxes valued under $250 each and whole furs and skins	May-Nov., 1945 All countries	52,176	Number	28,178
Tails	12 months from Dec. 1, 1944	5,000	Pieces	-
Paws, heads or other separated parts	"	500	Pound	500
Piece plates	"	550	Pound	-
Articles, other than piece plates	"	500	Unit	30

FOR IMMEDIATE RELEASE,
December ~~11~~, 1945
12

Press Service
No. V-163

The Bureau of Customs announced today preliminary figures showing the imports for consumption of commodities within quota limitations provided for under trade agreements, from the beginning of the quota periods to November 30, 1945, inclusive, as follows:

Commodity	Established Quota: Period and Country	Established Quota: Quantity	Unit of Quantity	Imports as of November 30, 1945
Whole Milk, fresh or sour	Calendar year	3,000,000	Gallon	24,822
Cream, fresh or sour	Calendar year	1,500,000	Gallon	1,182
Fish, fresh or frozen, filleted, etc., cod, haddock hake, pollock, cusk, and rosefish	Calendar year	17,668,311	Pound	Quota filled
White or Irish potatoes:	12 months from Sept. 15, 1945			
certified seed		90,000,000	Pound	28,738,957
other		60,000,000	Pound	219,979
Cuban filler tobacco unstemmed or stemmed (other than cigarette leaf tobacco), and scrap tobacco	Calendar year	22,000,000	Pound (unstemmed equivalent)	Quota filled
Red cedar shingles	Calendar year	1,727,242	Square	1,489,342
Molasses and sugar sirups containing soluble nonsugar solids equal to more than 6% of total soluble solids	Calendar year	1,500,000	Gallon	1,367,037

TREASURY DEPARTMENT
Washington

FOR IMMEDIATE RELEASE,
December 12 , 1945

Press Service
No. V-165

The Bureau of Customs announced today preliminary figures showing the imports for consumption of commodities within quota limitations provided for under trade agreements, from the beginning of the quota periods to November 30, 1945, inclusive, as follows:

Commodity	Established Quota: Period and Country	Established Quota: Quantity	Unit of Quantity	Imports as of November 30, 1945
Whole Milk, fresh or sour	Calendar year	3,000,000	Gallon	24,822
Cream, fresh or sour	Calendar year	1,500,000	Gallon	1,182
Fish, fresh or frozen, filleted, etc., cod, haddock, hake, pollock, cusk, and rosefish	Calendar year	17,668,311	Pound	Quota filled
White or Irish potatoes:	12 months from Sept. 15, 1945			
certified seed		90,000,000	Pound	28,738,957
other		60,000,000	Pound	219,979
Cuban filler tobacco unstemmed or stemmed (other than cigarette leaf tobacco), and scrap tobacco	Calendar year	22,000,000	Pound (unstemmed equivalent)	Quota filled
Red cedar shingles	Calendar year	1,727,242	Square	1,489,342
Molasses and sugar sirups containing soluble nonsugar solids equal to more than 6% of total soluble solids	Calendar year	1,500,000	Gallon	1,367,037

Commodity	Established quota		Unit of Quantity	Imports as of November 30, 1945
	Period and Country	Quantity		
Silver or black foxes, furs, and articles: Foxes valued under $250 each and whole furs and skins	May-Nov., 1945 All countries	52,176	Number	28,178
Tails	12 months from Dec. 1, 1944	5,000	Pieces	-
Paws, heads or other separated parts	"	500	Pound	500
Piece plates	"	550	Pound	-
Articles, other than piece plates	"	500	Unit	30

DIVISION OF PUBLIC RELATIONS

Assignment sheet. Title Blough speech New Orleans

Release date 12/12/45 Press Service No. V-166

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G	(✓)	General		60	60
TAC	( )	Trade Agreement Commodities	22	158	
CFQ	( )	Coffee quotas	22	136	
CQ	( )	Cotton quotas	22	135	
WQ	( )	Wheat quotas	22	115	
BUL	( )	Treasury monthly Bulletin . . . . Mr Douglas for	---	1,367	100
F	( )	Finance	167	540	
NM.	( )	Net Market transactions	142	207	
T	(✓)	Taxes	167	600	600
DLI	( )	Debt limitation	151	325	
SF	( )	Stabilization fund.	174	551	
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		PUBLIC RELATIONS, Room 4416	---	---	150

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TREASURY DEPARTMENT
Washington

(The following address by Roy Blough, Assistant to the Secretary, before the New Orleans Chapter of the National Association of Cost Accountants at the Hotel Jung, New Orleans, is scheduled for delivery at 8 P.M., C.S.T., December 12, 1945, and is for release at that time)

New Orleans, La., December 12, 1945 It is a great pleasure for me to be here tonight; both the city and the audience are of special interest. New Orleans is a unique city with a fascinating history. It has been a great city throughout the history of our country, and its commanding outlook on the vast world to the south should assure it an increasingly important place in the nation's life. The National Association of Cost Accountants is an organization of great importance, not only for its membership but for the economy generally. Speaking from the viewpoint of the economist, I have long felt that the cost accountant occupies a strategic position as a practicing economist who is in position to affect by his decisions price policies and other important operations of our economic society.

My pleasure in being here with you is increased by memories of similar visits with other Chapters of the Association, which have always been marked by hospitality and an intelligent approach to the problems of our subject for discussion.

Taxation has many facets and is of concern to people with different occupations and points of view. The taxpayer himself is interested in having a tax system under which he can live and prosper. His views on what kind of a system it should be will be modified by whether he is affected principally by the individual income tax, the corporation taxes, a particular excise tax, or the local property tax. Tax lawyers and accountants are concerned with the legal and practical problems of preparing income tax returns and cases for the administrators and for court review. The tax administrator is also interested in such problems and in the additional problems of locating the reluctant taxpayer and of keeping the morale of taxpayers high through the effective auditing of tax returns.

Another point of view toward taxes is that of their effects on the general economy; this may be called the economic point of view. Approaching taxation from the economic point of view involves the examination of taxes in an effort to determine such facts as these:

the revenue yield and its fluctuations; the distribution of tax burdens among income groups, among occupational groups and between individuals and corporations; the effects of taxes on consumption, production, employment, saving and investment; the relation of taxes to business competition; and the usefulness of taxation in controlling inflation and deflation. These are the types of facts on which legislative tax policy must be based if a sound economy is to be promoted.

The wartime system of taxation in the United States is by far the most powerful revenue system in our history. Internal revenue collections totaled $5,300,000,000 in the fiscal year ending June 30, 1940 and $43,800,000,000 in the fiscal year ending June 30, 1945. Of course, this more-than-eightfold increase in revenues was not due solely to the wartime taxes and tax rates. It was due in part to the tremendous increase in production and income during the war. Net national income for the calendar year 1939 was about $71,000,000,000 as compared to $161,000,000,000 for the calendar year 1944. Wartime tax rates would have produced less than half as much revenue at 1939 levels of income as at 1944 levels.

We will be past the peak of wartime taxation by the end of 1945, but we do not yet have a postwar tax system. We are in the transition period. The problems of the transition and postwar periods were not overlooked, of course, in the various wartime tax laws. Concern for the postwar period is indicated, for example, in the carrybacks of losses and unused excess profits credits, the 10 percent postwar credit of excess profits taxes, and certain "automatic" tax decreases in the case of the excise taxes.

Early in 1944 the Treasury started concentrated study of the transition and postwar tax problems. This work was accelerated in June 1944 by action of the Congressional Joint Committee on Internal Revenue Taxation. The Joint Committee does not report revenue bills to the Houses of Congress, which is the function of the House Ways and Means Committee and the Senate Finance Committee, but one of its functions is to study tax matters. The Joint Committee is normally made up of five members of the Ways and Means Committee and five members of the Senate Finance Committee. For purposes of postwar tax studies, however, the Committee added a minority party member from each House, giving equal representation to the two major parties. It also passed a resolution calling on its staff and the Treasury staff, including the Bureau of Internal Revenue, to work as a unit in the study of transitional and postwar tax problems. This was done, and during the summer and fall of 1944 a number of special research projects were undertaken. Moreover, many conferences were held with the tax committees of various taxpayer groups, including business, professional, agricultural and labor organizations.

A series of reports was submitted by the two staffs to the Joint Committee during the winter of 1944-1945. The Joint Committee itself met frequently during this period to look into the problem with a view to recommending needed legislation.

On the basis of this study the Joint Committee submitted a report to the Ways and Means and Senate Finance Committees, containing proposals which without substantial change, were enacted, as the Tax Adjustment Act of 1945. This legislation had been urged by the business community and by various Government agencies in order to help corporations over the reconversion period. It was not a tax reduction law. The several billion dollars of tax benefits were not in the form of a reduction in tax liabilities but grew out of making more speedily available to corporate taxpayers the benefits which previous legislation had provided. Thus, the postwar credit bonds which were not due until several years after the end of the war were made cashable on January 1, 1946. Provision was made for taking the postwar credit for 1944 and subsequent years as a credit against current tax payments. Benefits from the carrybacks of loss and unused excess profits credit can now be anticipated currently and used to postpone payment of taxes or to secure a quicker refund. This involves the refunding of tax before audit, a revolutionary idea in tax administration, but one that was believed to be necessary to meet the needs of business in the reconversion period. It is to be hoped that taxpayers and their advisors will not abuse this provision, which is in the nature of an experiment. Similar provision for crediting and speedy refunds was made with respect to amounts due taxpayers in the recalculation of the amortization of emergency facilities. This recalculation occurs where the amortization period is shortened either by virtue of the issuance of a certificate of non-necessity or as a result of the proclamation on September 29, 1945 of the end of the emergency period.

The Tax Adjustment Act was passed in the interim period between VE-Day and VJ-Day. Shortly after VJ-Day, the Congress at the recommendation of the President and the Secretary of the Treasury considered and passed tax reduction legislation. The Revenue Act of 1945, which was approved November 8, 1945, was the first general tax-reducing measure since 1929. Though it granted substantial tax reduction, it was limited in scope and devoted to a relatively small number of simple rate changes. It is to be considered strictly as a transitional tax reduction bill, not a final postwar tax revision bill. By far the most important part of the bill was the repeal of the excess profits tax as of December 31, 1945, with provision for continuing the carryback of unused credit until December 31, 1946.

Much structual revision of the Federal tax system for the postwar period remains to be considered. Whether substantial further tax reduction can accompany such tax revision remains to be seen.

The amount of tax reduction for the postwar period must depend primarily on two factors: the level of Federal expenditures and the level of national income. Budget estimates of expenditures for 1946 total $66,000,000,000, of which $36,000,000,000 is expected to be met by revenue. This represents a decline from $100,000,000,000 expenditures in fiscal year 1945. The expenditures will, of course, continue to decline at a rapid rate. Ultimate postwar budgets have been variously estimated although there is relatively little basis for making a definitive estimate at this time. The order of magnitude of most of these estimates ranges around $25,000,000,000 as compared with expenditures of $9,000,000,000 in the fiscal year 1940.

One of the fields of taxation which will be involved in any plan of modernization is that of corporation taxes. The tax picture for corporations during the war has been a complicated one. At the peak rates of wartime taxation, which extend until the close of the calendar year 1945, the corporation has been subject to the following Federal taxes:

1. The corporation income tax, first imposed as an excise tax in 1909, and consisting in 1945 of a standard rate of 24 percent normal tax and 16 percent surtax, with lower rates for corporations with small incomes, the rates on the first $5,000 being 15 percent normal tax and 10 percent surtax. An additional rate of 2 percent is added in case a consolidated return is filed.

2. The World War II excess profits tax, first passed in 1940, imposed on profits in excess of a credit calculated, at the option of the taxpayer, on the basis of either prewar earnings or invested capital. The peak rate is 95 percent less a postwar credit of $9\frac{1}{2}$ percent, giving a net rate of $85\frac{1}{2}$ percent. Beginning in 1942 the regular income tax has not applied to profits which are subject to excess profits tax. A limit of 80 percent gross (which is 72 to 73 percent net) of corporate net income is placed on the combined excess profits tax and income tax. This limit is reached when the excess profits are 73 percent or more of total profits.

3. The declared value capital stock tax and its accompanying declared value excess profits tax, passed in 1933. The rate of the capital stock tax is $1.25 for each $1,000 of declared value; the declared value excess profits tax is 6-6/10 percent of income between 10 percent and 15 percent of the declared value of capital stock; the rate is 13-2/10 percent of income in excess of 15 percent of declared value.

The Revenue Act of 1945 has greatly simplified corporate taxes. As I have indicated, the excess profits tax was repealed and with it

will go many very puzzling problems for both administrator and taxpayer. The declared value capital stock tax and its accompanying declared value excess profits tax are repealed beginning with the capital stock tax payment of next July. This tax has long been the subject of serious criticism on the part of the business community. Repeal was recommended by the Treasury in 1939 and 1942 and the fact that revenue considerations stood in the way of recommending its repeal in 1945 should not be construed as any indication of approval of the taxes. These taxes have been a guessing game with large stakes, and the system is well rid of them.

While the corporate tax picture has been simplified, important corporate tax issues still remain. Some of these issues, for example the rate of depreciation and the carryback and carryforward of losses, are not exclusively restricted to corporations but are common to all businesses, whether corporate or unincorporated. Other issues are limited to corporation taxation. One problem involves the relative burdens to be imposed on small and large corporations. A reconsideration of policy with regard to tax-exempt corporations is being strongly urged in some quarters. Another problem concerns the taxation of affiliated corporations through the taxation of intercorporate dividends and the special rate for the privilege of filing consolidated returns. Perhaps the issue that has been subject to most discussion in recent months concerns the so-called double taxation of corporate dividends and the broader problem of how to tax the corporation on its distributed income and its undistributed income.

The discussion to follow will examine this general problem of corporation taxation. It is not my purpose to arrive in this discussion at proposals for corporate tax policy. Tax policy involves many considerations which are often conflicting and must be weighed and balanced in the light of circumstances. My purpose is rather to indicate the nature of some of these considerations and thereby to throw light on the problem and what is involved in reaching a solution. This is a less ambitious objective than proposing policy revisions. But in the present stage of discussion of corporate tax problems, a foundation of analysis is necessary at this stage if sound policy is to emerge at a later stage.

The double taxation of corporate dividends arises from the fact that profits earned by a corporation are subject to the corporation tax, and that when dividends are paid out of these profits to individual stockholders, the dividends are included in the income subject to the individual income tax. That is, income passes through the corporation tax mill and if what is left is distributed in the form of dividends, it passes through the individual tax mill. For example, if a corporation is subject in 1946 to the standard

corporation income tax rate of 38 percent and if the profits after taxes are paid to an individual stockholder who is subject to tax on his dividends at an average rate of 50 percent, then out of every $100 of profits received by the corporation, the corporate tax is $38, the dividend is $62, and the individual tax on the dividend is $31. Taxes total $69 and the stockholder has left $31 of the original $100. On the other hand, if $100 of profits is earned in a partnership by a partner whose average tax rate on his partnership profits is 50 percent, the total tax paid on the $100 is $50, or $19 less than where the profits are earned through the corporation.

It will be observed that there is not a complete doubling of tax since the individual tax applies only on the dividends received in cash after the payment of the corporation tax. The total tax rate on $100 of corporate profits in the example given is not 38 percent plus 50 percent, or 88 percent, but 69 percent. It is impossible for the combined rate to exceed 100 percent of the original corporate profit before tax.

Now there is nothing unusual or necessarily inequitable about double taxation. A person owning real estate must pay out of the income earned by the real estate both the real estate tax and the income tax. Likewise, in a sales tax state an income may bear both the income tax and also the sales tax on goods purchased with the income. Examples can easily be found of multiple taxation where three or four or more taxes must be paid from the same income. Indeed, since practically all taxes must be paid out of income, it is obvious that all forms of tax involve multiple taxation to a greater or less degree. There is nothing intrinsically objectionable about double taxation and, indeed, it is inevitable if we are to have a diversified tax system.

Some forms of double taxation, however, are objectionable. The objection may arise because the application of the two taxes creates inequities or gives rise to harmful economic effects. Several objections have been raised to the double taxation of distributed corporation income, that is, of corporate dividends. It is urged in the first place that it is inequitable to tax profits made through incorporated business at higher rates than profits made through unincorporated business operations, especially since the two kinds of business organization operate side by side and compete for capital and customers. In the second place, it is urged that the corporation tax cannot be adjusted to distinguish between stockholders with large incomes and those with small incomes and thus does not fall on stockholders in accordance with the principle of ability to pay. For example, an individual with total income below the personal exemption level and thus subject to a zero rate on his other income would receive dividends reduced from the original corporation profits by a 38 percent tax. Regardless of the size of their incomes, stockholders find their dividends after tax reduced by the amount of the corporate tax. With a 38 percent corporate tax,

the maximum dividends which could be made available to stockholders after payment of both corporate and individual income taxes are 38 percent smaller than they would be if there were no corporate tax. This is true whether the individual incomes of the stockholders are large or small, so long as the reduction in cash dividends resulting from the corporate tax does not throw the stockholders into a lower individual tax bracket.

In appraising the validity of these two equity arguments, that the double taxation of distributed corporate profits discriminates against corporate business and that it discriminates against stockholders with small incomes, several factors must be considered.

The equity arguments do not apply to preferred stocks except under unusual conditions. The common stockholder bears whatever corporate tax falls on stockholders, while the preferred stockholder goes free. The arguments that double taxation is inequitable assume that the corporation inoome tax is a burden on the stockholder, since unless he bears the corporate tax there is no double tax. The assumption is that the corporation income tax rests in the long run on the stockholder by reducing the amount of dividends which the corporation can pay and does pay to him. But there are other possibilities. Frequently one hears businessmen and others arguing strongly that the income tax is shifted to customers in the form of higher prices. Less frequently perhaps, it is argued that they are shifted to workers in the form of lower wages. It is important to bear in mind that if, and to the extent that, the tax is thus shifted to customers or workers, it is not borne by the stockholders.

During the war when the Government was the sole customer for many companies and when prices were set and renegotiated with a view to a reasonable profit, it appears likely that, unconsciously if not consciously, the size of the tax load was borne in mind in the setting of prices. Corporate profits before taxes rose from $5,300,000,000 in 1939 to an estimated $25,400,000,000 in 1943, or nearly five times as much. Net profit after taxes increased from $4,000,000,000 to $9,600,000,000, or about two and one-half times as much. It may be that in the absence of heavy corporation taxes, including the excess profits tax, net profits after taxes would also have increased five times as much, but I am inclined to doubt it seriously, for the reasons mentioned.

Peacetime conditions differ, however, from wartime conditions. The economic analyses which have been made of the shifting and incidence of the corporation income tax are by no means entirely satisfactory but they point to the improbability that under normal competitive conditions large amounts of taxes are shifted in prices or wages. It remains to be seen whether in the transition period

the decrease in corporate taxes as a result of the Revenue Act of 1945 will be absorbed in prices that are lower or wages that are higher than they otherwise would be. It is very difficult to measure such absorption.

The equity of the so-called double taxation of corporations is affected also by what is called the capitalization of the corporate tax. Capitalization in this connection is an economic term meaning that purchasers adjust the amount they are willing to pay for corporate stocks so that the return on the investment after allowing for any special taxes is comparable to the returns of other alternative investments. The present holders of most corporate stocks are not the original investors in the corporation but rather persons who have purchased the stocks from previous owners. The purchase price was determined by market conditions and by the expectations of the buyer, seller, and others as to probable future earnings and probable future taxes. The present double taxation of distributed corporate earnings has been in effect partially since the beginning of the First World War and completely beginning in 1940. A great deal of turnover of stocks has thus taken place with the present taxing arrangements in effect. Under these circumstances, most owners of such securities do not present a convincing complaint regarding the inequities of double taxation. In buying the stock the purchaser bargained for an expected return after corporate taxes, and paid accordingly. To eliminate part or all of the double taxation at this time would give a windfall to many stockholders in that their dividends and the market values of their securities would thereby be increased beyond what they had bargained for when they purchased the securities.

The capitalization argument does not apply to new corporations or newly issued securities. It applies to past security issues, not to new ones, which is an important distinction in looking to the postwar business world.

This fact leads us to a second criticism of the present double taxation of corporate dividends, namely, that the return on investment in new corporate stocks is thereby made unattractive in comparison with other investments, for example, bonds. Thus, it is argued that if a newly formed corporation could expect to earn 10 percent on its investment and the stock is held by stockholders paying an average income tax rate of 50 percent on their dividends, corporation and individual taxes would eat up 6.9 percent of the 10 percent, leaving a net return of 3.1 percent. If the individual rate is higher than 50 percent the net return is even smaller. This argument is much more spectacular when computed at the wartime excess profits tax rates, although it is not particularly valid since excess profits presumably are profits in excess of what stockholders should have reasonably anticipated.

In any event, it is clear that the imposition of both the corporate tax and an individual tax on dividends does reduce the incentive to reinvest individual earnings in new corporate equity securities. This is said to discourage venture capital investments in comparison to investment in bonds where interest paid by the corporation is deductible as an expense and not taxed as profit. On the other hand it should be borne in mind that a large share, probably most, of the undistributed profits of corporations bear less tax than do the incomes of stockholders generally. Added to this is the fact that the individual income tax rates furnish a powerful inducement for corporations to retain and reinvest earnings without having them pass through the individual tax mill. Under our system of corporation taxation, the relative overtaxation of profits distributed to stockholders as dividends is accompanied by a relative undertaxation, so far as the stockholders with large incomes are concerned, of earnings retained by the corporation and reinvested directly. Whether or not the total volume of venture capital is likely to be adequate, it is clear that the present system encourages the expansion, through corporate reinvestment rather than through the individual investing directly, in new equity securities.

This criticism leads readily to the next one, namely, that under present taxing arrangements when corporations are obliged to raise funds from the public they are encouraged to do so insofar as possible through the issuance of bonds instead of stocks. Bond interest paid is a deduction from income, while dividends paid are not deductible. Evidence is available that this tax favoritism to bond financing has had substantial effects on the form of corporate financing in a number of specific instances. Perhaps the surprising thing, however, is that the dislike of bond financing by the average management of an industrial or trade corporation is generally strong enough to overcome the temptation to secure tax advantages through issuing bonds. Be that as it may, it does not seem desirable that our tax system should encourage the use of debt financing, especially in view of the large body of opinion -- probably a large majority of opinion -- that holds financing through stock issues to be sounder, not only for the business organization itself but for the economy as a whole.

A fourth criticism of the present method of taxing corporations is directed not so much to the double tax as to the effects on corporate decisions of the high rate of tax, particularly the high rate at the corporate level. Undoubtedly, heavy taxes become a matter of major interest to corporate managements and the decision to go ahead or not to go ahead with new projects may be importantly affected by the tax consequences. High levels of corporate taxation

may be expected to interfere with such decisions more than low levels. Most students of the question also appear to believe that a tax at the corporation level has a greater effect on management than does a tax at the stockholder level, although they recognize that the stockholder's tax position as an individual may affect the management's point of view even where the management is not constituted of heavy stock owners.

Before turning to possible methods of eliminating or reducing double taxation one other point of view should be explored. Many people do not consider double taxation objectionable because they believe that business in the corporate form should be subject to special taxation. There is a substantial body of sentiment that holds corporations, particularly larger corporations, to be economic engines of such power that the Government can properly impose special taxes on their profits which do not apply to income earned in other less potent ways. Time does not permit analysis of this point, but it undoubtedly has had a substantial bearing on corporate tax policy in the past.

Let us turn now, in the short time remaining, to a brief examination of the methods under consideration for the reduction or elimination of double taxation of distributed corporate profits. Double taxation of dividend income could be eliminated either completely or only partially. Many people who contend that the logic of the situation calls for complete elimination would be willing to settle, at least for the time being, for a partial elimination of double taxation.

In Federal tax history, two methods for reducing double taxation have been applied. From 1913 through 1935 dividends received by stockholders were exempt from the individual normal tax. From 1936 through 1939, dividends paid by corporations were exempt from the tax on undistributed profits, a tax which was in full force only for the two years 1936 and 1937. It is not well known that in 1936 the Treasury recommended and the House of Representatives passed a measure entirely repealing the corporation income tax and substituting a tax applying only to undistributed profits. As the bill passed Congress, however, it provided both a corporate tax and an undistributed profits tax and repealed the exemption of dividends from the normal tax. Thus there was partial elimination of double taxation, since income distributed was exempt from the tax on undistributed profits. That plan was emasculated beginning in 1938 and came to an end in 1939. Thereafter there was not even partial elimination of double taxation.

Two of the leading proposals for treating dividend income stem from the two methods already used. One would exempt dividends received by individuals from part of the individual income tax. The other would allow a full or partial deduction of dividends paid in computing the corporate tax.

Businessmen are usually emphatic that they do not like anything that smacks of an undistributed profits tax. There may not be an awareness, however, of the defects of the partial exemption of dividends received. In applying this method it is usually proposed also that the corporation rate and basic or starting individual rate be the same. Thus, if the corporate rate were 38 percent, the individual income tax would start at 38 percent with graduation above the first bracket; the dividends received by individual stockholders would be exempt from the 38 percent individual tax but would be subject to the amount of additional tax on higher brackets. This method can perhaps be most easily understood if we assume that the 38 percent is the normal tax and the remaining graduated income tax is the surtax; in that case dividends would be exempt from the normal tax but subject to the surtax. There are a number of possible variations on this theme, but the basic idea of all is that the dividends received from individual stockholders are exempt from a part of the individual income tax.

Now the use in the above example of a 38 percent rate indicates one of the difficulties in using this method. The 38 percent rate is obviously too high as a starting rate for the individual income tax whatever may be its merits or defects as a corporate rate. As previously mentioned, the method was followed from 1913 to 1935. However, during most of the period the individual normal tax rate was so much lower than the corporation rate that the integration eliminated only a relatively small part of the double taxation. It is rare that equality between the corporate rate and starting individual rate would be found desirable as there is little theoretical or practical reason for such equality. Moreover, the adoption of the plan would interfere with the flexibility of adjusting either individual or corporation rates to the needs of both revenue and economic conditions.

Perhaps a more important objection to this method of exempting dividends received from the individual normal tax is the fact that if double taxation really exists the method gives too much relief to stockholders in high individual income tax brackets and not enough to stockholders with very small incomes who are exempt from individual tax. The stockholder who has no individual tax to pay receives no relief whatever from the burden of the corporation tax, his dividends are taxed just as heavily as those of the stockholder subject to individual income tax at the normal rate. On the other hand, the stockholder who is subject to surtax will pay less in

combined corporation and individual tax than if he received the income from unincorporated business or if there was no corporation tax at all. I want to emphasize this point because it is ordinarily overlooked. This apparently anomalous situation arises from the fact that the dividend which is subject to the individual surtax under the plan is the net cash dividend received from the corporation and not the profit of the corporation before taxes.

Let us go back to our earlier example. If the corporation pays a 38 percent, or $38, tax on $100 of profits and pays the remaining $62 in dividends to a stockholder paying a 50 percent rate, and if the dividend is subject only to the excess of 50 percent over 38 percent, or 12 percent, the tax to the stockholder is 12 percent of $62 or $7.44. The amount net after tax is $54.56 as compared to $50 left on $100 of income from other sources. Double taxation has been over-eliminated by $4.56 for this taxpayer. The higher the individual income tax rate the greater this over-elimination. And this of course is only on the distributed profits; the undistributed share pays only the corporation tax, which under this assumption was no higher than the individual starting rate.

The previous discussion of the dividend exemption method applies where it is used in a pure form, namely when the starting rate of the individual tax and the corporate tax rate would be the same. However, partial application must be considered. During most of the period when we followed this approach, the individual normal tax was lower than the corporate tax, and some advocates of the dividend-exemption plan would not attempt to eliminate the discrepancy in rates. Such variations of the plan would not be so vulnerable to the criticisms mentioned, but neither would they go so far in eliminating double taxation.

Another proposal that has aroused much interest is to impose a tax on all corporate profits, treating it as a withholding tax insofar as dividends are distributed. Under this plan if the corporate tax rate were 38 percent, or $38 on $100 of corporate profits, the whole $100 could be declared as dividend, $62 being paid in cash and $38 being treated as a withholding tax. The stockholder would put $100 into his income and be allowed a tax credit (or refund) of the $38. Essentially, this method has been used in Great Britain for many years.

A more positive method of eliminating the double taxation of dividend income than any of those mentioned would, of course, be to repeal the corporation income tax. This has the serious defect of allowing profits to be retained and piled up in the corporation without being subject to any tax whatever. Years later, to be sure,

profits might be paid out in the form of dividends and be subject to tax, or the individual might realize on the corporate earnings through a capital gain at the time his stock was sold. At the present time the capital gains tax is subject to important loopholes, particularly the opportunity of passing assets from one generation to the next without paying any capital gains tax. Moreover, at the present time, the rate of tax on capital gains realized on assets held over six months is much less than the rate on other income. The law could be amended to eliminate both of these advantages to capital gains but even so the long postponement of tax would necessitate the levy of higher rates on other sources and would not be in harmony with the idea that every dollar of income should go through the taxing mill. It is not unlikely, moreover, that in the absence of a substantial tax at the corporate level the piling up of retained profits in corporations would have seriously harmful effects on the economy and that business financing would be even more concentrated in the form of reinvested corporate earnings than at the present time.

The discussion of repealing the corporate income tax entirely is largely academic for two reasons. It is academic because of the virtual political impossibility of repealing the tax on corporations. Moreover, it is academic because the proponents of repeal rarely believe in simple repeal of the tax. Those with whom I have talked who recommend repeal of the corporate tax have in mind either the use of the corporation as a means of withholding taxes from stockholders, in which case the corporate tax continues to be collected, by whatever name it may be called; or they have in mind the adoption of some form of tax or other measure to induce or compel distribution of the corporate profits to the individual stockholder, thus making the profits available for immediate taxation to him at individual rates. Or still again they may have in mind the taxation of the stockholder on his share of corporate profits whether or not received by him, thus placing the taxation of the corporation and its stockholders on the same basis as the taxation of the partnership and its partners.

The optional taxation of small corporations in the same manner as partnerships has a good deal to recommend it in theory but its serious consideration must await the surmounting of a number of technical, legal, and administrative difficulties.

CONCLUSION

In conclusion, I want to express regret that this paper may seem overloaded with economics. I regret the necessity, but see no escape for thinking in economic terms in dealing with problems

of this kind. As you see, I have not presented a solution for the problem of corporation taxation in this discussion. I whole-heartedly wish that its solution was readily at hand. In that case no doubt the matter would have been settled long ago. What we face is a series of alternatives, none of which is satisfactory in all respects. Each of them is subject to important objections. It is my impression that neither the business community nor the public generally has reached an agreement over which of these alternatives would be preferable in the light of existing circumstances. A good many facts necessary to an intelligent choice among unsatisfactory alternatives have not been developed. The subject is one that deserves and will require a great deal more thought and consideration before a stable solution is likely to be found. It would seem preferable to examine the problem with great care and to have it thoroughly discussed by the public, especially the business public, before a decision is reached, since in the interests of stable taxation the method chosen should be worthy of being perpetuated.

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FOR IMMEDIATE RELEASE

V-167

The Bureau of Customs announced today that it is anticipated that the quota of 22,000,000 pounds of Cuban filler tobacco, not specially provided for, other than cigarette leaf tobacco, unstemmed or stemmed, and scrap tobacco will be filled by entries for consumption and withdrawals from warehouse for consumption filed on the first day of the new quota year January 2, 1946.

In order that importers of such tobacco may have equal opportunities at all ports, facilities have been provided for the simultaneous presentation of entries or withdrawals at 12:00 Noon, Eastern Standard Time, 11:00 a.m., Central Standard Time, 10:00 a.m., Mountain Standard Time, and 9:00 a.m., Pacific Standard Time.

Entries and withdrawals for consumption of the quota class of Cuban tobacco may be accepted by customs at the quota rates of duty, providing the importer or his agent does not take delivery thereof pending determination by the Bureau of the quota status of such tobacco. If the importer does take delivery before such determination, he shall be required to deposit estimated duties at rates in effect on August 24, 1934.

TREASURY DEPARTMENT
Washington

FOR IMMEDIATE RELEASE,
Wednesday, December 12, 1945.

Press Service
No. V-167

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TREASURY DEPARTMENT
Washington

FOR ~~IMMEDIATE RELEASE,~~ Release morning Newspapers

~~Thursday, November 15, 1945.~~
Sat. Dec. 15, 1945.

Press Service
~~No. V-133~~ No. V-1

During the month of ~~October,~~ November 1945, there were no market transactions in direct and guaranteed securities of the Government for Treasury investment and other accounts, ~~resulted in net purchases of $[illegible]~~,
Secretary Vinson announced today.

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TREASURY DEPARTMENT
Washington

FOR RELEASE, MORNING NEWSPAPERS, Saturday, December 15, 1945.

Press Service No. V-168

During the month of November, 1945, there were no market transactions in direct and guaranteed securities of the Government for Treasury investment and other accounts, Secretary Vinson announced today.

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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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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. Subject to these reservations, tenders for $200,000 or less from any one bidder at 99.905 entered on a fixed-price basis will be accepted in full. 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 20, 1945.

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 otherwis 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

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TREASURY DEPARTMENT

Washington

V-169

FOR RELEASE, MORNING NEWSPAPERS,
Friday, December 14, 1945.

The Secretary of the Treasury, by this public notice, invites tenders for $1,300,000,000, or thereabouts, of 91-day Treasury bills, to be issued on a discount basis under competitive and fixed-price bidding as hereinafter provided. The bills of this series will be dated December 20, 1945, and will mature March 21, 1946, 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 17, 1945. 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 2 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

TREASURY DEPARTMENT
Washington

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Immediately after the closing hour, tenders will be opened at the Federal Reserve Banks and Branches, following which public announcement will be made by the Secretary of the Treasury of the amount and price range of accepted 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. Subject to these reservations tenders for $200,000 or less from any one bidder at 99.905 entered on a fixed-price basis will be accepted in full. 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 20, 1945.

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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TREASURY DEPARTMENT

Washington

FOR IMMEDIATE RELEASE
Monday, December 17, 1945

Press Service
No. V-17

On December 15th the Treasury received the sum of $258,054.74 from the Government of Finland, representing a payment of principal in the amount of $90,000.00 and the semiannual payment of interest in the amount of $133,227.50 under the Funding Agreement of May 1, 1923; $13,695.06 on account of the semiannual payment on the annuity due under the postponement agreement of May 1, 1941; and $21,132.18 on account of the semiannual payment on the annuity due under the postponement agreement of October 14, 1943.

These payments represent the entire amount due from the Government of Finland on December 15, 1945, under these agreements.

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Mr. Bartelt
Mr. Batchelder
Mr. D. W. Bell
Mr. E. M. Bernstein
Mr. Brennan (Disb.)
Mr. Broughton
Mr. Burdette (3111)
Miss Burke
B & W (4308)
Mr. Cake
Mr. Church
Mr. Coe
Mrs. Coon
Miss Cullen
Mr. Cunningham
Mrs. Day (3421)
Mr. Delano
Mr. Dietrich (3453)
Miss Edelin
Mrs. Farrell (5323)
Miss Florin (4125)
Mr. Frese (3464)
Mr. Gamble
Mr. Gerardi
Miss Gibson (3464)
Mr. Glasser (3437)
Mr. Greenberg
Mr. Gunter (2222)
Mr. Haas
Mr. Hall (E & P)
Mr. Hearst
Mr. Heffelfinger
Mr. Howard
Miss Hodel (3458)
Mr. Hyland (3413)
Mr. Jones (2449)
Mr. Jordan
Miss Kailey (3013)
Mr. Kelley
Mr. Kilby
Mr. Landis
Mr. Lindow
Mr. Luxford
Mr. Maxwell (4330)
Mr. McDonald
Miss Michener
Mr. L. V. Moore
Mr. M. Moore (3458)
Mr. Mulvihill (5310)
Mrs. Naud (4330)
Mr. Ness
Mr. Nisonger (4449)
Mr. O'Daniel (5056)
Mrs. Potts
Mr. Rabon
Mrs. Ralf (1324)
Mr. Reeves
Mrs. Root (3464)
Mrs. Ross
Miss Rousseaux (4319)
Miss Sanford (5124)
Mr. Schoeneman
Mr. Schwalm
Mr. Shaeffer
~~Mr. Slindee~~
Mr. Speck
Mr. Starratt
Mrs. Sundelson (3449)
Mr. Tickton
Mr. Tietjens
Mr. Upham
Miss Vassar (3446)
Mrs. Walker (3464)
Mrs. Warneson
Mr. Weber
Miss West (3453)
Miss White (3446)
Mr. White
Mrs. Wondrack
Mr. Ziegenfus

TREASURY DEPARTMENT
Washington

FOR IMMEDIATE RELEASE,
Monday, December 17, 1945.

Press Service
No. V-170

On December 15th the Treasury received the sum of $258,054.74 from the Government of Finland, representing a payment of principal in the amount of $90,000 and the semiannual payment of interest in the amount of $133,227.50 under the Funding Agreement of May 1, 1923; $13,695.06 on account of the semiannual payment on the annuity due under the postponement agreement of May 1, 1941; and $21,132.18 on account of the semiannual payment on the annuity due under the postponement agreement of October 14, 1943.

These payments represent the entire amount due from the Government of Finland on December 15, 1945, under these agreements.

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TREASURY DEPARTMENT
Washington

FOR RELEASE, MORNING NEWSPAPERS,
Tuesday, December 18, 1945.

Press Service
V-171

The Secretary of the Treasury announced last evening that the tenders for $1,300,000,000, or thereabouts, of 91-day Treasury bills to be dated December 20, 1945, and to mature March 21, 1946, which were offered on December 14, 1945, were opened at the Federal Reserve Banks on December 17.

The details of this issue are as follows:

Total applied for - $2,030,823,000
Total accepted - 1,316,463,000 (includes $54,353,000 entered on a fixed-price basis at 99.905 and accepted in full)
Average price - 99.905/ Equivalent rate of discount approx. 0.375% per annum

Range of accepted competitive bids:

High - 99.908 Equivalent rate of discount approx. 0.364% per annum
Low - 99.905 " " " " " 0.376% " "

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

Federal Reserve District	Total Applied for	Total Accepted
Boston	$ 8,725,000	$ 6,005,000
New York	1,466,413,000	916,093,000
Philadelphia	46,140,000	37,900,000
Cleveland	30,675,000	22,635,000
Richmond	26,526,000	21,726,000
Atlanta	22,101,000	17,701,000
Chicago	298,751,000	194,151,000
St. Louis	16,845,000	11,725,000
Minneapolis	13,895,000	9,895,000
Kansas City	18,082,000	15,682,000
Dallas	9,270,000	8,230,000
San Francisco	73,400,000	54,720,000
TOTAL	$2,030,823,000	$1,316,463,000

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TREASURY DEPARTMENT
Washington

FOR RELEASE, MORNING NEWSPAPERS,
Tuesday, December 18, 1945.

Press Service
No. V-171

The Secretary of the Treasury announced last evening that the tenders for $1,300,000,000, or thereabouts, of 91-day Treasury bills to be dated December 20, 1945, and to mature March 21, 1946, which were offered on December 14, 1945, were opened at the Federal Reserve Banks on December 17.

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Richmond	26,526,000	21,726,000
Atlanta	22,101,000	17,701,000
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St. Louis	16,845,000	11,725,000
Minneapolis	13,895,000	9,895,000
Kansas City	18,082,000	15,682,000
Dallas	9,270,000	8,230,000
San Francisco	73,400,000	54,720,000
TOTAL	$2,030,823,000	$1,316,463,000

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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 certificates 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 certificates allotted hereunder must be made on or before January 2, 1946, or on later allotment, and may be made only in Treasury Notes of Series C-1946, maturing January 1, 1946, which will be accepted at par, and should accompany the subscription.

V. GENERAL PROVISIONS

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

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.

FRED M. VINSON,
Secretary of the Treasury.

UNITED STATES OF AMERICA

7/8 PERCENT TREASURY CERTIFICATES OF INDEBTEDNESS OF SERIES A-1947

Dated and bearing interest from January 1, 1946 Due January 1, 1947

1945
Department Circular No. 782

Fiscal Service
Bureau of the Public Debt

TREASURY DEPARTMENT,
Office of the Secretary,
Washington, December 17, 1945.

I. OFFERING OF CERTIFICATES

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 certificates of indebtedness of the United States, designated 7/8 percent Treasury Certificates of Indebtedness of Series A-1947, in exchange for Treasury Notes of Series C-1946, maturing January 1, 1946.

II. DESCRIPTION OF CERTIFICATES

1. The certificates will be dated January 1, 1946, and will bear interest from that date at the rate of 7/8 percent per annum, payable semiannually on July 1, 1946, and January 1, 1947. They will mature January 1, 1947, and will not be subject to call for redemption prior to maturity.

2. The income derived from the certificates shall be subject to all Federal taxes, now or hereafter imposed. The certificates 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 certificates will be acceptable to secure deposits of public moneys. They will not be acceptable in payment of taxes.

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

5. The certificates will be subject to the general regulations of the Treasury Department, now or hereafter prescribed, governing United States certificates.

III. SUBSCRIPTION AND ALLOTMENT

1. 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.

TREASURY DEPARTMENT
Washington

FOR RELEASE, MORNING NEWSPAPERS, Monday, December 17, 1945. — Press Service

Secretary of the Treasury Vinson today announced the offering, through the Federal Reserve Banks, of 7/8 percent Treasury Certificates of Indebtedness of Series A-1947, open on an exchange basis, par for par, to holders of Treasury Notes of Series C-1946, maturing January 1, 1946. Cash subscriptions will not be received.

The certificates now offered will be dated January 1, 1946, and will bear interest from that date at the rate of seven-eighths of one percent per annum, payable semiannually on July 1, 1946, and January 1, 1947. They will mature January 1, 1947. They will be issued in bearer form only, in denominations of $1,000, $5,000, $10,000, $100,000 and $1,000,000.

Pursuant to the provisions of the Public Debt Act of 1941, interest upon the certificates now offered shall not have any exemption, as such, under Federal tax Acts now or hereafter enacted. The full provisions relating to taxability are set forth in the official circular released today.

Subscriptions will be received at the Federal Reserve Banks and Branches, and at the Treasury Department, Washington, and should be accompanied by a like face amount of the maturing notes. Subject to the usual reservations, all subscriptions will be allotted in full.

The subscription books will close at the close of business Wednesday, December 19, except for the receipt of subscriptions from holders of $100,000 or less of the maturing notes. The subscription books will close for the receipt of subscriptions of the latter class at the close of business Saturday, December 22.

Subscriptions addressed to a Federal Reserve Bank or Branch or to the Treasury Department, and placed in the mail before midnight of the respective closing days, will be considered as having been entered before the close of the subscription books.

There are now outstanding $3,415,821,000 of the Series C-1946 notes.

The text of the official circular follows:

TREASURY DEPARTMENT
Washington

FOR RELEASE, MORNING NEWSPAPERS,
Monday, December 17, 1945.

Press Service
V-17

Secretary of the Treasury Vinson today announced the offering, through the Federal Reserve Banks, of 7/8 percent Treasury Certificates of Indebtedness of Series A-1947, open on an exchange basis, par for par, to holders of Treasury Notes of Series C-1946, maturing January 1, 1946. Cash subscriptions will not be received.

The certificates now offered will be dated January 1, 1946, and will bear interest from that date at the rate of seven-eighths of one percent per annum, payable semiannually on July 1, 1946, and January 1, 1947. They will mature January 1, 1947. They will be issued in bearer form only, in denominations of $1,000, $5,000, $10,000, $100,000 and $1,000,000.

Pursuant to the provisions of the Public Debt Act of 1941, interest upon the certificates now offered shall not have any exemption, as such, under Federal tax Acts now or hereafter enacted. The full provisions relating to taxability are set forth in the official circular released today.

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Subscriptions addressed to a Federal Reserve Bank or Branch or to the Treasury Department, and placed in the mail before midnight of the respective closing days, will be considered as having been entered before the close of the subscription books.

There are now outstanding $3,415,821,000 of the Series C-1946 notes.

The text of the official circular follows:

TREASURY DEPARTMENT
Washington

FOR RELEASE, MORNING NEWSPAPERS,
Monday, December 17, 1945.

Press Service
No. V-172

Secretary of the Treasury Vinson today announced the offering, through the Federal Reserve Banks, of 7/8 percent Treasury Certificates of Indebtedness of Series A-1947, open on an exchange basis, par for par, to holders of Treasury Notes of Series C-1946, maturing January 1, 1946. Cash subscriptions will not be received.

The certificates now offered will be dated January 1, 1946, and will bear interest from that date at the rate of seven-eighths of one percent per annum, payable semiannually on July 1, 1946, and January 1, 1947. They will mature January 1, 1947. They will be issued in bearer form only, in denominations of $1,000, $5,000, $10,000, $100,000 and $1,000,000.

Pursuant to the provisions of the Public Debt Act of 1941, interest upon the certificates now offered shall not have any exemption, as such, under Federal tax Acts now or hereafter enacted. The full provisions relating to taxability are set forth in the official circular released today.

Subscriptions will be received at the Federal Reserve Banks and Branches, and at the Treasury Department, Washington, and should be accompanied by a like face amount of the maturing notes. Subject to the usual reservations, all subscriptions will be allotted in full.

The subscription books will close at the close of business Wednesday, December 19, except for the receipt of subscriptions from holders of $100,000 or less of the maturing notes. The subscription books will close for the receipt of subscriptions of the latter class at the close of business Saturday, December 22.

Subscriptions addressed to a Federal Reserve Bank or Branch or to the Treasury Department, and placed in the mail before midnight of the respective closing days, will be considered as having been entered before the close of the subscription books.

There are now outstanding $3,415,821,000 of the Series C-1946 notes.

The text of the official circular follows:

UNITED STATES OF AMERICA

7/8 PERCENT TREASURY CERTIFICATES OF INDEBTEDNESS OF SERIES A-1947

Dated and bearing interest from January 1, 1946 Due January 1, 1947

1945
Department Circular No. 782

Fiscal Service
Bureau of the Public Debt

TREASURY DEPARTMENT,
Office of the Secretary,
Washington, December 17, 1945.

I. OFFERING OF CERTIFICATES

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 certificates of indebtedness of the United States, designated 7/8 percent Treasury Certificates of Indebtedness of Series A-1947, in exchange for Treasury Notes of Series C-1946, maturing January 1, 1946.

II. DESCRIPTION OF CERTIFICATES

1. The certificates will be dated January 1, 1946, and will bear interest from that date at the rate of 7/8 percent per annum, payable semiannually on July 1, 1946, and January 1, 1947. They will mature January 1, 1947, and will not be subject to call for redemption prior to maturity.

2. The income derived from the certificates shall be subject to all Federal taxes, now or hereafter imposed. The certificates 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 certificates will be acceptable to secure deposits of public moneys. They will not be acceptable in payment of taxes.

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

5. The certificates will be subject to the general regulations of the Treasury Department, now or hereafter prescribed, governing United States certificates.

III. SUBSCRIPTION AND ALLOTMENT

1. 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.

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 certificates 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 certificates allotted hereunder must be made on or before January 2, 1946, or on later allotment, and may be made only in Treasury Notes of Series C-1946, maturing January 1, 1946, which will be accepted at par, and should accompany the subscription.

V. GENERAL PROVISIONS

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

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.

FRED M. VINSON,
Secretary of the Treasury.

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.

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. Subject to these reservations, tenders for $200,000 or less from any one bidder at 99.905 entered on a fixed-price basis will be accepted in full. 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 27, 1945.

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

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TREASURY DEPARTMENT

Washington

FOR RELEASE, MORNING NEWSPAPERS,
Tuesday, December 18, 1945 .
(XXX)

The Secretary of the Treasury, by this public notice, invites tenders for $1,300,000,000, or thereabouts, of 91-day Treasury bills, to be issued on a discount basis under competitive and fixed-price bidding as hereinafter provided. The bills of this series will be dated December 27, 1945, and will mature March 28, 1946, 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 ~~War~~ Standard time, Friday, December 21, 1945. 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 2 percent of the face amount of Treasury bills applied for, unless the tenders are accompanied by an express guaranty of payment by an incorporated bank or trust company.

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

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TREASURY DEPARTMENT
Washington

FOR RELEASE, MORNING NEWSPAPERS
Tuesday, December 18, 1945

The Secretary of the Treasury, by this public notice, invites tenders for $1,300,000,000, or thereabouts, of 91-day Treasury bills, to be issued on a discount basis under competitive and fixed-price bidding as hereinafter provided. The bills of this series will be dated December 27, 1945, and will mature March 28, 1946, 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, Friday, December 21, 1945. 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 2 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. Subject to these reservations, tenders for $200,000 or less from any one bidder at 99.905 entered on a fixed-price basis will be accepted in full. 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 27, 1945.

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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COTTON CARD STRIPS made from cottons having a staple of less than 1-3/16 inches in length, 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 made from cottons having a staple less than 1-3/16 inches in length 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, 1944 to Sept. 19, 1945	ESTABLISHED 33-1/3 of Total Quota	Imports Sept. 20, 1944 to Sept. 19, 1945 1/
United Kingdom......	4,323,457	-	1,441,152	-
Canada............	239,690	-	-	-
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	-
TOTALS	5,482,509	69,627	1,599,886	-

1/ Included in total imports, column 2.

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FOR IMMEDIATE RELEASE
December ~~18~~, 1945

V-174

FINAL DATA FOR QUOTA YEAR, SEPT.20, 1944 to SEPT 19, 1945

The Bureau of Customs announced today that final 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, as amended by the proclamations of December 19, 1940, March 31, 1942, and June 29, 1942, during the period September 20, 1944, to September 19, 1945.

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, 1944, to Sept. 19, 1945	Established Quota 45,656,420	Imports Sept. 20, 1944, to Sept. 19, 1945
Egypt and the Anglo-Egyptian Sudan........	783,816	-		40,560,910
Peru....................	247,952	26,183		2,897,742
British India...........	2,003,483	104,287		-
China...................	1,370,791	-		
Mexico..................	8,883,259	8,883,259		901,609
Brazil..................	618,723	-		-
Union of Soviet Socialist Republics...	475,124	-		-
Argentina...............	5,203	-		-
Haiti...................	237	-		-
Ecuador.................	9,333	-		-
Honduras................	752	-		-
Paraguay................	871	-		-
Colombia................	124	-		-
Iraq....................	195	-		-
British East Africa.....	2,240	-		-
Netherlands East Indies.	71,388	-		-
Barbados................	-	-		-
Other British West Indies 1/............	21,321	-		-
Nigeria.................	5,377	-		-
Other British West Africa 2/	16,004	-		-
Other French Africa 3/..	689	-		-
Algeria and Tunisia.....	-	-		-
	14,516,882	9,013,729	45,656,420	44,360,261

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 20, 1945.

Press Service
No. V-174

FINAL DATA FOR QUOTA YEAR, SEPT. 20, 1944 to SEPT. 19, 1945

The Bureau of Customs announced today that final 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, as amended by the proclamations of December 19, 1940, March 31, 1942, and June 29, 1942, during the period September 20, 1944, to September 19, 1945.

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, 1944 to Sept. 19, 1945	Established: Quota 45,656,420	Imports Sept. 20, 1944 to Sept. 19, 1945
gypt and the Anglo-Egyptian Sudan	783,816	-		40,560,910
eru	247,952	26,183		2,897,742
ritish India	2,003,483	104,287		-
hina	1,370,791	-		
exico	8,883,259	8,883,259		901,609
razil	618,723	-		-
nion of Soviet Socialist Republics	475,124	-		-
rgentina	5,203	-		-
aiti	237	-		-
cuador	9,333	-		-
onduras	752	-		-
araguay	871	-		-
olombia	124	-		-
raq	195	-		-
ritish East Africa	2,240	-		-
etherlands East Indies	71,388	-		-
arbados	-	-		-
ther British West Indies 1/	21,321	-		-
igeria	5,377	-		-
ther British West Africa 2/	16,004	-		-
ther French Africa 3/	689	-		-
lgeria and Tunisia	-	-		-
	14,516,882	9,013,729	45,656,420	44,360,261

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

COTTON CARD STRIPS made from cottons having a staple of less than 1-3/16 inches in length, 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 made from cottons having a staple less than 1-3/16 inches in length 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, 1944 to Sept. 19, 1945	ESTABLISHED 33-1/3% of Total Quota	Imports Sept. 20,1944 to Sept. 19,1945 1/
United Kingdom......	4,323,457	-	1,441,152	-
Canada..............	239,690	-	-	-
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	-
TOTALS	5,482,509	69,627	1,599,886	-

1/ Included in total imports, column 2.

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FOR IMMEDIATE RELEASE
December ~~18~~, 1945
19

The Bureau of Customs announced today preliminary figures showing the quantities of coffee entered for consumption during the period commencing October 1, 1945 as follows:

Country of Production	Quantity in Pounds As of December 8, 1945
Signatory Countries:	
Brazil	275,878,599
Colombia	117,869,165
Costa Rica	6,664,403
Cuba	71
Dominican Republic	6,842,058
Ecuador	6,504,575
El Salvador	5,594,786
Guatemala	10,566,352
Haiti	180,782
Honduras	2,992,414
Mexico	6,871,120
Nicaragua	760,897
Peru	1,036,546
Venezuela	2,471,460
Non-Signatory Countries:	100,467
TOTAL	444,333,695

TREASURY DEPARTMENT
Washington

FOR IMMEDIATE RELEASE,
Wednesday, December 19, 1945.

Press Service
No. V-175

The Bureau of Customs announced today preliminary figures showing the quantities of coffee entered for consumption during the period commencing October 1, 1945 as follows:

Country of Production	Quantity in Pounds As of December 8, 1945
Signatory Countries:	
Brazil	275,878,599
Colombia	117,869,165
Costa Rica	6,664,403
Cuba	71
Dominican Republic	6,842,058
Ecuador	6,504,575
El Salvador	5,594,786
Guatemala	10,566,352
Haiti	180,782
Honduras	2,992,414
Mexico	6,871,120
Nicaragua	760.897
Peru	1,036,546
Venezuela	2,471,460
Non-Signatory Countries:	100,467
TOTAL	444,333,695

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TREASURY DEPARTMENT
Washington

FOR RELEASE, MORNING NEWSPAPERS,
Saturday, December 22, 1945.

Press Service

The Secretary of the Treasury announced last evening that the tenders for $1,300,000,000 or thereabouts, of 91-day Treasury bills to be dated December 27, 1945, and to mature March 28, 1946, which were offered on December 18, 1945, were opened at the Federal Reserve Banks on December 21.

The details of this issue are as follows:

Total applied for - $2,038,340,000
Total accepted - 1,304,266,000 (includes $39,250,000 entered on a fixed-price basis at 99.905 and accepted in full)
Average price - 99.905/ Equivalent rate of discount approx. 0.375% per annum

Range of accepted competitive bids:

High - 99.908 Equivalent rate of discount approx. 0.364% per annum
Low - 99.905 " " " " " 0.376% per annum

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

Federal Reserve District	Total Applied for	Total Accepted
Boston	$ 14,490,000	$ 10,185,000
New York	1,469,075,000	924,890,000
Philadelphia	32,850,000	24,650,000
Cleveland	40,390,000	28,090,000
Richmond	11,019,000	9,748,000
Atlanta	5,475,000	5,375,000
Chicago	298,135,000	182,925,000
St. Louis	15,250,000	10,125,000
Minneapolis	4,985,000	4,985,000
Kansas City	11,711,000	10,153,000
Dallas	6,375,000	5,555,000
San Francisco	128,585,000	87,585,000
TOTAL	$2,038,340,000	$1,304,266,000

TREASURY DEPARTMENT
Washington

FOR RELEASE, MORNING NEWSPAPERS,
Saturday, December 22, 1945

Press Service
No. V-176

The Secretary of the Treasury announced last evening that the tenders for $1,300,000,000 or thereabouts, of 91-day Treasury bills to be dated December 27, 1945, and to mature March 28, 1946, which were offered on December 18, 1945, were opened at the Federal Reserve Banks on December 21.

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Total applied for - $2,038,340,000
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(59 percent of the amount bid for at the low price was accepted)

Federal Reserve District	Total Applied for	Total Accepted
Boston	$ 14,490,000	$ 10,185,000
New York	1,469,075,000	924,890,000
Philadelphia	32,850,000	24,650,000
Cleveland	40,390,000	28,090,000
Richmond	11,019,000	9,748,000
Atlanta	5,475,000	5,375,000
Chicago	298,135,000	182,925,000
St. Louis	15,250,000	10,125,000
Minneapolis	4,985,000	4,985,000
Kansas City	11,711,000	10,153,000
Dallas	6,375,000	5,555,000
San Francisco	128,585,000	87,585,000
TOTAL	$2,038,340,000	$1,304,266,000

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No original

TREASURY DEPARTMENT
Washington

FOR IMMEDIATE RELEASE,
Wednesday, December 26, 1945.

The Secretary of the Treasury, by this public notice, invites tenders for $1,300,000,000, or thereabouts, of 91-day Treasury bills, to be issued on a discount basis under competitive and fixed-price bidding as hereinafter provided. The bills of this series will be dated January 3, 1946, and will mature April 4, 1946, 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, Friday, December 28, 1945. 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 2 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. Subject to these reservations, tenders for $200,000 or less from any one bidder at 99.905 entered on a fixed-price basis will be accepted in full. 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 3, 1946.

V-177

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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be discriminatory in relation to measures applied to assets of nationals of any other country and that no sequestration measures are in effect in their countries on property of United States nationals. Exchange control restrictions of both Norway and Finland will be liberalized to permit transfers from those countries to the United States to the fullest extent consistent with their foreign exchange position.

Copies of the letters exchanged between Secretary Vinson and the Norwegian and Finnish Ministers of Finance, as well as the French and Belgian letters, are available at Federal Reserve Banks.

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TREASURY DEPARTMENT

INTER OFFICE COMMUNICATION

DATE 12-26-45

TO Mr. Feltus

FROM Mr. Shaeffer

If agreeable to you Orvis Schmidt, of Foreign Funds Control would like the attached press release to be put out for Saturday a.m's.

FOREIGN FUNDS CONTROL

To:
(1) Mr. Shaeffer (Room) (Bldg.)
(2)

TREASURY DEPARTMENT

INTER OFFICE COMMUNICATION

DATE 12-26

TO Mr. Feltus

FROM Mr. Shaeffer

If agreeable to you Orvis Schmidt, of Foreign Funds Control would like the attached press release to be put out for Saturday a.m's.

ed by the governments of the four
License No. 95 are: for France,
stitut Belgo-Luxembourgeois du Change;
nland, Bank of Finland.

available to Norway and Finland
the Norwegian and Finnish Ministers
ilar to those written in connection
ng licenses.

Ministers of Finance have advised
to assets in their countries belong-
s, no action will be taken that would

O. A. SCHMIDT

TREASURY DEPARTMENT
Washington

FOR RELEASE, MORNING NEWSPAPERS,
Saturday, December 29, 1945.

Press Service
No. V-178

Secretary Vinson announced today the final step in the unfreezing of Norwegian and Finnish assets through the issuance of General License No. 95. It was pointed out that General License No. 94 issued on December 7, removed the controls over current transactions with these countries but did not lift the restrictions on existing blocked accounts.

Today's license provides for the release of Norwegian and Finnish blocked accounts through a certification procedure similar to that already in effect for French and Belgian accounts. Investigations will be made by the Norwegian and Finnish authorities of the ownership of blocked property to determine that there are no enemy interests in the property and that it is otherwise eligible for certification under the license. Once property has been certified it will no longer be regarded as blocked.

The new general license has also been made applicable to France and Belgium, since it is broader in some respects than the defrosting licenses already issued for these countries. The old licenses, General Licenses Nos. 92 and 93, were revoked today, but certifications made under them will remain fully effective. All current transactions with France and Belgium are covered by General License No. 94.

Other liberated countries will be included under the new license as defrosting negotiations with them are completed. Substantial progress has been made in this direction.

The certifying agents designated by the governments of the four countries presently named in General License No. 95 are: for France, Office des Changes; for Belgium, Institut Belgo-Luxembourgeois du Change; for Norway, Norges Bank; and for Finland, Bank of Finland.

General License No. 95 was made available to Norway and Finland after exchanges of letters between the Norwegian and Finnish Ministers of Finance and Secretary Vinson similar to those written in connection with the French and Belgian defrosting licenses.

Both the Norwegian and Finnish Ministers of Finance have advised Secretary Vinson that, with respect to assets in their countries belonging to nationals of the United States, no action will be taken that would be discriminatory in relation to measures

applied to assets of nationals of any other country and that no sequestration measures are in effect in their countries on property of United States nationals. Exchange control restrictions of both Norway and Finland will be liberalized to permit transfers from those countries to the United States to the fullest extent consistent with their foreign exchange position.

Copies of the letters exchanged between Secretary Vinson and the Norwegian and Finnish Ministers of Finance, as well as the French and Belgian letters, are available at Federal Reserve Banks.

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WHEN THIS RELEASE HAS BEEN MIMEOGRAPHED, PLEASE FORWARD 8 COPIES TO ROOM 403, WILKINS BUILDING.

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TREASURY DEPARTMENT
Washington

FOR IMMEDIATE RELEASE,
Thursday, December 27, 1945.

Press Service
No. V-179

The Bureau of Customs announced today preliminary figures showing the quantities of coffee entered for consumption during the period commencing October 1, 1945 as follows:

Country of Production	Quantity in Pounds As of December 15, 1945
Signatory Countries:	
Brazil	293,895,939
Colombia	119,922,835
Costa Rica	6,664,403
Cuba	71
Dominican Republic	6,842,058
Ecuador	6,502,951
El Salvador	5,594,482
Guatemala	10,836,660
Haiti	2,790,009
Honduras	3,745,387
Mexico	6,871,120
Nicaragua	760,897
Peru	1,036,546
Venezuela	3,081,500
Non-Signatory Countries:	2,305,100
TOTAL	470,849,958

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institutions is not an end in itself but only a means to the end of international peace and prosperity. Our task, therefore, has but just commenced.

If these two great international institutions are to achieve the mission which the world has so hopefully entrusted to their care, it will require the wholehearted and concerted cooperation of each of the member countries and their peoples.

The Government of the United States is resolved - as, I am sure, are the other governments represented here - to do all in its power to make these institutions an outstanding example of the results that can be accomplished by the united action of those who want and are willing to work for a peaceful and prosperous world.

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Appd by Secy and Lux C.P.

C.P.

Secy of Treas issued the following statement at the time of the formal signing of the Bretton Woods Agreement

Single

~~STATEMENT OF SECRETARY VINSON~~
~~At the BRETTON WOODS SIGNING CEREMONIES~~

History is being written today as we execute these documents and breathe the breath of life into the International Monetary Fund and the International Bank for Reconstruction and Development.

We can be thankful that the history we are now writing is not another chapter in the almost endless chronicle of war and strife. Ours is a mission of peace - not just lip service to the ideals of peace - but action, concrete action, designed to establish the economic foundations of peace on the bed rock of genuine international cooperation.

Four long years of intensive work have gone into laying the groundwork for this day - the day upon which the International Fund and Bank take their places in the mighty arsenal for peace we of the United Nations are so carefully preparing. But these past four years in which we have wrestled with the fundamental problems of international currency stability and investment are but prologue. The birth of these two great international financial

TREASURY DEPARTMENT

Washington

FOR IMMEDIATE RELEASE,
Thursday, December 27, 1945.

Press Service
No. V-180

Secretary Vinson today issued the following statement at the time of the formal signing of the Bretton Woods Agreements:

History is being written today as we execute these documents and breathe the breath of life into the International etc x x x

TREASURY DEPARTMENT
Washington

FOR IMMEDIATE RELEASE,
Thursday, December 27, 1945.

Press Service
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If these two great international institutions are to achieve the mission which the world has so hopefully entrusted to their care, it will require the wholehearted and concerted cooperation of each of the member countries and their peoples.

The Government of the United States is resolved - as, I am sure, are the other governments represented here - to do all in its power to make these institutions an outstanding example of the results that can be accomplished by the united action of those who want and are willing to work for a peaceful and prosperous world.

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TREASURY DEPARTMENT
Washington

FOR IMMEDIATE RELEASE,
Friday, December 28, 1945.

Press Service
V-181

The Secretary of the Treasury today announced the final subscription and allotment figures with respect to the current offering of 7/8 percent Treasury Certificates of Indebtedness of Series A-1947.

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

Federal Reserve District	Total Subscriptions Received and Allotted
Boston	$ 116,468,000
New York	1,587,736,000
Philadelphia	122,892,000
Cleveland	140,397,000
Richmond	74,588,000
Atlanta	96,859,000
Chicago	372,520,000
St. Louis	117,505,000
Minneapolis	78,214,000
Kansas City	128,787,000
Dallas	96,915,000
San Francisco	389,203,000
Treasury	1,110,000
TOTAL	$3,323,194,000

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For
B.C.P.

TREASURY DEPARTMENT
Washington

FOR IMMEDIATE RELEASE
Friday, December 28, 1945

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San Francisco	389,203,000
Treasury	1,110,000
TOTAL	$3,323,194,000

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TREASURY DEPARTMENT
Washington

FOR RELEASE, MORNING NEWSPAPERS,
Saturday, December 29, 1945.

Press Service
V-182

The Secretary of the Treasury announced last evening that the tenders for $1,300,000,000, or thereabouts, of 91-day Treasury bills to be dated January 3 and to mature April 4, 1946, which were offered on December 24, 1945, were opened at the Federal Reserve Banks on December 28.

The details of this issue are as follows:

Total applied for - $2,904,956,000
Total accepted - 1,302,898,000 (includes $38,461,000 entered on a fixed-price basis at 99.905 and accepted in full)
Average price - 99.906 Equivalent rate of discount approx. 0.373% per annum

Range of accepted competitive bids:

High - 99.908 Equivalent rate of discount approx. 0.364% per annum
Low - 99.905 " " " " " 0.376% " "

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

Federal Reserve District	Total Applied for	Total Accepted
Boston	$ 14,110,000	$ 7,370,000
New York	1,435,063,000	399,051,000
Philadelphia	25,830,000	8,670,000
Cleveland	5,490,000	5,490,000
Richmond	12,797,000	9,521,000
Atlanta	7,905,000	4,005,000
Chicago	1,286,193,000	817,418,000
St. Louis	10,680,000	4,830,000
Minneapolis	19,360,000	6,880,000
Kansas City	10,552,000	8,212,000
Dallas	7,490,000	5,930,000
San Francisco	69,481,000	25,021,000
TOTAL	$2,904,956,000	$1,302,898,000

279

TREASURY DEPARTMENT
Washington

FOR RELEASE, MORNING NEWSPAPERS
Saturday, December 29, 1945

Press Service
No. V-182

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Boston	$ 14,110,000	$ 7,870,000
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Philadelphia	25,830,000	8,670,000
Cleveland	5,490,000	5,490,000
Richmond	12,797,000	9,521,000
Atlanta	7,905,000	4,005,000
Chicago	1,286,198,000	817,418,000
St. Louis	10,680,000	4,830,000
Minneapolis	19,360,000	6,880,000
Kansas City	10,552,000	8,212,000
Dallas	7,490,000	5,930,000
San Francisco	69,481,000	25,021,000
TOTAL	$2,904,956,000	$1,302,898,000

-oOo-

Purposes stipulated for the gifts have covered a wide range of war needs, with the purchase of jeeps, bombers and machine guns being particularly popular. One gift of $400,000 from two individuals was for the provision of recreation facilities for members of the armed forces serving ~~on the Pacific coast.~~ at an air field in Ohio. Large sums were given also for such purposes as the purchase of books and ~~playing cards~~ hospital equipment for the Army and Navy. ~~and for the purchase of hospital equipment.~~

Donors have included fraternal orders, men's and women's clubs, athletic societies, schools, religious organizations, children's groups, organizations of industrial workers, and other bodies, as well as individuals.

One group of employees in an airplane factory contributed $1,000 per month throughout the war period, to be used for providing canteen credits for troops overseas.

Many donations of property also were received, including automobiles, boats, firearms, medical equipment and supplies, patent rights, textile products and cigarets.

One of the more unusual donations was a money order for $5, with the donor directing that the money be used "to find out whether there is anything to this moon magic."

Gifts received after January 1 for the benefit of personnel of the armed forces stationed abroad will be expended through the Army and Navy, Secretary Vinson said. Most conditional gifts received heretofore have been handled in this manner.

OK'd by Wilson and Morwell - HMS

Siler - draft of proposed release

Immediate

OK

DEC 29 1945

F. M. V.

V-183

Secretary ~~of the Treasury~~ Vinson today called attention to the fact that under the terms of a new Act of Congress just signed by President Truman, authority of the Treasury to accept conditional gifts to the Government is limited commencing January 1 to gifts for the benefit of personnel of the armed forces stationed abroad.

This limitation is imposed in an Act making certain revisions in the Second War Powers Act of 1942, as amended. Under terms of the original Second War Powers Act, which became effective March 27, 1942, conditional gifts to the Government were acceptable for any war purpose. Gifts were classed as conditional when the donors stipulated that some particular use be made of them.

Unconditional gifts may still be accepted without restriction, Secretary Vinson said. Unconditional gifts of cash are placed in the general fund of the Treasury. Conditional gifts of cash have been added to outstanding Congressional appropriations covering the purposes stipulated for these gifts.

The Secretary noted that from March 27, 1942, when conditional gifts first became acceptable, through December 28, 1945, the Treasury received 1,513 conditional gifts of cash or securities, amounting to approximately $6,190,000. The number of persons from whom these gifts came is estimated at 25,000 to 30,000, the exact number being unknown because many of the donations were from large groups of which no lists were supplied.

TREASURY DEPARTMENT
Washington

FOR IMMEDIATE RELEASE,
Saturday, December 29, 1945

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The Secretary noted that from March 27, 1942, when conditional gifts first became acceptable, through December 28, 1945, the Treasury received 1,513 conditional gifts of cash or securities, amounting to approximately $6,190,000. The number of persons from whom these gifts came is estimated at 25,000 to 30,000, the exact number being unknown because many of the donations were from large groups of which no lists were supplied.

Purposes stipulated for the gifts have covered a wide range of war needs, with the purchase of jeeps, bombers and machine guns being particularly popular. One gift of $400,000 from two individuals was for the provision of recreation facilities for members of the armed forces serving at an air field in Ohio. Large sums were given also for such purposes as the purchase of books and hospital equipment for the Army and Navy.

Donors have included fraternal orders, men's and women's clubs, athletic societies, schools, religious organizations, children's groups, organizations of industrial workers, and other bodies, as well as individuals.

One group of employees in an airplane factory contributed $1,000 per month throughout the war period, to be used for providing canteen credits for troops overseas.

Many donations of property also were received, including automobiles, boats, firearms, medical equipment and supplies, patent rights, textile products and cigarets.

One of the more unusual donations was a money order for $5, with the donor directing that the money be used "to find out whether there is anything to this moon magic."

Gifts received after January 1 for the benefit of personnel of the armed forces stationed abroad will be expended through the Army and Navy, Secretary Vinson said. Most conditional gifts received heretofore have been handled in this manner.

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Treasury Department
Washington

For Release Morning Newspapers,
~~Press release Monday~~
Monday December 31, 1945.

Press Service
No. V-184

~~The~~ Secretary Vinson ~~of the Treasury~~ today announced that steps have been taken to permit all banks hereafter authorized to begin business by the Comptroller of the Currency, or admitted to membership in the Federal Reserve System, to transact normal banking business without obtaining a special license from the Treasury.

Since the bank holiday of March 6, 1933, all member banks of the Federal Reserve System have been required to be licensed by the Secretary of the Treasury. Inasmuch as the requirements for organization as a national bank or for membership in the Federal Reserve System adequately safeguard the public interest at the present time, independent consideration of each proposed member bank by the Treasury is no longer necessary. Accordingly, today's action constitutes an authorization of the Secretary of the Treasury to new members of the Federal Reserve System to transact normal banking business without further license from the Treasury Department.

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TREASURY DEPARTMENT
Washington

FOR RELEASE MORNING NEWSPAPERS,
Monday, December 31, 1945.

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V-185

FOR IMMEDIATE RELEASE
January 2, 1946

The Bureau of Customs announced today preliminary figures showing the quantities of coffee entered for consumption during the period commencing October 1, 1945 as follows:

Country of Production	Quantity in Pounds As of December 22, 1945
Signatory Countries:	
Brazil	303,362,956
Colombia	134,876,840
Costa Rica	6,739,403
Cuba	79
Dominican Republic	6,842,059
Ecuador	6,503,251
El Salvador	5,594,482
Guatemala	10,833,012
Haiti	5,829,712
Honduras	3,745,387
Mexico	6,871,120
Nicaragua	794,462
Peru	1,036,546
Venezuela	5,171,464
Non-Signatory Countries:	8,036,963
TOTAL	506,237,736

TREASURY DEPARTMENT
Washington

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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.

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. Subject to these reservations, tenders for $200,000 or less from any one bidder at 99.905 entered on a fixed-price basis will be accepted in full. 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 10, 1946.

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

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TREASURY DEPARTMENT

Washington

FOR RELEASE, MORNING NEWSPAPERS,
Friday, January 4, 1946.
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The Secretary of the Treasury, by this public notice, invites tenders for $1,300,000,000 (2), or thereabouts, of 91 (3) -day Treasury bills, to be issued on a discount basis under competitive and fixed-price bidding as hereinafter provided. The bills of this series will be dated January 10, 1946 (4), and will mature April 11, 1946 (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 ~~War~~ Standard time, Monday, January 7, 1946 (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 2 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.

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V-186

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Since wars are not ordained, but are man-made, man can avoid war by solving the problems that cause war.

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With the native Texan ability he brought to the job, enhanced by his experience during the depression and both World Wars, Sam Rayburn, resisting the siren's music, has done a yoeman's service in keeping our country on her course with even keel. While Texas has sent many great men to the councils of government she has sent no man who has added more luster to the Lone Star.

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The nations of the world, in my judgment, can work under these processes of justice, law, order and peace, and still remain alert and strong. By remaining alert and strong this nation should, indeed it must, set a better example for the world than it did last time.

If the nations of the world can solve their problems by peaceful discussion and at the same time be ready, willing and able to stamp out the international gangster before he commits his high felonies, we will have prevented war.

There are the problems of finding and carrying out the means of full production, full employment, mass purchasing power, and efficient distribution. We have the political, social and economic problems among nations that twice in our generation rocked us into war. These problems are tough, but surely they cannot be much tougher than the ones we have had.

Now we wonder whether the world can go forward through adversity under justice, law and order as we did. We wonder whether international problems can be solved by peaceful means.

Our way of life has stood the test. We whipped an enemy from within and from without, and neither during the depression nor during the war was any life, liberty or property taken from any citizen without due process of law; neither during the depression nor during the war was the Bill of Rights abrogated; neither during the depression nor during the war was the election of our governing officials suspended.

This gives us the confidence and inspiration to face the future. Of course, the future has its problems.

Our land flowed with milk and honey. Washington is not mad at you because you prospered. But conversely you should not be mad at Washington because you would like to have had more cream and sugar.

Yes, we had all this and victory too. Through the efforts of all true Americans we waged a total war and kept our economy on an even keel. Industry, labor and agriculture performed a production miracle. We had our problems and our headaches, but America, united, did the whole job so well that we overwhelmed the enemy with our might, had more than enough to live on at home, and kept the fires of inflation from consuming us.

That latchstring was never removed. But few went and fewer won.

What was the result of living under those controls? Every group in this country, worker, farmer, manufacturer, distributor, retailer, had a higher degree of prosperity than at any time in the history of our nation. Moreover, our standard of living was high. True we had to put up with the old car, and the old radio. But our people ate more food, better food, and a wider variety than ever before. We were clothed and housed. We even bought more jewelry and perfume and went to more movies.

We preserved our democratic way of life, up to and including our constitutional right to gripe.

When we think of our constitutional right to gripe we think of those "confounded" war measures — wage control, priorities, allocations, rations, manpower and price controls; we think of the administration and elections. Those controls were necessary. We were waging a total war. We were preserving the value of our dollar. Those controls were promulgated under law and if any individual thought that as to him the application of any control violated the due process of law he could go to the courthouse.

It would have been easy to turn to men with liquid promises.

Likewise, when the war clouds gathered and later when we were in it to the hilt, it would have been so easy not to face the facts of life. Again our people, beladen with suffering and sacrifice, heard fatalistic appeals. Some asked us to bury our heads in the sand. Some asked for a negotiated peace. Instead we out-produced, out-fought, out-thought, and out-lasted the enemy. We did all this without selling any of our birthright.

We gathered sufficient strength to whip the depression and to win the war. That is a great lesson. But there is a greater lesson. We mustered that strength and licked the depression and whipped the Axis without impairing in any way our basic principles of government.

Remember further, my friends, we did not stick to our way of life simply because temptation did not beckon. During the depression the stage was set for starry-eyed plans of salvation. Not only was the situation ripe for the appeals of demagogic despots, but the appeals were made.

On the firing line, where the might of this nation met the might of the enemy, our men in uniform bore the brunt reality of war. These men, their families, and their loved ones, made the great and noble sacrifices. In this respect Texas set a fine example for the nation. We must thank our soldiers whether they be the living, the dead, or the living dead, not alone by monuments and words of praise, but by getting out and working for the peace every bit as fully as we worked for Victory.

Materials in short supply had to be controlled. Inflation threatened. That meant the control of wages and prices.

In spite of this effort, reflect upon the situation we faced in the summer of '42. It appeared that Stalingrad, Alexandria, and the Suez Canal would fall. Australia was threatened. The U-Boats roamed the oceans. Yes, what if we had gained our military might just a little slower, or if the Axis had been just a little stronger? We almost came to live under the heels of men who today stand trial at Nuernburg as criminals against civilization.

Just before we were attacked, we seriously questioned the extension of the Selective Service and Training Act. You recall it passed the House by one vote. If we had been disbanding our army at the time the Japs struck at Pearl Harbor, we would certainly have been in fine shape.

Mobilization for war put terrific strains upon our nation. Millions of men and women took new jobs in the military services and in war production. Millions of men and women marched out of their homes, out of school, out of retirement.

The days of Dunkirk were dark days.

Later we were attacked. War brought us many problems. We had to grind to a halt much of our peacetime production. We had to lick shortages of raw materials. We had to smooth out bottlenecks in our production system. In short, we were faced with the basic problem of converting a civilian economy into military preparedness after the battle had started. And we were fighting countries that had been building up their military might for years. You can lose a war that way. We almost did.

Many were in jobs that called for only a fraction of one's talents and many jobs carried meagre pay. Our economy did not permit the pursuit of life, liberty and happiness in the full constitutional meaning of that term.

That depression with its breadlines, its closed banks, its heartaches, its 5-cent cotton and 10-cent oil, was a stern trial for our system of government. Not long afterwards our way of life faced another test -- the test of fire.

We saw the peoples of Poland, Czechoslovakia, Denmark, Norway, Belgium, Holland and France, maimed, killed and conquered.

During the early 30's many of our people suffered because of their inability to secure the stark necessities of life: some food, some clothing. Many of our people were unemployed and we are not thinking about transitional unemployment. Our unemployment problem then was mass unemployment. Several millions of our people were out of work, not by choice, not through lack of initiative, but simply because they were not offered any kind of a job.

Even the lot of those who were employed was not necessarily a fortunate one.

Our values of life have stood trial by the ordeal of depression, insecure boom, and total war.

If we look at only the latter half of that generation -- from the Fall of 1929 to date -- we see that we have lived through the worst depression this country has ever had, and the worst war that has ever engulfed the world. Unless we exercise an uncommon amount of imagination we cannot reconstruct our life as it was during the dark days of the depression in the early 30's or the black days of the war in the summer of '42.

We have witnessed Germany's surrender, the United Nations Charter, the atomic bomb, Japan's surrender, the beginning of Bretton Woods. Through all of this history, President Truman has been an active, capable, courageous, aggressive and imaginative world leader.

During the generation that Sam Rayburn has served in the House we have lived through two World Wars and an uncertain period between the Wars. Our way of life, our form of government, has been put in the crucible during our generation.

Vice-President Truman was in the Speaker's office on April 12, 1945 when he received the emergency call to come to the White House. That he should be called from a meeting with the Speaker to take his oath as President was not surprising since Sam Rayburn and Harry Truman have long been close friends and co-workers in serving the people of this country.

Have you recalled recently the world history that we have seen since Harry Truman became President?

I name a few: important appropriation acts authorizing funds to win the war, to start the reconversion, and to keep our federal government supplying the services our people need and want; the extension of the Renegotiation Act, Subsidy Payments, the Stabilization Act, and Reciprocal Trade Agreements; the Bretton Woods Agreement Act; the Reorganization Act; the liberalization of the G. I. Bill of Rights; and the largest tax reduction act ever passed.

That is a partial legislative record wherein Sam Rayburn worked hand-in-glove with President Truman.

From April 12 to the end of the year over 200 public laws were enacted. Not every one of these bills was world shaking, of course, but there were many important ones.

Though Sam Rayburn has this great record and is a man of tremendous influence, he is still the Congressman of his constituents and of the state he passionately loves. This love for Texas with her unlimited opportunities, courage and spirit is a part of Sam's religion.

It is easy not to realize the sheer volume of work the House must do. I made a check, just for illustration, of the legislation that has become the law of the land since our great wartime leader Franklin D. Roosevelt died in the service of his country.

Experience, of course, is necessary to attain such distinction, but frankness, courage, loyalty, honesty of purpose and outstanding ability are necessary ingredients in the man who is chosen by the House to be its leader and Speaker. Sam Rayburn has stood the test of fire. No legislator has participated as intimately in the passage of as many important laws during the critical periods of this country's history as Sam Rayburn.

After being chosen majority leader, he was elected Speaker of the House, the No. 2 job in the United States. Sam Rayburn has been elected to this important position four times. Sam Rayburn will hold continously ~~the~~ office of Speaker longer than any other man if a Democratic majority again elect him to this influential post.

He was a great leader of the House. He is a great Speaker of the House. No man reaches these heights by accident.

He served on that committee for some 25 years. He actively participated in legislation establishing the Federal Trade Commission, the Federal Tariff Commission, and the Federal Reserve System. As Chairman of that committee he fathered the Securities Act of '33, the Stock Exchange Act of '34, the Public Utilities Holding Company Act of '35, the Rural Electrification and Federal Communications Acts.

Some of these bills met the toughest opposition. Today, in the wisdom of hindsight, we can see that Sam Rayburn is a solid, feet-on-the-ground, constructive legislator.

I am happy to participate in this testimonial to my good friend, Sam Rayburn. Our friendship of more than 20 years' has created a brother-like devotion.

Sam Rayburn, a great Texan, has served you and his country faithfully for a generation. The true significance of his service, however, lies not in its length but in its quality.

His long career has been devoted to the common good. In his first session he was elected a member of the important committee of Interstate and Foreign Commerce.

TREASURY DEPARTMENT
Washington

O.K.

(The following address by Secretary Vinson was given at the Adolphus Hotel, Dallas, Texas, at a testimonial dinner to Sam Rayburn, Speaker of the House of Representatives, and is for release in morning newspapers, Saturday, January 5, 1946).

For Release, Morning Newspapers Saturday, etc.

Press Service No. V-1

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TREASURY DEPARTMENT
Washington

FOR RELEASE, MORNING NEWSPAPERS,
Saturday, January 5, 1946.

Press Service
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Remember further, my friends, we did not stick to our way of life simply because temptation did not beckon, During the depression the stage was set for starry-eyed plans of salvation. Not only was the situation ripe for the appeals of demagogic despots, but the appeals were made. It would have been easy to turn to men with liquid promises.

Likewise, when the war clouds gathered and later when we were in it to the hilt, it would have been so easy not to face the facts of life. Again our people, beladen with suffering and sacrifice, heard fatalistic appeals. Some asked us to bury our heads in the sand. Some asked for a negotiated peace. Instead we out-produced, out-fought, out-thought, and out-lasted the enemy. We did all this without selling any of our birthright. We preserved our democratic way of life, up to and including our constitutional right to gripe.

When we think of our constitutional right to gripe we think of those "confounded" war measures -- wage control, priorities, allocations, rations, manpower and price controls; we think of the administration and elections. Those controls were necessary. We were waging a total war. We were preserving the value of our dollar. Those controls were promulgated under law and if any individual thought that as to him the application of any control violated the due process of law he could go to the courthouse. That latchstring was never removed. But few went and fewer won.

What was the result of living under those controls? Every group in this country, worker, farmer, manufacturer, distributor, retailer, had a higher degree of prosperity than at any time in the history of our nation. Moreover, our standard of living was high. True we had

to put up with the old car, and the old radio. But our people ate more food, better food, and a wider variety than ever before. We were clothed and housed. We even bought more jewelry and perfume and went to more movies.

Our land flowed with milk and honey. Washington is not mad at you because you prospered. But conversely you should not be mad at Washington because you would like to have had more cream and sugar.

Yes, we had all this and victory too. Through the efforts of all true Americans we waged a total war and kept our economy on an even keel. Industry, labor and agriculture performed a production miracle. We had our problems and our headaches, but America, united, did the whole job so well that we overwhelmed the enemy with our might, had more than enough to live on at home, and kept the fires of inflation from consuming us.

Our way of life has stood the test. We whipped an enemy from within and from without, and neither during the depression nor during the war was any life, liberty or property taken from any citizen without due process of law; neither during the depression nor during the war was the Bill of Rights abrogated; neither during the depression nor during the war was the election of our governing officials suspended.

This gives us the confidence and inspiration to face the future. Of course, the future has its problems. There are the problems of finding and carrying out the means of full production, full employment, mass purchasing power, and efficient distribution. We have the political, social and economic problems among nations that twice in our generation rocked us into war. These problems are tough, but surely they cannot be much tougher than the ones we have had.

Now we wonder whether the world can go forward through adversity under justice, law and order as we did. We wonder whether international problems can be solved by peaceful means.

The Nations of the world, in my judgment, can work under these processes of justice, law, order and peace, and still remain alert and strong. By remaining alert and strong this nation should, indeed it must, set a better example for the world than it did last time.

If the nations of the world can solve their problems by peaceful discussion and at the same time be ready, willing and able to stamp out the international gangster before he commits his high felonies, we will have prevented war.

Since wars are not ordained, but are man-made, man can avoid war by solving the problems that cause war.

With the native Texan ability he brought to the job, enhanced by his experience during the depression and both World Wars, Sam Rayburn, resisting the siren's music, has done a yeoman's service in keeping our country on her course with even keel. While Texas has sent many great men to the councils of government she has sent no man who has added more luster to the Lone Star.

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STATUTORY DEBT LIMITATION
AS OF DECEMBER 31, 1945

Section 21 of the Second Liberty Bond Act, as amended, provides that the face amount of obligations issued under authority of that Act, and the face amount of obligations guaranteed as to principal and interest by the United States (except such guaranteed obligations as may be held by the Secretary of the Treasury), "shall not exceed in the aggregate $300,000,000,000 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			$300,000,000,0
Outstanding December 31, 1945			
Obligations issued under Second Liberty Bond Act, as amended			
Interest-bearing			
Bonds			
Treasury	$120,423,209,450		
Savings (maturity value)*	59,078,409,250		
Depositary	496,592,500		
Adjusted Service	500,157,956	$180,498,369,156	
Treasury notes	42,034,189,900		
Certificates of indebtedness	46,823,890,000		
Treasury bills	17,037,086,000	105,895,165,900	
Total interest-bearing		286,393,535,056	
Matured, interest-ceased		337,181,328	
Bearing no interest			
War Savings Stamps	133,228,681		
Excess profits tax refunds bonds	1,127,536,617	1,260,765,298	
Total		287,991,481,682	
Guaranteed obligations (not held by Treasury)			
Interest-bearing			
Debentures: F.H.A.	41,131,986		
Demand obligations: C.C.C.	511,639,347	552,771,333	
Matured, interest ceased		14,676,225	
		567,447,558	
Grand total outstanding			288,558,929,
Balance face amount of obligations issuable under above authority			11,441,070,

Reconcilement with Statement of the Public Debt - December 31, 1945
(Daily Statement of the United States Treasury, January 2, 1946)

Outstanding December 31, 1945		
Total gross public debt		278,114,523,
Guaranteed obligations not owned by the Treasury		567,447,
Total gross public debt and guaranteed obligations		278,681,970,
Add - unearned discount on U.S. Savings Bonds (Difference between maturity value and current redemption value)	10,895,519,095	
Deduct - other outstanding public debt obligations not subject to debt limitation	1,018,560,514	9,876,958,
		288,558,929,

* Approximate face or maturity value; current redemption value $48,182,890,155.

V-188
~~RMulrea/ilc~~

January 7, 1946

STATUTORY DEBT LIMITATION
AS OF DECEMBER 31, 1945

Section 21 of the Second Liberty Bond Act, as amended, provides that the face amount of obligations issued under authority of that Act, and the face amount of obligations guaranteed as to principal and interest by the United States (except such guaranteed obligations as may be held by the Secretary of the Treasury), "shall not exceed in the aggregate $300,000,000,000 outstanding at any one time."

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Total		287,991,481,682	
Guaranteed obligations (not held by Treasury)			
Interest-bearing			
Debentures: F.H.A.	41,131,986		
Demand obligations: C.C.C.	511,639,347	552,771,333	
Matured, interest ceased		14,676,225	
		567,447,558	
Grand total outstanding			288,558,929,240
Balance face amount of obligations issuable under above authority			11,441,070,760

Reconcilement with Statement of the Public Debt - December 31, 1945
(Daily Statement of the United States Treasury, January 2, 1946)

Outstanding December 31, 1945		
Total gross public debt		278,114,523,101
Guaranteed obligations not owned by the Treasury		567,447,558
Total gross public debt and guaranteed obligations		278,681,970,659
Add - unearned discount on U. S. Savings Bonds (Difference between maturity value and current redemption value)	10,895,519,095	
Deduct - other outstanding public debt obligations not subject to debt limitation	1,018,560,514	9,876,958,581
		288,558,929,240

* Approximate face or maturity value; current redemption value $48,182,890,155.

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TREASURY DEPARTMENT
Washington

FOR RELEASE, MORNING NEWSPAPERS,
Tuesday, January 8, 1946.

Press Service
V-189

The Secretary of the Treasury announced last evening that the tenders for $1,300,000,000, or thereabouts, of 91-day Treasury bills to be dated January 10 and to mature April 11, 1946, which were offered on January 4, 1946, were opened at the Federal Reserve Banks on January 7.

The details of this issue are as follows:

Total applied for - $2,259,444,000
Total accepted - 1,316,060,000 (includes $62,460,000 entered on a fixed-price basis at 99.905 and accepted in full)
Average price - 99.905+ Equivalent rate of discount approx. 0.375% per annum

Range of accepted competitive bids:

High - 99.907 Equivalent rate of discount approx. 0.368% per annum
Low - 99.905 " " " " " 0.376% " "

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

Federal Reserve District	Total Applied for	Total Accepted
Boston	$ 20,255,000	$ 12,660,000
New York	1,503,553,000	834,203,000
Philadelphia	56,655,000	44,503,000
Cleveland	34,575,000	29,675,000
Richmond	18,070,000	16,845,000
Atlanta	7,599,000	7,573,000
Chicago	414,620,000	235,770,000
St. Louis	21,013,000	12,487,000
Minneapolis	23,620,000	16,270,000
Kansas City	20,215,000	16,785,000
Dallas	29,430,000	19,630,000
San Francisco	109,839,000	69,659,000
TOTAL	$2,259,444,000	$1,316,060,000

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TOTAL	$2,259,444,000	$1,316,060,000

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Arms Jan 9, 1946.

~~PROPOSED PRESS RELEASE~~

~~(For release if and when the Secretary acts on recommendation)~~

V-190

Secretary Vinson today made public the appointment of Edwin L. Kilby as Commissioner of the Public Debt, Treasury Department, to succeed William S. Broughton, who retired on December 31 after over forty-five years of Treasury service.

Mr. Kilby, a career Government employee, first came to Washington in 1917 as a clerk in the War Department. Soon after the declaration of World War I he enlisted in the Army, and served during the remainder of hostilities with the Seventh Anti-Aircraft Sector in France. Following his discharge early in 1919, Mr. Kilby came to the Treasury Department, ~~where he has remained in continuous service.~~ He was named Associate Commissioner of the Public Debt on June 11, 1944, after ten years as ~~an~~ Assistant Commissioner.

A native of Dennysville, Maine, Mr. Kilby received his business educat in Bangor, later taught in Maine Schools, and was for a time employed by the Maine Central Railroad.

Mr. Broughton, the retiring Commissioner, ~~[illegible]~~ received his appointment to the post in 1919, shortly following creation of the Public Debt Service, as the Bureau was called prior to 1940, to handle the ~~[illegible]~~ indebtedness incurred in World War I. He was granted two leaves of absence during his Treasury career--in 1908-1909 when he served as fleet pay clerk on a battleship cruise around the world, and in 1910 when he supervised the Census for the District of Columbia.

TREASURY DEPARTMENT
Washington

FOR RELEASE, MORNING NEWSPAPERS,
Wednesday, January 9, 1946.

Press Service
No. V-190

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The alternative — God save us — is to perish together. Mankind surely has the wit and the will to choose not death but life.

But the cost to us and to the world would be reflected in decreased trade, decreased employment, and lower standards of living. Neither we nor any other country can afford a breakdown in international economic relations.

The significance of the financial agreement with Britain goes far beyond its economic effects, important though they are. This is a world in which all countries must work together if we are to live in peace and prosperity.

We, more than any other country, are concerned with the kind of economic world that is now being built. The fact is that we would be the primary target in the continued use of restrictive and discriminatory currency and trade measures. There is no doubt that we could take countermeasures. There is no doubt that we could defend ourselves if economic warfare should break out.

It will be a significant contribution to the prompt attainment of those objectives of order and freedom in the international exchanges that the Bretton Woods program has boldly set up as the basis for international trade and investment after the war. It will make possible an agreement among the United Nations to establish an International Trade Organization devoted to the maintenance of fair practices in international trade.

Large markets abroad play an important part in our domestic prosperity and full employment. This is a good investment. We cannot afford international economic anarchy.

The approval of the financial agreement with Britain will mark real progress in the restoration of a world economy.

Much of the money involved will be used to finance increased exports to Britain. Increased exports mean more American production. More production means more income to American workers. Even more significant — the proposed program will mean access to more markets on an equal competitive basis for American business. In this way the loan helps to insure a continuing market for the products of American factories and farms.

The amount of the proposed British credit is large, but it is needed to do the job. Three and three-quarter billion dollars is a lot of do-re-mi in anybody's book. But war, including its aftermath, is costly business. This loan represents about two weeks of our expenditures for war toward its close. In my judgment, this is not an expenditure but an investment. It is sound business for America.

In Britain they have been called too hard, in the United States, too easy. They are, in my judgment, fair to both countries. They take account of Britain's need for aid and her ability to repay. They take account of the financial cost to this Government of providing aid to Britain. The interest charged Britain is reasonably comparable to what it costs this Government to borrow money.

An international conference is to be held next summer for the purpose of establishing an International Trade Organization, and of reaching an agreement to reduce the barriers to trade, to eliminate discriminations in trade, and to facilitate the maintenance of high levels of employment.

It is unfortunate that there have been some intemperate statements concerning the terms of the proposed loan.

The discussions in Washington were concerned with trade as well as financial problems. A joint statement of policy was issued by the United States and the United Kingdom setting forth an understanding regarding a proposal for a commercial policy agreement among the United Nations to facilitate the expansion of world trade.

On the settlement of the sterling balances accumulated during the war, Britain will make her own arrangements with the countries concerned. Britain has stated that she intends to make an immediate payment on these balances, that part of these balances will be written off as a contribution to the war effort, and that a large part will be funded and released over a period of years. These released funds will also be freely available for use in any country without discrimination.

Under the agreement the sterling area countries will be free - within a year, unless a longer period is agreed - to use the sterling they earn from exports for payments in any country they choose. In effect, under this financial agreement, many of the restrictive features governing the use of sterling will be abandoned at once; and as a result the so-called sterling dollar pool will be abolished.

On her part, Britain undertakes to relax and eliminate the wartime currency and trade restrictions. Specifically, the British Government will make freely convertible into dollars all sterling received by Americans in payment for exports to the United Kingdom. Sterling balances acquired by Americans and arising out of current transactions will also be freely convertible into dollars.

If a waiver in some year should be necessary, it will only be because Britain would otherwise be compelled to restrict imports of food and raw materials to a level that would endanger the health of her people and economy.

Under such conditions, it is not in the interest of the United States to compel a default. It is better to do as our agreement provides: accept the instalments of principal due during those years, while waiving the interest payments, and as soon as those temporary conditions pass, resume the full annual payment of interest and principal.

The net amount due to the United States from these accounts was fixed at approximately $650 million. The broad terms provide that both sums will be repaid in 50 annual payments beginning in 1951 with interest at 2 percent.

Obviously, we cannot foresee the future. There may be times, under depressed conditions, when it will be impossible for Britain to make full payment under these agreements without serious consequences.

The \$3-3/4 billion to be lent to Britain will be a line of credit on which Britain may draw during the next five years to pay for the imports she needs. No part of the loan is to be used in paying her debts to other countries. Britain must pay these debts from other resources.

An agreement was also reached on the settlement of claims arising from Lend-Lease and Reciprocal Aid and the sale of surplus property located in the United Kingdom.

From careful study, our representatives came to the conclusion that Britain will need a credit of \$3-3/4 billion to enable her to continue essential imports until world trade has revived and British exports have expanded. Even with this credit, the British people will have to continue to keep their belts well tightened. Their standard of living will be little different from the austere levels forced on them during the war.

After more than three months of discussion, the representatives of the United States and England agreed on three major points. First, a conflict on international economic policy must be avoided. Second, Britain will need help in securing her essential imports while her export industries get back on their feet. Third, with such help, Britain would be able soon to abandon the wartime currency and trade controls.

Unless she has help in securing her essential import needs during the next three to five years, Britain would have to retain and extend the wartime trade and exchange controls. Trade within the sterling area would be built up, while trade with the outside world would be kept to a minimum. We are a part of that outside world. In a real sense a British economic bloc would be establishe[d] based on preferences to countries within the bloc and discriminations against countries outside the bloc.

Our own trade relations with Britain have always been close. Before the war, Britain bought 17 percent of our exports and the British Empire bought 42 percent. In fact, Britain and the British Empire were not only our best customer but also the best customer of the whole world, accounting for 27 percent of all world trade. That is why what Britain does to eliminate wartime restrictions and discriminations is so important to us and to the entire world.

Some means must be found by the British Empire to settle these sterling obligations.

These are the important problems which Britain must solve. The course she chooses will affect the economic well-being of the entire world. Before the war Britain was the largest importing and the second largest exporting country. But Britain's choice has even wider significance. Many other countries are so dependent on British trade that their policies are vitally linked to those of Britain.

The debts Britain has incurred to other countries to meet her war expenses overseas amount to the enormous sum of $13 billion. These are held in blocked balances of English currency. The mere existence of the debt in this form compels Britain to limit stringently the use of her money in the markets of the world. Britain cannot deal with this problem as an ordinary debt. We must remember that this is a foreign debt, and for a foreign debt the sum involved is tremendous.

That means that the pre-war volume of world trade must be substantially increased.

As part of her all-out war effort, Britain was forced to reduce her export trade sharply until in 1944 it was only 30 percent of the 1938 volume. Even with favorable conditions Britain will need several years to expand her exports sufficiently to pay for her imports. During those years, she must find some way to feed her people and her factories with food and raw materials.

There is no other way in which Britain can continue to buy the foods that are essential to the maintenance of her economy.

The expansion of her exports is primarily a problem for Britain to solve; but there is a responsibility on us and on other countries too. Even if British industries are in a position to export, they can succeed in exporting enough to pay for British imports only if there are markets abroad.

Many of her foreign investments were sold to raise the money needed for the war, and, in addition, she became heavily indebted to foreign countries. A large part of Britain's merchant fleet was sunk during the war. Receipts from other services have also fallen, although they will probably recover with the expansion of trade.

The decline in British revenues abroad from investments and services must be offset by increased exports.

For this reason Britain stands to gain to an unusual degree from the efficient functioning of a world economy. But for the same reason Britain cannot risk the loss of the protection afforded by these wartime measures unless she can otherwise secure essential food and raw materials during the period in which she builds up her exports.

The war has seriously damaged Britain's export trade and her international economic position.

But the continuance of these same measures after the war can have serious restrictive effects on production and trade in America and on world trade generally. They can imperil, or delay for many years, the restoration of a sound world economy.

Why, then, should there be any thought that Britain would continue these restrictive measures? Britain is in an extraordinary and probably unique situation in her dependence on imported food and raw materials and upon foreign trade.

The dollars and other convertible currencies earned by sterling area countries were placed in a common pool and were allocated for use where they were most essential for the war effort.

These measures enabled Britain to put all of the foreign exchange resources at her disposal into the war. All of the United Nations benefited because the force brought against the Axis was increased.

Imports from the sterling area and other expenditures within this area were paid for in sterling - British currency - which was held in the form of deposits in London or invested in British Treasury bills. Sterling balances could be used freely only for payments inside the sterling area.

That is a practical problem that faces us now, and the proposed loan to Britain, which is subject to approval by the Congress, is a specific example of facing the problem.

Under the necessity of war, Britain introduced extensive trade and exchange controls in order to mobilize for total war. The use of foreign exchange was stringently limited by complete control of imports and payments outside the group of countries known as the sterling area.

Peace and prosperity cannot flourish in a climate of suspicion, mistrust, and economic sword-play.

The people of all the United Nations have given ample evidence of their earnest desire to eliminate the economic causes of conflict. But they cannot pursue this course until they have reasonable assurance that their war-strained economies will function.

New measures of restriction and discrimination have been introduced to meet the special conditions of war; and many countries will be tempted to continue and even to perpetuate these wartime devices.

The shape of the post-war world is being formed by what we do right now. Unless steps are taken to prevent it, there is a real danger that countries will turn again to economic isolation, and that the world will again be divided into conflicting economic blocs.

Instead of economic statesmanship, countries resorted to exchange depreciation, exchange controls, trade restrictions, bilateral clearing arrangements and similar measures.

The fact is that the basic international economic problems were never solved. And now the war has multiplied many-fold the difficulties of the pre-war period. Customary trade relations have been disrupted.

Neither can the world economy be stable without prosperity in this country.

After the last war we had an opportunity to build a world in which countries could work together in peace and prosperity. We muffed that opportunity. International economic relations were allowed to break down. Instead of economic cooperation, the world resorted to economic warfare.

We have learned a great truth: eternal vigilance is the price not only of liberty but of peace and prosperity.

All of these problems are interrelated. We cannot have a lasting peace without good economic conditions throughout the world. Neither can we have enduring prosperity throughout the world without lasting peace. We cannot have a high level economy in this country without a stable world economy.

All of these problems are difficult. But we have no reason to be disheartened. We have met and solved difficult problems before. The very fact that we recognize them, that we are prepared to deal with them, is an encouraging indication that we are on the way to succeed. No doubt we shall make some mistakes; but we shall not repeat the great mistake we made after the last war -- the mistake of doing nothing.

The close of the war has brought to us and to the entire world new problems that are difficult and important. There is the problem of reconverting our industries to peacetime needs and maintaining a high level of production, employment, and national income. There is the problem of making a lasting peace through the cooperation of the United Nations. And there is the problem of restoring a world economy shattered by six years of destructive war.

TREASURY DEPARTMENT

Washington

FOR RELEASE, 9:30 PM, EST,
Wednesday, January 9, 1946.

Press Service
No. V-191

(The following broadcast by Secretary Vinson before the American Academy of Political and Social Science at Town Hall, Philadelphia, will be carried over the Coast-to-Coast Network of the American Broadcasting Company at 9:30 PM, EST, Wednesday, January 9, 1946, and is for release at that time).

The close of the war has brought to us and to the entire world new problems that are difficult and important. There is the problem of reconverting our industries to peacetime needs and maintaining a high level of production, employment, and national income. There is the problem of making a lasting peace through the cooperation of the United Nations. And there is the problem of restoring a world economy shattered by six years of destructive war.

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The shape of the post-war world is being formed by what we do right now. Unless steps are taken to prevent it, there is a real danger that countries will turn again to economic isolation, and that the world will again be divided into conflicting economic blocs. Peace and prosperity cannot flourish in a climate of suspicion, mistrust, and economic sword-play.

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These measures enabled Britain to put all of the foreign exchange resources at her disposal into the war. All of the United Nations benefited because the force brought against the

Axis was increased. But the continuance of these same measures after the war can have serious restrictive effects on production and trade in America and on world trade generally. They can imperil, or delay for many years, the restoration of a sound world economy.

Why, then, should there be any thought that Britain would continue these restrictive measures? Britain is in an extraordinary and probably unique situation in her dependence on imported food and raw materials and upon foreign trade. For this reason Britain stands to gain to an unusual degree from the efficient functioning of a world economy. But for the same reason Britain cannot risk the loss of the protection afforded by these wartime measures unless she can otherwise secure essential food and raw materials during the period in which she builds up her exports.

The war has seriously damaged Britain's export trade and her international economic position. Many of her foreign investments were sold to raise the money needed for the war, and, in addition, she became heavily indebted to foreign countries. A large part of Britain's merchant fleet was sunk during the war. Receipts from other services have also fallen, although they will probably recover with the expansion of trade.

The decline in British revenues abroad from investments and services must be offset by increased exports. There is no other way in which Britain can continue to buy the foods that are essential to the maintenance of her economy.

The expansion of her exports is primarily a problem for Britain to solve; but there is a responsibility on us and on other countries too. Even if British industries are in a position to export, they can succeed in exporting enough to pay for British imports only if there are markets abroad. That means that the pre-war volume of world trade must be substantially increased.

As part of her all-out war effort, Britain was forced to reduce here export trade sharply until in 1944 it was only 30 percent of the 1938 volume. Even with favorable conditions Britain will need several years to expand her exports sufficiently to pay for her imports. During those years, she must find some way to feed her people and her factories with food and raw materials.

The debts Britain has incurred to other countries to meet her war expenses overseas amount to the enormous sum of $13 billion. These are held in blocked balances of English currency. The mere existence of the debt in this form compels Britain to limit stringently the use of her money in the markets of the world. Britain cannot deal with this problem as an ordinary debt. We must remember that this is a foreign debt, and for a foreign debt the sum involved is tremendous. Some means must be found by the British Empire to settle these sterling obligations.

These are the important problems which Britain must solve. The course she chooses will affect the economic well-being of the entire world. Before the war Britain was the largest importing and the second largest exporting country. But Britain's choice has even wider significance. Many other countries are so dependent on British trade that their policies are vitally linked to those of Britain.

Our own trade relations with Britain have always been close. Before the war, Britain bought 17 percent of our exports and the British Empire bought 42 percent. In fact, Britain and the British Empire were not only our best customer but also the best customer of the whole world, accounting for 27 percent of all world trade. That is why what Britain does to eliminate wartime restrictions and discriminations is so important to us and to the entire world.

Unless she has help in securing her essential import needs during the next three to five years, Britain would have to retain and extend the wartime trade and exchange controls. Trade within the sterling area would be built up, while trade with the outside world would be kept to a minimum. We are a part of that outside world. In a real sense a British economic bloc would be established based on preferences to countries within the bloc and discriminations against countries outside the bloc.

After more than three months of discussion, the representatives of the United States and England agreed on three major points. First, a conflict on international economic policy must be avoided. Second, Britain will need help in securing her essential imports while her export industries get back on their feet. Third, with such help, Britain would be able soon to abandon the wartime currency and trade controls.

From careful study, our representatives came to the conclusion that Britain will need a credit of $3-3/4 billion to enable her to continue essential imports until world trade has revived and British exports have expanded. Even with this credit, t the British people will have to continue to keep their belts well tightened. Their standard of living will be little different from the austere levels forced on them during the war.

The $3-3/4 billion to be lent to Britain will be a line of credit on which Britain may draw during the next five years to pay for the imports she needs. No part of the loan is to be used in paying her debts to other countries. Britain must pay these debts from other resources.

An agreement was also reached on the settlement of claims arising from Lend-Lease and Reciprocal Aid and the sale of surplus property located in the United Kingdom. The net amount due to the United States from these accounts was fixed at approximately $650 million. The broad terms provide that both sums will be repaid in 50 annual payments beginning in 1951 with interest at 2 percent.

Obviously, we cannot foresee the future. There may be times, under depressed conditions, when it will be impossible for Britain to make full payment under these agreements without serious consequences. Under such conditions, it is not in the interest of the United States to compel a default. It is better to do as our agreement provides: accept the instalments of principal due during those years, while waiving the interest payments, and as soon as those temporary conditions pass, resume the full annual payment of interest and principal. If a waiver in some year should be necessary, it will only be because Britain would otherwise be compelled to restrict imports of food and raw materials to a level that would endanger the health of her people and economy.

On her part, Britain undertakes to relax and eliminate the wartime currency and trade restrictions. Specifically, the British Government will make freely convertible into dollars all sterling received by Americans in payment for exports to the United Kingdom. Sterling balances acquired by Americans and arising out of current transactions will also be freely convertible into dollars.

Under the agreement the sterling area countries will be free -- within a year, unless a longer period is agreed -- to use the sterling they earn from exports for payments in any country they choose. In effect, under this financial agreement, many of the restrictive features governing the use of sterling will be abandoned at once; and as a result the so-called sterling dollar pool will be abolished.

On the settlement of the sterling balances accumulated during the war, Britain will make her own arrangements with the countries

The approval of the financial agreement with Britain will mark real progress in the restoration of a world economy. It will be a significant contribution to the prompt attainment of those objectives of order and freedom in the international exchanges that the Bretton Woods program has boldly set up as the basis for international trade and investment after the war. It will make possible an agreement among the United Nations to establish an International Trade Organization devoted to the maintenance of fair practices in international trade.

We, more than any other country, are concerned with the kind of economic world that is now being built. The fact is that we would be the primary target in the continued use of restrictive and discriminatory currency and trade measures. There is no doubt that we could take countermeasures. There is no doubt that we could defend ourselves if economic warfare should break out. But the cost to us and to the world would be reflected in decreased trade, decreased employment, and lower standards of living. Neither we nor any other country can afford a breakdown in international economic relations.

The significance of the financial agreement with Britain goes far beyond its economic effects, important though they are. This is a world in which all countries must work together if we are to live in peace and prosperity. The alternative -- God save us -- is to perish together. Mankind surely has the wit and the will to choose not death but life.

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V-192

FOR IMMEDIATE RELEASE,
January ~~8~~ 9, 1946

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, as modified by the President's proclamations of April 13, 194 , and April 29, 1943, for the 12 months commencing May 29, 1945, as follows:

Country of Origin	Wheat: Established Quota	Wheat: Imports May 29, 1945, to Dec. 29, 1945	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, 1945, to Dec. 29, 1945
	(Bushels)	(Bushels)	(Pounds)	(Pounds)
Canada	795,000	794,425	3,815,000	1,104,038
China	-	-	24,000	-
Hungary	-	-	13,000	-
Hong Kong	-	-	13,000	-
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	-
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	794,425	4,000,000	1,104,038

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TREASURY DEPARTMENT
Washington

FOR IMMEDIATE RELEASE,
Wednesday, January 9, 1946.

Press Service
No. V-192

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Country of Origin	Wheat		Wheat flour, semolina, crushed or cracked wheat, and similar wheat products	
	Established Quota	Imports May 29, 1945, to Dec. 29, 1945	Established Quota	Imports May 29, 1945, to Dec. 29, 1945
	(Bushels)	(Bushels)	(Pounds)	(Pounds)
Canada	795,000	794,425	3,815,000	1,104,038
China	-	-	24,000	-
Hungary	-	-	13,000	-
Hong Kong	-	-	13,000	-
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	-
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	794,425	4,000,000	1,104,038

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V-193

FOR IMMEDIATE RELEASE
January ~~8~~, 1946
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The Bureau of Customs announced today preliminary figures showing the quantities of coffee entered for consumption during the period commencing October 1, 1945 as follows:

Country of Production	Quantity in Pounds As of December 29, 1945
Signatory Countries:	
Brazil	333,021,955
Colombia	142,006,936
Costa Rica	6,738,648
Cuba	95
Dominican Republic	6,974,653
Ecuador	6,503,516
El Salvador	5,594,482
Guatemala	10,832,998
Haiti	5,829,712
Honduras	3,744,318
Mexico	7,518,682
Nicaragua	793,808
Peru	1,036,992
Venezuela	6,048,269
Non-Signatory Countries:	8,036,963
TOTAL	544,682,027

TREASURY DEPARTMENT
Washington

FOR IMMEDIATE RELEASE,
Wednesday, January 9, 1946.

Press Service
No. V-193

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Peru	1,036,992
Venezuela	6,048,269
Non-Signatory Countries:	8,036,963
TOTAL	544,682,027

Commodity	Established Quota: Period and Country	Established Quota: Quantity	Unit of Quantity	Imports as of December 29, 1945
Silver or black foxes, furs, and articles: Foxes valued under $250 each and whole furs and skins	Month of December Canada	17,500	Number	3,700
	Other than Canada	7,500	Number	1,260
Tails	12 months from Dec. 1, 1945	5,000	Piece	-
Paws, heads or other separated parts	"	500	Pound	490
Piece plates	"	550	Pound	-
Articles, other than piece plates	"	500	unit	14

FOR IMMEDIATE RELEASE,
January ~~8~~ 9, 1946

V-194

The Bureau of Customs announced today preliminary figures showing the imports for consumption of commodities within quota limitations provided for under trade agreements, from the beginning of the quota periods to December 29, 1945, inclusive, as follows:

Commodity	Established Quota: Period and Country	Established Quota: Quantity	Unit of Quantity	Imports as of December 29, 1945
Whole Milk, fresh or sour	Calendar year	3,000,000	Gallon	25,525
Cream, fresh or sour	Calendar year	1,500,000	Gallon	1,291
Fish, fresh or frozen, filleted, etc., cod, haddock, hake, pollock, cusk, and rosefish	Calendar year	17,668,311	Pound	Quota filled
White or Irish potatoes:	12 months from September 15, 1945			
certified seed		90,000,000	Pound	47,348,357
other		60,000,000	Pound	181,516
Cuban filler tobacco unstemmed or stemmed (other than cigarette leaf tobacco), and scrap tobacco	Calendar year	22,000,000	Pound (unstemmed equivalent)	Quota filled
Red cedar shingles	Calendar year	1,727,242	Square	1,578,405
Molasses and sugar sirups containing soluble nonsugar solids equal to more than 6% of total soluble solids	Calendar year	1,500,000	Gallon	1,387,754

TREASURY DEPARTMENT
Washington

FOR IMMEDIATE RELEASE,
Wednesday, January 9, 1946.

Press Service
No. V-194

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Commodity	Established Quota: Period and Country	Established Quota: Quantity	Unit of Quantity	Imports as of December 29, 1945
Silver or Black foxes, furs, and articles: Foxes valued under $250 each and whole furs and skins	Month of December Canada	17,500	Number	3,700
	Other than Canada	7,500	Number	1,260
Tails	12 months from Dec. 1, 1945	5,000	Piece	-
Paws, heads or other separated parts	"	500	Pound	490
Piece plates	"	550	Pound	-
Articles, other than piece plates	"	500	Unit	14

COTTON CARD STRIPS made from cottons having a staple of less than 1-3/16 inches in length, 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 made from cottons having a staple less than 1-3/16 inches in length 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, 1945 to Dec. 29, 1945	ESTABLISHED 33-1/3% of Total Quota	Imports Sept. 20, 1945 toDec. 29, 1945 1/
United Kingdom......	4,323,457	-	1,441,152	-
Canada..............	239,690	-	-	-
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	-
TOTALS	5,482,509	69,627	1,599,886	-

1/ Included in total imports, column 2.

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FOR IMMEDIATE RELEASE
January ~~8~~ 9, 1946

V-195

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, as amended by the proclamations of December 19, 1940, March 31, 1942, and June 29, 1942, during the period September 20, 1945, to December 29, 1945.

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, 1945, to Dec. 29, 1945	Established Quota 45,656,420	Imports Sept. 20, 1945, to Dec. 29, 1945
Egypt and the Anglo-Egyptian Sudan	783,816	-		6,890,488
Peru	247,952	247,952		3,856,949
British India	2,003,483	755,913		-
China	1,370,791	-		-
Mexico	8,883,259	8,883,259		-
Brazil	618,723	618,723		-
Union of Soviet Socialist Republics	475,124	-		-
Argentina	5,203	-		-
Haiti	237	-		-
Ecuador	9,333	-		-
Honduras	752	-		-
Paraguay	871	-		-
Colombia	124	-		-
Iraq	195	-		-
British East Africa	2,240	-		-
Netherlands East Indies	71,388	-		-
Barbados	-	-		-
Other British West Indies 1/	21,321	-		-
Nigeria	5,377	-		-
Other British West Africa 2/	16,004	-		-
Other French Africa 3/	689	-		-
Algeria and Tunisia	-	-		-
	14,516,882	10,505,847	45,656,420	10,747,437

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 9, 1946.

Press Service
No. V-195

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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, 1945, to Dec. 29, 1945	Staple length 1-1/8" or more but less than 1-11/16": Established Quota 45,656,420	Staple length 1-1/8" or more but less than 1-11/16": Imports Sept. 20, 1945, to Dec. 29, 1945
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Colombia.................	124	-		-
Iraq.....................	195	-		-
British East Africa.......	2,240	-		-
Netherlands East Indies...	71,388	-		-
Barbados.................	-	-		-
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Italy................	21,263	-	7,088	-
TOTALS	5,482,509	69,627	1,599,886	-

1/ Included in total imports, column 2.

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FOR IMMEDIATE RELEASE
January 9, 1946

V-196

FINAL DATA FOR THE QUOTA YEAR OCTOBER 1, 1944 to SEPTEMBER 30, 1945

The Bureau of Customs announced today final figures showing the quantities of coffee entered for consumption under the quotas for the 12 months commencing October 1, 1944, provided for in the Inter-American Coffee Agreement, proclaimed by the President on April 15, 1941, as follows:

Country of Production	Quota Quantity (Pounds) 1/	Entered for Consumption As of Sept. 30, 1945 (Pounds)
Signatory Countries:		
Brazil	2,353,628,932	1,582,641,262
Colombia	796,794,513	689,225,506
Costa Rica	50,615,676	38,233,006
Cuba	20,246,297	4,390,802
Dominican Republic	30,369,379	30,368,344
Ecuador	37,961,757	22,425,991
El Salvador	151,847,028	120,087,595
Guatemala	135,396,920	100,346,282
Haiti	69,596,621	57,607,905
Honduras	5,061,541	5,060,210
Mexico	120,212,296	78,225,723
Nicaragua	49,350,324	25,021,345
Peru	6,326,893	4,538,573
Venezuela	106,292,893	65,607,665
Non-signatory Countries	89,842,785	1,684,253

1/ Quotas as established by action of the Inter-American Coffee Board on June 1, 1945.

TREASURY DEPARTMENT
Washington

FOR IMMEDIATE RELEASE,
Thursday, January 10, 1946.

Press Service
No. V-196

FINAL DATA FOR THE QUOTA YEAR OCTOBER 1, 1944 TO SEPTEMBER 30, 1945

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Non-signatory Countries	89,842,785	1,684,253

1/ Quotas as established by action of the Inter-American Coffee Board on June 1, 1945.

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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.

~~xxxxx~~

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. Subject to these reservations, tenders for $200,000 or less from any one bidder at 99.905 entered on a fixed-price basis will be accepted in full. 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 17, 1946.

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

~~ALPHA~~

TREASURY DEPARTMENT

Washington

FOR RELEASE, MORNING NEWSPAPERS,
Friday, January 11, 1946.

The Secretary of the Treasury, by this public notice, invites tenders for $ 1,300,000,000, or thereabouts, of 91 -day Treasury bills, to be issued on a discount basis under competitive and fixed-price bidding as hereinafter provided. The bills of this series will be dated January 17, 1946, and will mature April 18, 1946, 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 ~~War~~ Standard time, Monday, January 14, 1946. 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 2 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

TREASURY DEPARTMENT
Washington

FOR RELEASE, MORNING NEWSPAPERS,
Friday, January 11, 1946.

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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. Subject to these reservations, tenders for $200,000 or less from any one bidder at 99.905 entered on a fixed-price basis will be accepted in full. 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 17, 1946.

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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-

FOR IMMEDIATE RELEASE
January 10, 1946.

V-198

The Bureau of Customs announced today that entries for consumption and withdrawals from warehouse for consumption of Cuban filler tobacco, not specially provided for, other than cigarette leaf tobacco, unstemmed or stemmed, and scrap tobacco filed at the opening moment of the quota year beginning January 2, 1946, covered a quantity of such tobacco in excess of the 22,000,000 pounds dutiable at the quota rates set forth in the supplementary Cuban Trade Agreement of December 1941.

Facilities were provided for the simultaneous presentation of entries and withdrawals at 12 noon, E.S.T.; 11 a.m.; C.S.T.; 10 a.m., M.S.T., and 9 a.m., P.S.T., on January 2, 1946.

The Bureau will determine as expeditiously as possible how much the quota was exceeded and will advise collectors of customs as to what portion of each entry and withdrawal filed on January 2 is dutiable at the quota rates.

WHEN THIS PRESS RELEASE HAS BEEN MIMEOGRAPHED
PLEASE SEND 15 COPIES TO ROOM 403, WILKINS BLDG.

BHG

TREASURY DEPARTMENT
Washington

FOR IMMEDIATE RELEASE,
Thursday, January 10, 1946.

Press Service
No. V-198

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-oOo-

of purchasing bonds of Series E, F or G for the servicemen. Full instructions regarding procedure in any such case will be given on application to any Federal Reserve Bank or Branch.

The original issues of Series B bonds during 1936 aggregated $493,075,050, maturity value, for which cash amounting to $369,806,287.50 was received into the Treasury. About 70 percent of the bonds originally issued remain outstanding at this time.

~~TJWinston:hts 12/18/45~~

TREASURY DEPARTMENT
Washington

IMMEDIATE

FOR RELEASE, ~~MORNING NEWSPAPERS~~
~~Friday, January 11, 1946~~

Press Service
No. V-199

Secretary ~~[illegible]~~ Vinson today announced that United States Savings Bonds of Series B, which will be due for payment during 1946, will be paid at their face or denominational value as they mature ten years from their issue date, on presentation in accordance with the applicable regulations to any Federal Reserve Bank or Branch, the Treasurer of the United States, Washington 25, D. C., or to any qualified paying agent.

The bonds do not increase in value after maturity and individuals who wish to continue their investment in similar bonds without interruption, such as United States Savings Bonds of Series E, F or G, should present their matured bonds for payment in the month of maturity and ask that the proceeds thereof be applied to the purchase of United States Savings Bonds of Series E, F or G.

Bonds of Series E, F or G purchased with the proceeds of matured bonds of Series B will be issued in any form of registration authorized for bonds of the respective series, will be subject to the limitation on holdings applicable thereto, and will be dated as of the first day of the month in which the matured bonds are presented for payment. Any difference between the redemption value of the matured bonds and the purchase price of bonds of Series E, F or G will be paid to the owner of the bonds presented.

Close relatives having possession of maturing bonds of Series B belonging to servicemen abroad are authorized to redeem such bonds for the purpose

TREASURY DEPARTMENT
Washington

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Friday, January 11, 1946.

Press Service
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TREASURY DEPARTMENT
Washington

FOR RELEASE, MORNING NEWSPAPERS,
Tuesday, January 15, 1946.

Press Service
V-210

The Secretary of the Treasury announced last evening that the tenders for $1,300,000,000, or thereabouts, of 91-day Treasury bills to be dated January 17 and to mature April 18, 1946, which were offered on January 11, 1946, were opened at the Federal Reserve Banks on January 14.

The details of this issue are as follows:

Total applied for - $2,005,255,000
Total accepted - 1,312,132,000 (includes $61,205,000 entered on a fixed-price basis at 99.905 and accepted in full)
Average price - 99.905+ Equivalent rate of discount approx. 0.375% per annum

Range of accepted competitive bids:

High - 99.907 Equivalent rate of discount approx. 0.368% per annum
Low - 99.905 " " " " " 0.376% " "

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

Federal Reserve District	Total Applied for	Total Accepted
Boston	$ 16,020,000	$ 11,496,000
New York	1,434,720,000	918,263,000
Philadelphia	32,815,000	24,235,000
Cleveland	8,687,000	8,687,000
Richmond	21,045,000	19,388,000
Atlanta	16,150,000	13,950,000
Chicago	314,240,000	196,538,000
St. Louis	27,194,000	18,419,000
Minneapolis	14,065,000	10,165,000
Kansas City	32,945,000	29,435,000
Dallas	14,635,000	11,125,000
San Francisco	72,739,000	50,431,000
TOTAL	$2,005,255,000	$1,312,132,000

TREASURY DEPARTMENT
Washington

FOR RELEASE, MORNING NEWSPAPERS,
Tuesday, January 15, 1946.

Press Service
No. V-200

The Secretary of the Treasury announced last evening that the tenders for $1,300,000,000, or thereabouts, of 91-day Treasury bills to be dated January 17 and to mature April 18, 1946, which were offered on January 11, 1946, were opened at the Federal Reserve Banks on January 14.

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Atlanta	16,150,000	13,950,000
Chicago	314,240,000	196,538,000
St. Louis	27,194,000	18,419,000
Minneapolis	14,065,000	10,165,000
Kansas City	32,945,000	29,435,000
Dallas	14,635,000	11,125,000
San Francisco	72,739,000	50,431,000
TOTAL	$2,005,255,000	$1,312,132,000

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Mr. Shaeffer

January 7, 1946

TO MR. BARTELT:

There were no market transactions during the month of December, 1945, in direct and guaranteed securities of the Government.

(Signed) R. W. Maxwell

Commissioner of Accounts

Copy to: Mr. Heffelfinger
Mr. Shaeffer
Miss Sanford

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Mr. Bartelt
Mr. Batchelder
Mr. Bernstein (3445)
Mr. Brennan (Disb.)
Mr. Burdette (3111)
Miss Burke
B & W (4308)
Mr. Cake
Mr. Church
Mr. Coe
Mrs. Coon
Miss Cullen
Mr. Cunningham
Mrs. Day (3421)
Mr. Delano
Mr. Dietrich (3453)
Miss Edelin
Mrs. Farrell (5323)
Miss Florin (4125)
Mr. Frese (3464)
Mr. Gerardi
Miss Gibson (3464)
Mr. Glasser (3437)
Mr. Greenberg
Mr. Gunter (2222)
Mr. Haas
Mr. Handy (3458)
Mr. Hearst
Mr. Heffelfinger
Mr. Howard
Miss Hodel (3458)
Mr. Hyland (3413)
Mr. Jones (2449)
Mr. Jordan
Miss Kailey (3013)
Mr. Kelley
Mr. Kilby
Mr. Landis
Mrs. Legg (3453)
Mr. Lindow

Mr. Maxwell (4330)
Mr. McDonald
Miss Michener
Mr. L. V. Moore
Mr. M. Moore (3458)
Mr. Mulvihill (5310)
Mrs. Naud (4330)
Mr. Ness
Mr. Nisonger (4409)
Mr. O'Connell
Mr. O'Daniel (5056)
Mr. Peterson (Disb.)
Mrs. Potts
Mr. Rabon
Mrs. Ralf (1324)
Mr. Reeves
Mrs. Root (3464)
Mrs. Ross
Miss Rousseaux (4319)
Miss Sanford (5124)
Mr. Schoeneman
Mr. Schwalm
Mr. Shaeffer
~~Mr. Slindee~~
Mr. Smith (3464)
Mr. Speck
Mr. Starratt
Miss Stockwell (3453)
Mrs. Sundelson (3449)
Mr. Tickton
Mr. Tietjens
Mr. Upham
Miss Vassar (3446)
Mrs. Walker (3464)
Mrs. Warneson (3446)
Mr. Weber
Miss White (3446)
Mr. White
Mrs. Wondrack
Mr. Ziegenfus

TREASURY DEPARTMENT
Washington

Immediate
FOR ~~RELEASE, MORNING NEWSPAPERS~~,
~~Saturday~~, December 15, 1945.
Tues. Jan 15, 46

Press Service
No. ~~V-168~~ V-201

During the month of ~~November~~ Dec., 1945, there were no market transactions in direct and guaranteed securities of the Government for Treasury investment and other accounts, Secretary Vinson announced today.

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TREASURY DEPARTMENT
Washington

FOR IMMEDIATE RELEASE,
Tuesday, January 15, 1946.

Press Service
No. V-201

During the month of December, 1945, there were no market transactions in direct and guaranteed securities of the Government for Treasury investment and other accounts, Secretary Vinson announced today.

-oOo-

FOR IMMEDIATE RELEASE
January 15, 1946

V-202

The Bureau of Customs announced today preliminary figures showing the quantities of coffee entered for consumption during the period commencing October 1, 1945 as follows:

Country of Production	Quantity in Pounds As of January 5, 1946
Signatory Countries:	
Brazil	391,015,471
Colombia	155,679,068
Costa Rica	7,466,619
Cuba	100
Dominican Republic	9,268,461
Ecuador	7,069,367
El Salvador	6,080,465
Guatemala	10,867,959
Haiti	6,250,490
Honduras	3,885,885
Mexico	7,518,682
Nicaragua	793,808
Peru	1,036,251
Venezuela	6,048,269
Non-Signatory Countries:	14,624,644
TOTAL	627,605,539

TREASURY DEPARTMENT
Washington

FOR IMMEDIATE RELEASE
Wednesday, January 16, 1946.

Press Service
No. V-202

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Non-Signatory Countries:	14,624,644
TOTAL	627,605,539

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TREASURY DEPARTMENT
Washington

IMMEDIATE

Thave FOR RELEASE, ~~MORNING NEWSPAPERS,~~
~~Friday~~, January ~~1~~ 17, 1946.

Press Service
203

Secretary Vinson today announced the preliminary figures on securities sold in the Victory Loan Drive aggregating $21,144,000,000, of which $6,776,000,000 was subscribed by individuals and $14,368,000,000 by all other non-bank investors. Total subscriptions for each of the securities offered in this Drive were as follows:

(In Millions of Dollars)

E Savings Bonds	$ 2,204
F and G Savings Bonds	657
Savings Notes	1,682
2-1/2% Treasury Bonds	9,819
2-1/4% Treasury Bonds	3,045
7/8% Certificates	3,737
Total	$21,144

In addition to those which applied to the Drive, the Treasury received subscriptions from commercial banks, based on their savings deposits, which aggregated $1,396,000,000, as follows:

(In Millions of Dollars)

F and G Savings Bonds	$ 90
2-1/2% Treasury Bonds	853
2-1/4% Treasury Bonds	423
7/8% Certificates	30
Total	$1,396

There were also purchased outside of the Drive $1,017,650,000 of the 2-1/2% Treasury Bonds and $500,000 of the 7/8% Certificates for the Treasury investment accounts.

The deferred payment provision of the offering circulars was availed of to the extent of $1,277,000,000 for the 2-1/2% bonds and $214,000,000 for the 2-1/4% bonds. These subscriptions are included in the Drive figures given in the first table of this statement.

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TREASURY DEPARTMENT
Washington

FOR IMMEDIATE RELEASE,
Thursday, January 17, 1946.

Press Service
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the presses, the Mint had put out a total of 2,677,232,448 of these coins.

The new Roosevelt dime is the fourth portrait coin in the present series, all of which honor former presidents. The others are the Lincoln ~~penny~~, the Washington quarter, and the Jefferson nickel.

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V-204

~~Proposed press release~~

Immediate
Thurs. Jan 17, 1946

Secretary Vinson announced today that the United States Mint will begin striking the Franklin D. Roosevelt dime ~~this morning~~ tomorrow morning.

Nellie Tayloe Ross, Director of the Mint, stated that on and after February 5, the new coins will be released over the country through the Federal Reserve banks and branches as well as through the cashier of the Treasury.

The ten-cent piece commemorating the late President and designed by John R. Sinnock, the Mint's chief engraver, is of exactly the same size and metallic content as the dime now circulating. The "head", or obverse side, bears a portrait of Mr. Roosevelt facing left, the word LIBERTY around the left border, in the lower left field IN GOD WE TRUST, and the date, 1946, in the lower right field.

The reverse side carries the torch of liberty centered with the olive branch of peace on the left, and to the right the oak branch signifying strength and independence; inscribed around the upper border is UNITED STATES OF AMERICA; around the lower border ONE DIME; across the lower field appears E PLURIBUS UNUM.

The winged liberty head dimes now outstanding will continue to circulate, Mrs. Ross said; but no more will be minted. The first ten-cent coins bearing the pattern created thirty years ago by Adolph A. Weinman, were struck in 1916. As of late December, 1945, when the last of the Liberty dimes passed through

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Thursday, January 17, 1946.

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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. Subject to these reservations, tenders for $200,000 or less from any one bidder at 99.905 entered on a fixed-price basis will be accepted in full. 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 24, 1946.

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

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TREASURY DEPARTMENT

Washington

FOR RELEASE, MORNING NEWSPAPERS,
Friday, January 18, 1946 .

The Secretary of the Treasury, by this public notice, invites tenders for $ 1,300,000,000 , or thereabouts, of 91 -day Treasury bills, to be issued on a discount basis under competitive and fixed-price bidding as hereinafter provided. The bills of this series will be dated January 24, 1946 , and will mature April 25, 1946 , 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 ~~War~~ Standard time, Monday, January 21, 1946 . 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 2 percent of the face amount of Treasury bills applied for, unless the tenders are accompanied by an express guaranty of payment by an incorporated bank or trust company.

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

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TREASURY DEPARTMENT
Washington

FOR RELEASE, MORNING NEWSPAPERS,
Friday, January 18, 1946.

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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. Subject to these reservations, tenders for $200,000 or less from any one bidder at 99.905 entered on a fixed-price basis will be accepted in full. 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 24, 1946.

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

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(Over)

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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DIVISION OF PUBLIC RELATIONS

Assignment sheet. Title 7/8% Certificates

Release date 1/21/46 Press Service No. V-206

			Bldg. dist.	Mailing list	No. copies to be sent
	( )	Special messenger		65	65
G	( )	General		60	60
TAC	( )	Trade Agreement Commodities	22	158	
CFQ	( )	Coffee quotas	22	136	
CQ	( )	Cotton quotas	22	135	
WQ	( )	Wheat quotas	22	115	
BUL	( )	Treasury monthly Bulletin	---	1,367	
F	( )	Finance	167	540	
NM	( )	Net Market transactions	142	207	
T	( )	Taxes	167	600	
DLI	( )	Debt limitation	151	325	
SF	( )	Stabilization fund	174	551	
		Miss Rover (please deliver ~~[illegible]~~)			200
B	( )	Weekly bill offering	150	178	
B&B	( )	Bills & Bonds other than weekly	156	275	300
FE	( )	Financial Editors	---	469	
NE	( )	News Editors		1,575	
	( )	Speech list	186	---	
		PUBLIC RELATIONS, Room 4416	---	---	150

Press room 25

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Building distribution 150

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TREASURY DEPARTMENT
Washington

FOR RELEASE, MORNING NEWSPAPERS,
Monday, January 21, 1946.

Press Service
No. V-206

Secretary of the Treasury Vinson today announced the offering, through the Federal Reserve Banks, of 7/8 percent Treasury Certificates of Indebtedness of Series B-1947, open on an exchange basis, par for par, to holders of Treasury Certificates of Indebtedness of Series A-1946, maturing February 1, 1946. Cash subscriptions will not be received.

The certificates now offered will be dated February 1, 1946, and will bear interest from that date at the rate of seven-eighths of one percent per annum, payable semiannually on August 1, 1946, and February 1, 1947. They will mature February 1, 1947. They will be issued in bearer form only, in denominations of $1,000, $5,000, $10,000, $100,000 and $1,000,000.

Pursuant to the provisions of the Public Debt Act of 1941, interest upon the certificates now offered shall not have any exemption, as such, under Federal tax Acts now or hereafter enacted. The full provisions relating to taxability are set forth in the official circular released today.

Subscriptions will be received at the Federal Reserve Banks and Branches, and at the Treasury Department, Washington, and should be accompanied by a like face amount of the maturing certificates. Subject to the usual reservations, all subscriptions will be allotted in full.

The subscription books will close at the close of business Wednesday, January 23, except for the receipt of subscriptions from holders of $100,000 or less of the maturing certificates. The subscription books will close for the receipt of subscriptions of the latter class at the close of business Saturday, January 26.

Subscriptions addressed to a Federal Reserve Bank or Branch or to the Treasury Department, and placed in the mail before midnight of the respective closing days, will be considered as having been entered before the close of the subscription books.

There are now outstanding $5,043,467,000 of the Series A-1946 certificates.

The text of the official circular follows:

UNITED STATES OF AMERICA

7/8 PERCENT TREASURY CERTIFICATES OF INDEBTEDNESS OF SERIES B-1947

Dated and bearing interest from February 1, 1946 Due February 1, 1947

1946
Department Circular No. 783

TREASURY DEPARTMENT,
Office of the Secretary,
Washington, January 21, 1946.

Fiscal Service
Bureau of the Public Debt

I. OFFERING OF CERTIFICATES

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 certificates of indebtedness of the United States, designated 7/8 percent Treasury Certificates of Indebtedness of Series B-1947, in exchange for Treasury Certificates of Indebtedness of Series A-1946, maturing February 1, 1946.

II. DESCRIPTION OF CERTIFICATES

1. The certificates will be dated February 1, 1946, and will bear interest from that date at the rate of 7/8 percent per annum, payable semiannually on August 1, 1946, and February 1, 1947. They will mature February 1, 1947, and will not be subject to call for redemption prior to maturity.

2. The income derived from the certificates shall be subject to all Federal taxes, now or hereafter imposed. The certificates 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 certificates will be acceptable to secure deposits of public moneys. They will not be acceptable in payment of taxes.

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

5. The certificates will be subject to the general regulations of the Treasury Department, now or hereafter prescribed, governing United States certificates.

III. SUBSCRIPTION AND ALLOTMENT

1. 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.

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 certificates 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 certificates allotted hereunder must be made on or before February 1, 1946, or on later allotment, and may be made only in Treasury Certificates of Indebtedness of Series A-1946, maturing February 1, 1946, which will be accepted at par, and should accompany the subscription.

V. GENERAL PROVISIONS

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

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.

FRED M. VINSON,
Secretary of the Treasury.

TREASURY DEPARTMENT
Washington

FOR RELEASE, MORNING NEWSPAPERS,
Tuesday, January 22, 1946.

Press Service

The Secretary of the Treasury announced last evening that the tenders for $1,300,000,000, or thereabouts, of 91-day Treasury bills to be dated January 24 and to mature April 25, 1946, which were offered on January 18, 1946, were opened at the Federal Reserve Banks on January 21.

The details of this issue are as follows:

Total applied for - $2,016,155,000
Total accepted - 1,316,791,000 (includes $59,905,000 entered on a fixed-price basis at 99.905 and accepted in full)
Average price - 99.905+ Equivalent rate of discount approx. 0.375% per annum

Range of accepted competitive bids:

High - 99.907 Equivalent rate of discount approx. 0.368% per annum
Low - 99.905 " " " " " 0.376% " "

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

Federal Reserve District	Total Applied for	Total Accepted
Boston	$ 14,515,000	$ 11,239,000
New York	1,498,283,000	948,913,000
Philadelphia	41,775,000	31,401,000
Cleveland	18,250,000	17,860,000
Richmond	12,325,000	10,960,000
Atlanta	8,315,000	8,315,000
Chicago	290,525,000	181,325,000
St. Louis	17,240,000	12,248,000
Minneapolis	14,985,000	11,085,000
Kansas City	18,305,000	16,940,000
Dallas	14,625,000	14,118,000
San Francisco	67,012,000	52,387,000
TOTAL	$2,016,155,000	$1,316,791,000

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TREASURY DEPARTMENT
Washington

FOR RELEASE, MORNING NEWSPAPERS,
Tuesday, January 22, 1946.

Press Service
No. V-207

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San Francisco	67,012,000	52,387,000
TOTAL	$2,016,155,000	$1,316,791,000

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Treasury Department
23 Jan 46

The Treasury, War and Navy Departments today issued the following joint statement:

United States Army and Navy forces in the main and outlying islands of Japan and in Korea are using a supplemental military currency denominated in yen as well as local legal tender currency. In order to distinguish between the supplemental military currency used in these two areas, the letter "B" has been imprinted on the military currency notes for use in the main and outlying islands of Japan and the letter "A" on the military currency notes for use in Korea.

The supplemental military currency notes bear on their face the words "Military Currency" in English and in Japanese and on the reverse side the words "Issued Pursuant to Military Proclamation" in both languages.

This supplemental military yen currency has been issued in seven denominations, namely, 10 and 50 sen and 1, 5, 10, 20 and 100 yen. There are 100 sen to the yen. The notes in the denominations of 10 sen, 50 sen, and 1 yen are one-half the size of the U.S. dollar currency. The 5 yen and 10 yen denominations are somewhat larger than the sen notes, and 20 yen and 100 yen notes are the size of the U.S. dollar note.

Military yen supplement the local legal tender currency in Japan and Korea, namely Bank of Japan and state notes in Japan, and Bank of Chosen notes in Korea, and are interchangeable therewith without distinction at the rate of one for one. Japanese military yen scrip (used by Japan in the Japanese occupied territories) has been declared not legal tender and is not interchangeable with supplemental yen or local legal tender currency.

Supplemental military yen currency notes were produced in the United States for use under appropriate military authority in the above-mentioned areas. In order to save costs of printing and shipping currency, the Bank of Japan and the Bank of Chosen, acting upon instructions from the Supreme Commander for the Allied Powers, are now providing yen to the military commander for his use in Japan and in Korea, respectively. In these two areas, military yen currency is therefore being held in reserve.

No general rate of exchange between the yen and the dollar has been established. However, for U.S. military and naval pay and accounting purposes, an initial conversion rate of 10 supplemental military yen equal one U.S. dollar was used in the invasion of Okinawa and other islands of the Ryukyu group. This conversion rate was superseded as of 4 September 1945 by a rate of 15 yen equal one U.S. dollar which is the conversion rate now being used in the main and outlying islands of Japan and in Korea.

Under existing arrangements U.S. military and naval personnel may remit in dollars to the United States at the above rate all or any portion of the amount of their pay drawn by such personnel in yen for their local expenditures. They may also remit in dollars to the United States yen arising from dollar instruments, such as remittances from home, cashed through official channels. U.S. soldiers and sailors leaving the area may exchange yen currency held by them, if obtained from the sources just mentioned, for dollar currency. The relevant army and navy appropriations are charged for the dollar equivalent of yen used by U.S. forces for military and naval expenditures properly chargeable to War Department and Navy Department appropriated funds. In this manner the control of the Congress over the expenditures of the U.S. forces is maintained.

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TREASURY DEPARTMENT

Washington

FOR IMMEDIATE RELEASE,
Wednesday, January 23, 1946.

Press Service
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Supplemental military yen currency notes were produced in the United States for use under appropriate military authority in the above-mentioned areas. In order to save costs of printing and shipping currency, the Bank of Japan and the Bank of Chosen, acting upon instructions from the Supreme Commander for the Allied Powers, are now providing yen to the military commander for his use in Japan and in Korea, respectively. In these two areas, military yen currency is therefore being held in reserve.

No general rate of exchange between the yen and the dollar has been establish However, for U.S. military and naval pay and accounting purposes, an initial conversion rate of 10 supplemental military yen equal one U.S. dollar was used in the invasion of Okinawa and other islands of the Ryukyu group. This conversion rate was superseded as of 4 September 1945 by a rate of 15 yen equal one U.S. dollar which is the conversion rate now being used in the main and outlying islands of Japan and in Korea.

Under existing arrangements U.S. military and naval personnel may remit in dollars to the United States at the above rate all or any portion of the amount of their pay drawn by such personnel in yen for their local expenditures. They may also remit in dollars to the United States yen arising from dollar instruments, such as remittances from home, cashed through official channels. U.S. soldiers and sailors leaving the area may exchange yen currency held by them, if obtained from the sources just mentioned, for dollar currency. The relevant army and navy appropriations are charged for the dollar equivalent of yen used by U.S. forces for military and naval expenditures properly chargeable to War Department and Navy Department appropriated funds. In this manner the control of the Congress over the expenditures of the U.S. forces is maintained.

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TREASURY DEPARTMENT

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Treasury Department
Division of Monetary Research

Date January 22, 1946

To: Mr. Charles P. Shaeffer - Rm. 4408

From: W. W. Diehl 2212

This is suggested press release on Japanese yen currency. We would appreciate receiving 60 copies of this for distribution.

within Treasury
to War Dept +
to Navy Dept

Treasury Department

23 Jan 46

V-208

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FOR IMMEDIATE RELEASE
January 22, 1946.

V-209

The Bureau of Customs announced today preliminary figures showing the quantities of coffee entered for consumption during the period commencing October 1, 1945, as follows:

Country of Production	Quantity in Pounds As of January 12, 1946
Signatory Countries:	
Brazil	417,477,023
Colombia	168,598,159
Costa Rica	7,465,995
Cuba	101
Dominican Republic	9,291,805
Ecuador	8,014,413
El Salvador	6,074,428
Guatemala	10,867,959
Haiti	6,250,490
Honduras	3,917,210
Mexico	8,404,481
Nicaragua	1,678,598
Peru	1,121,940
Venezuela	8,455,000
Non-Signatory Countries:	15,339,213
TOTAL	672,956,815

WHEN THIS RELEASE HAS BEEN MIMEOGRAPHED, PLEASE FORWARD 8 COPIES TO ROOM 403, WILKINS BLDG.

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TREASURY DEPARTMENT
Washington

FOR IMMEDIATE RELEASE,
Wednesday, January 23, 1946.

Press Service
No. V-209

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Non-Signatory Countries:	15,339,213
TOTAL	672,956,815

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DIVISION OF PUBLIC RELATIONS

Assignment sheet. Title **Vinson Chapel Hill speech on British loan**

Release date **1/24/46** Press Service No. **V-210**

Duplicate Mr Lester

			Bldg. dist.	Mailing list	No. copies to be sent
	( )	Special messenger		65	65
G	( )	General		60	60 *
TAC	( )	Trade Agreement Commodities . . .	22	158	
CFQ	( )	Coffee quotas	22	136	
CQ	( )	Cotton quotas	22	135	
WQ	( )	Wheat quotas	22	115	
BUL	( )	Treasury monthly Bulletin	----	1,367	
F	( )	Finance	167	540	575*
		Mr. Vinson. At once)			10
NM	( )	Net Market transactions	142	207	12
		Mrs. McHugh			
T	( )	Taxes	167	600	
DLI	( )	Debt limitation	151	325	
SF	( )	Stabilization fund.	174	551	
B	( )	Weekly bill offering.	150	178	
B&B	( )	Bills & Bonds other than weekly . .	156	275	
FE	( )	Financial Editors	---	469	
NE	( )	News Editors		1,575	
	( )	Speech list	186	---	
		PUBLIC RELATIONS, Room 4416	---	----	300

Press room 25

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Speech list

Building distribution 200 *

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TREASURY DEPARTMENT

Washington

FOR RELEASE, 9:00 P.M. EST
Thursday, January 24, 1946.

Press Service
No. V-210

(The following address by Secretary Vinson before the 21st annual meeting of the North Carolina Newspaper Institute at Music Hall, Chapel Hill, North Carolina, is scheduled for delivery at 9:00 P.M., E.S.T., Thursday, January 24, 1946, and is for release at that time).

Coming from Kentucky I feel that I am visiting my friends and neighbors when I come to North Carolina. All of us in the South are proud of what you are doing. We are proud of the great forward strides you are making in industrial and agricultural development. We are proud of the great forward strides you are making in education and public welfare. We see in North Carolina a vigorous and progressive democracy built on the finest traditions and highest ideals of the South.

Tonight we shall discuss a measure, on which the representatives of two democratic nations reached agreement, that will better our chances of establishing a sound world economy. That measure, which is subject to the consideration and approval of the Congress, is the proposed financial agreement between the United Kingdom and the United States.

The American people should understand fully the nature and effects of the proposed agreement in order that Congress can have the benefit of their views in applying its best judgment to the proposal.

One part of this agreement provides that the United States will offer a credit of $3,750,000,000 to Britain. There are certain misconceptions about this line of credit to Britain which should be dispelled at the outset. In some quarters this credit is still said to be, through inadvertence, misunderstanding, or purpose, a gift.

The proposed line of credit is not a gift; it is a loan. It is not merely a loan of so many dollars to be repaid, but it is an interest-bearing loan. The interest is not a nominal fee, but

It is my hope, therefore, to explain some of these benefits in such plain language that those who wish to understand will not be lured away by colorful statements without substance. As we proceed to this more detailed examination, keep this over-all summary of the proposed Financial Agreement in mind: the money extended Britain is not a gift but an interest-bearing loan wherein we receive not only a return of the dollars and interest but benefits that in truth many believe would have supported a gift.

The prosperity of this country is closely linked with our export trade. Even during the 1930's, when world trade was severely reduced, our exports accounted for some 7 or 8 percent of our agricultural and industrial production. For many of the products of our factories and farms, foreign trade meant the difference between prosperity and depression. And of all our foreign trade, no part was more important than that with the British Empire.

It is hardly necessary for a Southerner addressing Southerners to state that British trade is important to the South. But just look at cotton and tobacco, the two principal crops of the South. In the four years before the war, from 1935 to 1938, for every two pounds of tobacco we consumed in this country, we sold one pound abroad. In that same period England alone bought more than two-thirds of all our tobacco exports. Of our flue-cured tobacco a much larger proportion went abroad, principally to England. And the same thing is true with cotton. In the four years from 1935 to 1938, for every bale of cotton consumed in this country we sold a bale abroad. England alone bought nearly one-fourth of all our cotton exports. It is plain that without the British market it would not have been possible to maintain our cotton and tobacco production and price levels.

During the war Britain adopted certain monetary and trade controls which if continued would hurt seriously peacetime trade. I say, frankly, American business cannot afford to see Britain's wartime trade and currency restrictions continued.

In connection with these wartime controls you have heard of the sterling area, blocked sterling, and the dollar pool. What does this mean?

Most of us spend our entire lives in the United States. We are accustomed to money in the form of dollars and cents. When we work we are paid in dollars. When we buy we spend in dollars. When we travel up North, we find that they take our dollars, too.

In the world, however, there are other currencies. There are a few of inter-country application, but the world-wide currencies are primarily the dollar and the pound-sterling. If you have a dollar and want to buy something in another country you may have to change your money into its kind. If someone abroad wants to buy your cotton or tobacco, he has to change his money into dollars.

In this convertibility of money from one kind to another, restrictions and impediments can grow up or be imposed. As you can readily see, this puts a brake on trade between nations.

Now what do we mean by the sterling area? These are the countries of the British Empire and some European countries who keep their monetary reserves in the form of sterling in London. Australia, for example, keeps its reserves on deposit in English banks. Before the war, the sterling area countries could draw on these reserves to buy goods all over the world. If Australia wanted to buy American cotton, it sold sterling for dollars. But during the war, Britain had to stop the convertibility of sterling.

That brings us to blocked sterling. Britain had to say to these countries of the sterling area -- to India, Egypt, Australia and all the rest -- the reserve you now have in sterling cannot be converted into dollars. You can use these sterling reserves for making payments to each other but not to outsiders.

One reason for restricting the convertibility of sterling was that England did not have enough gold and dollars. During the war not only did Britain sell $4,500,000,000 worth of her foreign investments to finance her expenditures, but also she incurred an enormous debt of $13,000,000,000, measured in our money, held by foreign countries in the form of sterling balances in London banks and sterling securities of the British Treasury. Britain had to restrict the convertibility of sterling. She couldn't convert such large amounts into dollars or other currencies. She had to block their use.

But it wasn't enough to block the wartime sterling balances and end the convertibility of sterling. England had to mobilize all of its dollar resources to pay for war needs. The British Treasury took over private holdings of American securities in England, paying for them in sterling, and sold many of these investments in the United States for dollars. And it took steps to see that all of the dollar receipts of the sterling area countries were mobilized for war.

This was done through the so-called dollar pool. For example, when an Egyptian exporter sold goods in the United States, he turned over the dollars he received to the National Bank of Egypt and received Egyptian pounds. These dollars were then sold by the National Bank of Egypt to the British Treasury for sterling. In this way all of the dollar receipts of the sterling area are pooled in London. Then when a country in the sterling area needs dollars, say Egypt, it applies to London which allocates these dollars on the basis of the most essential needs. To conserve dollars, London does not allocate funds to buy goods in America if they can be secured from sterling area countries.

Of course, along with these financial controls, there are direct controls of imports in all sterling area countries. And these controls, like import licenses, are used to keep out goods that must be paid for in foreign exchange. In practice, this meant keeping to a minimum imports from countries that had to be paid for in foreign exchange.

These wartime restrictions are still in effect in Britain. Clearly, they were essential for the war. They helped Britain to mobilize her foreign exchange resources and devote them to war purposes. They restricted the use of her foreign exchange resources for non-essential purposes. But these wartime restrictions are dangerous in peace. During war, ordinary trade must give way to war; but trade is the very life-blood of peace. To restrict trade in time of peace is to force poverty on the world. That is why we and all countries have an interest in seeing the prompt removal of Britain's wartime restrictions.

Neither England nor the countries of the sterling area have any wish to continue these wartime restrictions. But until Britain finds some other means to pay for its imports it cannot remove these restrictions. Until the blocked sterling balances are settled, sterling cannot be made convertible. Until Britain's dollar receipts are increased, she cannot permit the sterling she pays for her imports to be used freely in any country, and particularly the United States. Until Britain can earn enough to pay for her imports from the dollar area, she must continue the dollar pool. Until Britain exports enough to pay for its essential imports it must continue to limit imports from outside the sterling area, and particularly from the United States.

The elimination of all these wartime restrictions and discriminations is the major international economic problem for the entire world. Whether they are eliminated depends on what we do.

We are the largest exporting country in the world. It depends on what England does. England is the largest importing country in the world.

As you know, England's attitude will influence other countries, just as ours will. A number of countries in the British Empire and in Europe are so completely dependent on British currency and trade, that they are invariably guided by British policy. That is why Britain's decision to terminate her wartime restrictions and discriminations is an essential prerequisite to establishing fair trade and currency practices.

This country has a particular interest in the removal of England's currency and trade restrictions. England is our best customer. One-sixth of all our exports before the war went to England. Nearly 40 percent of all our exports were sold to the British Empire and the sterling area. Every section of this country, every American industry has a vital interest in the opening of British markets to our products on fair and non-discriminatory terms. The people of this country, the people of the South, cannot afford to see England continue and extend her wartime restrictions on currency and trade.

Let's see, for example, what that means to the South. It means that England would concentrate its trade within the sterling area where countries would take payment in sterling for the cotton and tobacco and other things England would buy. It means that England would buy cotton primarily from India and Egypt; she would buy tobacco primarily from Rhodesia and the Near East. England would stimulate production in her trading area, and once such production was built up, the British market might be lost to us forever.

You know the consequences to the South if Britain should adopt such a policy. In plain language, we would have no other alternative than to cut the production of cotton and tobacco by 20 or 30 percent. More than that! With the decline in tobacco and cotton exports the downward pressure on prices would be heavily increased. We might once again see 8-cent tobacco and 5-cent cotton.

I speak of cotton and tobacco, only, because they are Southern crops that we know so well, But the situation would be much the same in other industries. Wherever American farms and factories depend on exports, the closing of the markets of the British Empire and the sterling area would mean economic disaster.

A good deal of progress has been made toward establishing a world in which countries can trade together. We have agreed on the fair currency and trade principles that are necessary to make it possible for world trade to expand and grow. But it will do no good to agree on these principles unless all of the trading countries are ready to put them into practice. We can move ahead on this program only after Britain removes the restrictions on the use of sterling outside the sterling area; only after the wartime dollar pool is abandoned; only after the blocked sterling problem is settled. When these wartime restrictions have been removed it will be possible for world trade to expand and to make its full contribution to world prosperity.

Frankly, we have told England that we should like to see her wartime currency and trade restrictions brought to an end. We want importers in England and the entire sterling area to have an opportunity to buy American products if they prefer our products. The British Government, in turn, has told us frankly that they have no wish to continue these wartime restrictions. If they could find some other means to secure the flow of essential imports of food, raw materials and equipment into Britain they would be prepared to abandon at once these wartime restrictions and discriminations.

We all know that Britain, as an island nation, relies heavily upon trade. During the war what she shipped in and bought and what she shipped out and sold was thrown out of kilter. In 1944 she shipped out only 30% of what she did in 1938. Her export industries were converted to war production. She has lost a large part of her merchant fleet. Her income from foreign banking and insurance services declined. She sold many of her most marketable foreign investments, and lost the income from these. Britain must somehow make good the fall in her foreign exchange income because she needs to import large amounts of food and raw materials to feed her people and industries.

This is the basic reason that Britain needs the money in this loan. The loan will help balance the difference between what she must buy abroad and what she sells until she reestablishes a full flow of export trade. And may I add that though in the transition period her imports will far exceed her exports that the resulting standard of living for Britain will be little different from the austere wartime levels.

In return for the loan, in addition to repaying principal and interest, here is what Britain undertakes to do by way of removing within a year, unless we agree to a temporary extension, the wartime trade and currency controls:

First, all countries of the sterling area will be allowed to use the proceeds of their exports to England to buy goods in any other country, including the United States. That's because sterling arising from current trade will be made convertible.

Second, all countries of the sterling area will be able to use the dollars they acquire from their trade with the United States to make purchases in the United States. That's because the sterling area dollar pool will be dissolved.

Third, England's import controls will be administered in a manner which will not discriminate against American products. Any exports from the United States to England will be paid for in dollars or in sterling that can be converted into dollars by American exporters.

Fourth, England will settle the blocked sterling obligations out of her own resources. The funds that are released in settling these balances, whether as an immediate payment or as future payments, can be freely used for purchases in any country, including the United States.

Fifth, England will support the American proposal for the establishment of an International Trade Organization, for the reduction of trade barriers and for the elimination of trade discriminations.

This Agreement, then, will be a big step in preventing economic warfare. It will also be a big step in creating a world in which countries live and work together in peace and prosperity. For England it will mean a chance to feed her people and reconvert her industries in a world of expanding trade. For the United States it will mean the opening of the markets of our best customers, England and all the countries in the British Empire and the sterling area, to the products of our factories and farms. It will mean a larger American share in a larger world trade. For the South it will mean the stimulation of the great industrial development which now beckons. Just as there cannot be national

prosperity in the United States without international prosperity, there cannot be that great economic development of the South without general prosperity in the United States and the world. For all countries it will mean a chance to reconstruct a war-shattered world with expanding trade, great employment and higher standards of living.

The alternative is as unhappy as it is clear. If England cannot secure the financial assistance of this loan, she will have to take drastic steps to curtail her imports and force her sales on other countries. This means that England and the countries that depend on England's currency and trade -- the sterling area countries -- would reduce their purchases in the United States and in the dollar area. Our exports would be excluded as far as possible from British markets. Britain would enter into bilateral agreements with countries in Europe and South America, offering to swap her manufactures for their food and raw materials. Such a policy would inevitably divide the world into conflicting economic blocs.

I have no doubt we could defend ourselves. We would have to fight fire with fire. We would be forced to retaliate. We would set up restrictions and discriminations of our own. In blunt language, the world would be at war -- economic war. And if we won, at best we would win a sorry victory. World trade would be destroyed and all countries would suffer.

That is not the kind of a world our people want. Our basic goal is to establish a world in which countries can live and work together in peace and prosperity. Two world wars and a world-wide depression have taught this generation the bitter lesson that there is no other road to peace -- there is no other road to prosperity except through international cooperation. The political and economic problems of the world cannot continue to be solved by force. That road leads to destruction.

This is nothing new to the people of the South. They have long known that expanded trade among nations will contribute to the prosperity of all. It was Woodrow Wilson, a Southerner brought up in Virginia, North Carolina, and Georgia, who warned an unheeding world that only through international cooperation will it be possible to maintain peace. Without regret for what might have been we must finish the job we have at last begun. That job is to build through international cooperation a peaceful and prosperous world.

The people of the United States and the United Nations have agreed on a program in which countries cooperate to maintain peace and prosperity. The United Nations Organization, with its Security Council, General Assembly, International Court of Justice, and Social and Economic Council, constitutes one side of this program. The Food and Agricultural Organization, the International Monetary Fund and the International Bank for Reconstruction and Development, and the proposed International Trade Organization constitute another side of the same program. The Financial Agreement with the United Kingdom is a sound, big step to the realization of this entire program for peace and prosperity. This is what I hope the people and Congress will bear in mind in considering the Financial Agreement.

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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.

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. Subject to these reservations, tenders for $200,000 or less from any one bidder at 99.905 entered on a fixed-price basis will be accepted in full. 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 31, 1946.

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

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TREASURY DEPARTMENT

Washington

FOR RELEASE, MORNING NEWSPAPERS,
Friday, January 25, 1946 (1).

The Secretary of the Treasury, by this public notice, invites tenders for $ 1,300,000,000 (2), or thereabouts, of 91 (3) -day Treasury bills, to be issued on a discount basis under competitive and fixed-price bidding as hereinafter provided. The bills of this series will be dated January 31, 1946 (4), and will mature May 2, 1946 (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 ~~War~~ Standard time, Monday, January 28, 1946 (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 2 percent of the face amount of Treasury bills applied for, unless the tenders are accompanied by an express guaranty of payment by an incorporated bank or trust company.

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

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TREASURY DEPARTMENT
Washington

FOR RELEASE, MORNING NEWSPAPERS,
Friday, January 25, 1946.

The Secretary of the Treasury, by this public notice, invites tenders for $1,300,000,000, or thereabouts, of 91-day Treasury bills, to be issued on a discount basis under competitive and fixed-price bidding as hereinafter provided. The bills of this series will be dated January 31, 1946, and will mature May 2, 1946, 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 or reject any or all tenders, in whole or in part, and his action in any such respect shall be final. Subject to these reservations, tenders for $200,000 or less from any one bidder at 99.905 entered on a fixed-price basis will be accepted in full. 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 31, 1946.

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

V-211

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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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TREASURY DEPARTMENT
Washington

FOR IMMEDIATE RELEASE,
Monday, January 28, 1946.

Press Service
No. V-212

Secretary Vinson announced today that the new Franklin D. Roosevelt dime, originally scheduled for simultaneous release over the country on February 5, 1946, will instead be released on January 30, the late President's birthday, by all Federal Reserve Banks and branches, and by the Cashier of the Treasury.

The acceleration of the release date, ~~said~~ Secretary Vinson said, has been made possible by stepping up the production program at the United States Mints.

All production of the ten-cent coin hereafter will be of the new Roosevelt design and substantial numbers of these coins will enter into circulation as the needs of business require. However, the winged Liberty head dimes now outstanding will continue to circulate.

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TREASURY DEPARTMENT

Washington

FOR IMMEDIATE RELEASE,
Monday, January 28, 1946.

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No. V-212

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TREASURY DEPARTMENT
Washington

FOR RELEASE, MORNING NEWSPAPERS,
Tuesday, January 29, 1946.

Press Service

V-213

The Secretary of the Treasury announced last evening that the tenders for $1,300,000,000, or thereabouts, of 91-day Treasury bills to be dated January 31 and to mature May 2, 1946, which were offered on January 25, 1946, were opened at the Federal Reserve Banks on January 28.

The details of this issue are as follows:

Total applied for - $2,025,044,000
Total accepted - 1,315,717,000 (includes $53,578,000 entered on a fixed-pri[ce] basis at 99.905 and accepted in full)
Average price - 99.905+ Equivalent rate of discount approx. 0.375% per annum

Range of accepted competitive bids:

High - 99.907 Equivalent rate of discount approx. 0.368% per annum
Low - 99.905 " " " " " 0.376% " "

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

Federal Reserve District		Total Applied for	Total Accepted
Boston		$ 8,175,000	$ 5,991,000
New York		1,539,205,000	980,553,000
Philadelphia		44,005,000	30,745,000
Cleveland		16,580,000	14,201,000
Richmond		12,039,000	11,259,000
Atlanta		13,565,000	13,565,000
Chicago		296,976,000	186,929,000
St. Louis		18,820,000	12,853,000
Minneapolis		3,235,000	3,235,000
Kansas City		17,238,000	14,118,000
Dallas		5,755,000	5,365,000
San Francisco		49,451,000	36,903,000
	TOTAL	$2,025,044,000	$1,315,717,000

TREASURY DEPARTMENT
Washington

FOR RELEASE, MORNING NEWSPAPERS,
Tuesday, January 29, 1946.

Press Service
No. V-213

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Boston	$ 8,175,000	$ 5,991,000
New York	1,539,205,000	980,553,000
Philadelphia	44,005,000	30,745,000
Cleveland	16,580,000	14,201,000
Richmond	12,039,000	11,259,000
Atlanta	13,565,000	13,565,000
Chicago	296,976,000	186,929,000
St. Louis	18,820,000	12,853,000
Minneapolis	3,235,000	3,235,000
Kansas City	17,238,000	14,118,000
Dallas	5,755,000	5,365,000
San Francisco	49,451,000	36,903,000
TOTAL	$2,025,044,000	$1,315,717,000

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V-214

FOR IMMEDIATE RELEASE
January 29, 1946

The Bureau of Customs announced today preliminary figures showing the quantities of coffee entered for consumption during the period commencing October 1, 1945, as follows:

Country of Production	Quantity in Pounds As of January 19, 1946
Signatory Countries:	
Brazil	454,845,613
Colombia	178,834,110
Costa Rica	7,465,995
Cuba	114
Dominican Republic	9,874,342
Ecuador	8,014,413
El Salvador	7,142,978
Guatemala	13,183,760
Haiti	6,285,771
Honduras	4,177,232
Mexico	9,013,265
Nicaragua	1,678,598
Peru	1,394,206
Venezuela	10,275,739
Non-Signatory Countries:	15,339,385
TOTAL	727,525,521

TREASURY DEPARTMENT

Washington

FOR IMMEDIATE RELEASE,
Wednesday, January 30, 1946

Press Service
No. V-214

The Bureau of Customs announced today preliminary figures showing the quantities of coffee entered for consumption during the period commencing October 1, 1945, as follows:

Country of Production	Quantity in Pounds As of January 19, 1946
Signatory Countries:	
Brazil	454,845,613
Colombia	178,834,110
Costa Rica	7,465,995
Cuba	114
Dominican Republic	9,874,342
Ecuador	8,014,413
El Salvador	7,142,978
Guatemala	13,183,760
Haiti	6,285,771
Honduras	4,177,232
Mexico	9,013,265
Nicaragua	1,678,598
Peru	1,394,206
Venezuela	10,275,739
Non-Signatory Countries:	15,339,385
TOTAL	727,525,521

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TREASURY DEPARTMENT

Washington

FOR IMMEDIATE RELEASE,
Thursday, January 31, 1946.

Press Service
V-215

The Secretary of the Treasury today announced the final subscription and allotment figures with respect to the current offering of 7/8 percent Treasury Certificates of Indebtedness of Series B-1947.

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

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New York	3,012,254,000
Philadelphia	84,604,000
Cleveland	199,144,000
Richmond	61,406,000
Atlanta	94,736,000
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St. Louis	104,419,000
Minneapolis	63,785,000
Kansas City	147,475,000
Dallas	81,011,000
San Francisco	479,010,000
Treasury	4,316,000
TOTAL	$4,952,949,000

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TREASURY DEPARTMENT

Washington

FOR IMMEDIATE RELEASE,
Thursday, January 31, 1946.

Press Service
No. V-215

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TREASURY DEPARTMENT

Washington

FOR RELEASE, MORNING NEWSPAPERS,
Wed, Feb. 13, 1946

Press Service
No. V-216

The unfreezing of Netherlands blocked accounts was announced today by Secretary Vinson.

By amending General License No. 95 to include the Netherlands, the release of blocked Netherlands accounts is provided for through the certification procedure already in effect for French, Belgian, Norwegian and Finnish assets. The Netherlands Government has designated the Nederlandsche Bank as the certifying agent under the license.

Substantially all restrictions on current transactions with the Netherlands were removed early in December by General License No. 94. Accounts certified under the arrangement announced today will also be freely available for use under that license.

General License No. 95 was made available to the Netherlands after an exchange of letters between the Netherlands Minister of Finance and Secretary Vinson similar to those written in connection with the defrosting of the countries previously included in the license. Copies of the letters are available at the Federal Reserve Banks of New York, Chgo, and San Fran

The Netherlands Minister of Finance has informed Secretary Vinson that the sequestration measures imposed on property of United States nationals during the German occupation have been abrogated and that a procedure has been established under which absent owners can be reinstated in their rights. Treatment accorded to assets in the Netherlands of United States nationals will be as favorable as that accorded to assets of nationals of any other country. Transfers of funds from the Netherlands to the United States will be permitted to the fullest extent consistent with the Netherlands foreign exchange position.

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cleared with Mr Bell

MWSchwartz:EArnold:ebb 1/21/46

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FOR RELEASE, MORNING NEWSPAPERS,
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Since wars are not ordained but are man made, man can avoid war by solving the problems that cause war.

We would be less than frank if we did not recognize that at times there will be darkness. But Americans are not by nature pessimistic and should not be now. There is a proverb that he who lights a candle is better than he who curses the darkness. Let us all go forth and light a candle in whatever place or station we be. These specks of light, multiplied many times, will dispel the darkness.

These, and other problems, confront us on the home front. In addition we have the political, social, and economic problems among nations that twice in our generation rocked us into war. If the nations of the world can solve their problems by peaceful discussion and at the same time be ready, willing and able to stamp out the international gangster before he commits his high felonies, we will have prevented war.

We must have a substantial increase in the minimum wage unless we mean to render only lip service to our American standard of living.

We must do everything in our power to aid the veteran. He is the one that made the genuine sacrifices in this war. Not only has he rendered the great service, but now he must face the problems of becoming an integral part of our peacetime economy. We must make the interruption to his career of as little disadvantage as possible.

The inadequacy of our housing has been accentuated by the war, so we are further behind than ever before. A real housing program will be a great contribution to our entire economic condition because it is a big market for many materials and it has a great effect upon employment.

Our way of life means a decent wage for all. The present law sets a forty-cents-an-hour minimum. That is far too low.

There are all of the problems of finding and carrying out the means of full production, full employment, mass purchasing power, and efficient distribution. Each of these factors augments the others. These objectives, like total war, require vigilance and action on many fronts.

We must conquer the housing problem. This is a field wherein the realization has never been up to the ideal of a truly American standard of living.

Just this week an Anti-Inflation Committee representing nearly all of the leading businessmen and merchants in the District of Columbia began a campaign to prevent inflation and to keep the O.P.A.

We have won the inflation battle for nine rounds. It would be pathetic if we lost the tenth and last round.

The battle against inflation, while the most important today, is only one of the problems that confront us at home.

It is my belief that more of our people than ever before realize the importance of the continuation of price control. The Iowa Poll of January 27 shows that of the several recommendations the President made in his recent radio talk the continuation of price and rent control was considered the most necessary. From more and more quarters comes support for the extension of the Stabilization Act.

We have the tools to finish the job: price control, the buying of government bonds or saving in other ways, control of credit purchases, and most of all the will to prevent inflation. We should extend the Price Control Act just as soon as possible to remove the lingering hope of the minority that they can profit out of the scarcity that exists before our total reconversion makes available all of the items for which our appetite is whetted.

We don't want price increases like that on sugar, flour, meat, or even on shirts, dresses and suits, when we can find them. Until the goods on the shelves of our stores can match the money in our pocketbooks, in our safe deposit boxes, in our socks, and in

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contests, to remind us that the atmosphere is still charged.

Every successful businessman knows that it is tomorrow's profit~~s~~ that is the ~~are~~ most important. We do not want the boom-crash that followed the last war.

Disastrous inflation is still possible. It is likely that none of us has too much of a heart interest in coconuts, so let us use them for an example. The ceiling on coconuts was $61.50 per thousand. They took the ceiling off. Next day the price was $140, the second day $175, and the third day $252.

His conclusion that price controls should be abandoned is faulty.

There are many proverbs and fables that counsel against grabbing today's chances without regard for the future. There is sound philosophy in the old saws: don't kill the goose that lays the golden eggs; look before you leap.

Likewise, we know beyond peradventure that America's great business tradition was not built upon the quicksand base of short range operations.

While everyone knows the increase in the cost of living during this war has pinched some of us, and was a minor irritation to all of us, it is an excellent record compared with 25-cent sugar last time.

The feeling of the businessman who wants to remove price controls is not hard to understand. He cooperated, as did we all, to win the war. He may now see a mirage of big profits going by the board every day because he cannot charge more than ceiling prices for his goods.

The cost of living in the 72 months of this war went up one-half of what it did in the 52 months of World War I, and after November 18, 1918, the cost of living continued to increase rapidly until June 1920. At that time the cost of living was over twice what it was at the start of the war. In the next 12 months came the crash. The cost of living has been stable since the close of World War II and we are in a much better position to avoid a similar collapse.

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Just as we had annoyances and difficulties, such as shortages and bottlenecks during the war, we have temporary impediments today as we swing toward high levels of production. Prodigious production is sorely needed, not only to build our standard of living in which we have always prided ourselves, but to counteract the inflationary pressure which is still our No. 1 problem at home.

The American people have done a good job on the inflation front, so far.

We can tell them that we have laid the foundation for full production, full employment and a high national income.

We can tell them that reconversion has come along in pretty good shape. We can point out, for example, that physical reconversion of war plants is virtually complete. We can point out that unemployment is only about one-half that of estimates made just after the guns were laid down.

There are, of course, some kinks in the machine.

Not only does this record give us confidence but also the record itself gives us a sound base upon which to build. We can face our veterans with less embarrassment than we did last time.

We can tell our boys as they return that the things they dreamed America stood for as they fought from foxhole, plane or ship have been preserved. We can tell them that while they fought we produced the articles of war and kept our country on her course with even keel.

But we did the job, and our way of life, our system of government, stood the acid and the fire.

We have our problems today and we will have our problems tomorrow. But we had some tough ones yesterday too. During the war we overwhelmed an enemy with our might, lived well at home, and kept inflation from our door. When we have proved ourselves like that, we can face the future with full confidence.

We whipped an enemy from within and from without, and neither during the depression nor during the war was any life, liberty or property taken from any citizen without due process of law; neither during the depression nor during the war was the Bill of Rights abrogated; neither during the depression nor during the war was the election of our governing officials suspended.

During the depression and the war we had our headaches and our heartaches.

Moreover, our standard of living was high. Oh yes, we had to put up with the old car and the old radio. But our people ate more food, better food, and a wider variety than ever before. We were clothed and housed. We even bought more jewelry and perfume, and went to more movies.

Those controls were promulgated under law and if any individual thought that as to him the application of any control violated the due process of law he could go to the courthouse. That latchstring was never removed. But few went and fewer won.

page 5

How did we fare under those "odious" controls? Every group in this country, worker, farmer, manufacturer, distributer, retailer, had a higher degree of prosperity than at any time in the history of our nation.

We did all this without selling any of our birthright. We preserved our democratic way of life, up to and including our constitutional right to gripe.

When we think of our constitutional right to gripe we think of those "confounded" war measures — wage control, priorities, allocations, rations, manpower and price controls. Those controls were necessary. We were waging a total war. We were preserving a sound economy.

It would have been easy to turn to men with liquid promises.

Likewise, when the war clouds gathered and later when we were in it to the hilt, it would have been so easy for our people, beladen with suffering and sacrifice, to turn to some fatalistic course. Some asked us to bury our heads in the sand. Some asked for a negotiated peace. Instead we out-produced, out-fought, out-thought, and out-lasted the enemy.

That is a great lesson. But there is a greater lesson. We mustered that strength and licked the depression and whipped the Axis without impairing in any way our basic principles of government.

If you will recall, we did not stick to our way of life simply because temptation did not beckon. During the depression the stage was set for starry-eyed plans of salvation. Not only was the situation ripe for the appeals of demagogic despots, but the appeals were made.

On the firing line, where the might of this nation met the might of the enemy, our men in uniform bore the brunt reality of war. These men, their families, and their loved ones, made the great and noble sacrifices. We must thank our soldiers, whether they be the living, the dead, or the living dead, by getting out and working for the peace every bit as fully as we worked for Victory.

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And we were fighting against countries that had been building up their military might for years. You can lose a war that way. We almost did.

Mobilization for war put terrific strains upon our nation. Thousands of men and women changed jobs. Other thousands marched out of their homes, out of school, out of retirement. Materials in short supply had to be controlled. Inflation threatened. That meant the control of wages and prices.

We saw the peoples of Europe maimed, killed and conquered. Those were dark days. Mere survival was a question. Remember Dunkirk.

Later we were attacked. War brought us urgent, tough problems. We had to grind to a halt much of our peacetime production. We had to lick shortages. We had to remove bottlenecks. In short, we were faced with the task of converting a civilian economy into military preparedness after the fighting had started.

Our economy did not permit the pursuit of life, liberty and happiness in the way our founders must have pictured when they wrote that stirring constitutional phrase.

That depression with its closed banks, its heartaches, its 5-cent cotton, 10-cent corn, and 8-cent tobacco, was a stern trial for our system of government. Not long afterwards our way of life faced the test of fire.

Our unemployment problem then was mass unemployment. It was not a matter of a little transitional unemployment. Several millions of our people were out of work, not by choice, not through lack of initiative, but simply because they were not offered a job of any kind.

Even the lot of many who were employed was unfortunate. Many were in jobs that stifled their ambition. And most jobs carried poor pay.

We need no further assurance to face the future.

page 3

It is easy not to recognize the import of our success. It is so easy to forget. Without a great faculty of memory or imagination we cannot reconstruct our life during the gloomy days of the depression or the dark days of the war.

During the depression many of our people suffered, fighting for the stark necessities of life: some food, some clothing.

More important, we have seen our way of life, our form of government, put in the crucible and found not wanting.

Since the Fall of '29 our way of life, our form of government, has stood trial under the worst depression this country has ever had, and the worst war that has ever engulfed the world. When our way of doing things has stood two such tests as these, we can be supremely confident of our ability to grapple with any problem that may confront us.

And through this port, more than 100 million tons of cargo passed during the war with the precious freight of victory.

Instead of trying to review the last 150 years of our history, let us review in more detail the last tenth of it. In the last 15 years we have participated in the writing of more history than most people ever see during their entire lives. We have seen tremendous developments in the natural sciences.

The famous Baltimore clipper ships sailed all over the world, carrying American produce of a strange and distant world. Today, you are the third largest seaport in the country.

Baltimore has not been content to live on its past. The country has reason to be grateful for what you did during the critical years of the war. You gave a full share of your youth to the fighting services. The workers and businessmen of Baltimore produced steel, copper, oil, planes and ships that went to war.

Your enterprise and initiative contributed to the building of the nation. The highways and railroads that started from Baltimore pushed into the West and helped open a new continent.

You have played an equally notable part in the development of the foreign commerce of the United States. The ships built in Baltimore yards were the glory of the American merchant marine of a century ago.

Since banking is a part of the entire community, the Association of Commerce in honoring the 150th anniversary of banking is, in a broader sense, honoring the City of Baltimore for its long and notable part in the development of this country.

Even before we had grown to nationhood, Baltimore was an important center of colonial industry and commerce.

New as well as established enterprises must have credit. Financial aid is a necessity for an expanding economy. Financial aid is a necessity for small enterprise to hold its own against giant concentration. A high and diversified level of production, employment and income, is both a cause and an effect of free enterprise. In short, we want our whole economy in high gear.

In two of our basic problems the banker can play a very large role. There is the restoration and maintenance of full production in a peacetime economy. There is the preservation and enlargement of our system of free enterprise in a world which has so recently been regimented for war.

Primarily it is the banker who must supply the credit for high levels of production and trade. In this regard, as in others, we must raise our sights.

The banker in making his decisions must take into consideration the welfare of the entire business community. Others depend upon the banker for advice and guidance. The banker has a great opportunity for leadership. Our democratic system of government requires leadership in all groups in and out of government.

Bankers have performed a real service in the financing of the war. The problems of peace are also important.

Americans have never been ones to rest upon their laurels or to engage in the luxury of living merely to cite their history. From our past, however, we do gain experience and secure confidence.

The Association of Commerce is honoring the institution of banking which is celebrating its 150th anniversary in Maryland and Baltimore. One of the most satisfying aspects of banking is that it is a part of the agricultural, industrial, and commercial life of the community.

V-217

(The following address by Secretary Vinson before the Annual meeting and dinner of the Baltimore Association of Commerce at the Lord Baltimore Hotel, Baltimore, Maryland, is scheduled for delivery at 9:00 P.M., E.S.T. Thursday, January 31, 1946, and is for release at that time.)

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Likewise, when the war clouds gathered and later when we were in it to the hilt, it would have been so easy for our people, beladen with suffering and sacrifice, to turn to some fatalistic course. Some asked us to bury our heads in the sand. Some asked for a negotiated peace. Instead we out-produced, out-fought, out-thought, and out-lasted the enemy. We did all this without selling any of our birthright. We preserved our democratic way of life, up to and including our constitutional right to gripe.

When we think of our constitutional right to gripe we think of those "confounded" war measures -- wage control, priorities, allocations, rations, manpower and price controls. Those controls were necessary. We were waging a total war. We were preserving a sound economy. Those controls were promulgated under law and if any individual thought that as to him the application of any control violated the due process of law he could go to the courthouse. That latchstring was never removed. But few went and fewer won.

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We have the tools to finish the job: price control, the buying of government bonds or saving in other ways, control of credit purchases, and most of all the will to prevent inflation. We should extend the Price Control Act just as soon as possible to remove the lingering hope of the minority that they can profit out of the scarcity that exists before our total reconversion makes available all of the items for which our appetite is whetted.

It is my belief that more of our people than ever before realize the importance of the continuation of price control. The Iowa Poll of January 27 shows that of the several recommendations the President made in his recent radio talk the continuation of price and rent control was considered the most necessary. From more and more quarters comes support for the extension of the Stabilization Act. Just this week an Anti-Inflation Committee representing nearly all of the leading businessmen and merchants in the District of Columbia began a campaign to prevent inflation and to keep the O.P.A.

We have won the inflation battle for nine rounds. It would be pathetic if we lost the tenth and last round.

The battle against inflation, while the most important today, is only one of the problems that confront us at home. There are all of the problems of finding and carrying out the means of full production, full employment, mass purchasing power, and efficient distribution. Each of these factors augments the others. These objectives, like total war, require vigilance and action on many fronts.

We must conquer the housing problem. This is a field wherein the realization has never been up to the ideal of a truly American standard of living. The inadequacy of our housing has been accentuated by the war, so we are further behind than ever before. A real housing program will be a great contribution to our entire economic condition because it is a big market for many materials and it has a great effect upon employment.

Our way of life means a decent wage for all. The present law sets a forty-cents-an-hour minimum. That is far too low. We must have a substantial increase in the minimum wage unless we mean to render only lip service to our American standard of living.

We must do everything in our power to aid the veteran. He is the one that made the genuine sacrifices in this war. Not only has he rendered the great service, but now he must face the problems of becoming an integral part of our peacetime economy. We must make the interruption to his career of as little disadvantage as possible.

These, and other problems, confront us on the home front. In addition we have the political, social, and economic problems among nations that twice in our generation rocked us into war. If the nations of the world can solve their problems by peaceful discussion and at the same time be ready, willing and able to stamp out the international gangster before he commits his high felonies, we will have prevented war. Since wars are not ordained but are man made, man can avoid war by solving the problems that cause war.

We would be less than frank if we did not recognize that at times there will be darkness. But Americans are not by nature pessimistic and should not be now. There is a proverb that he who lights a candle is better than he who curses the darkness. Let us all go forth and light a candle in whatever place or station we be. These specks of light, multiplied many times will dispel the darkness.

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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.

~~ALPHA~~

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. Subject to these reservations, tenders for $200,000 or less from any one bidder at 99.905 entered on a fixed-price basis will be accepted in full. 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 February 7, 1946 .

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

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V-218

TREASURY DEPARTMENT

Washington

FOR RELEASE, MORNING NEWSPAPERS,
Friday, February 1, 1946.
(1)

The Secretary of the Treasury, by this public notice, invites tenders for $ 1,300,000,000 (2), or thereabouts, of 91 (3) -day Treasury bills, to be issued on a discount basis under competitive and fixed-price bidding as hereinafter provided. The bills of this series will be dated February 7, 1946 (4), and will mature May 9, 1946 (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 ~~War~~ Standard time, Monday, February 4, 1946 (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 2 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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V-218

(Over)

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.

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Treasury Department
Washington

Press Service
V-219

3.00 PM. E.S.T.

FOR RELEASE [redacted]
~~at 3:00 p.m.~~
Saturday, February 2, 1946.

The War and Treasury Departments, working through Headquarters, U. S. Forces, Mediterranean Theater, and the American Embassy in Rome, yesterday terminated negotiations for procedures in the interests of the U. S. armed forces in the theater. ~~whereby~~ As a result the Italian Government [redacted] extended to the armed forces of the United States and to other agencies of the United States Government, the rate of exchange of 225 lire equals one U. S. dollar, which the Italian Government had made available to the diplomatic corps.

The previous rate of exchange was 100 lire equals one U. S. dollar.

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TREASURY DEPARTMENT

Washington

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Press Service
No. V-219

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TREASURY DEPARTMENT
Washington

FOR RELEASE, MORNING NEWSPAPERS,
Tuesday, February 5, 1946.

Press Service
V-220

The Secretary of the Treasury announced last evening that the tenders for $1,300,000,000, or thereabouts, of 91-day Treasury bills to be dated February 7 and to mature May 9, 1946, which were offered on February 1, 1946, were opened at the Federal Reserve Banks on February 4.

The details of this issue are as follows:

Total applied for - $1,928,073,000
Total accepted - 1,314,673,000 (includes $46,573,000 entered on a fixed-price basis at 99.905 and accepted in full)
Average price - 99.905/ Equivalent rate of discount approx. 0.375% per annum

Range of accepted competitive bids:

High - 99.908 Equivalent rate of discount approx. 0.364% per annum
Low - 99.905 " " " " " 0.376% " "

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

Federal Reserve District	Total Applied for	Total Accepted
Boston	$ 14,010,000	$ 9,670,000
New York	1,463,733,000	982,458,000
Philadelphia	55,970,000	43,860,000
Cleveland	6,770,000	6,735,000
Richmond	13,475,000	10,990,000
Atlanta	5,477,000	5,477,000
Chicago	281,987,000	187,487,000
St. Louis	5,900,000	5,025,000
Minneapolis	3,095,000	3,095,000
Kansas City	14,124,000	12,374,000
Dallas	6,940,000	6,310,000
San Francisco	56,592,000	41,192,000
TOTAL	$1,928,073,000	$1,314,673,000

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TOTAL	$1,928,073,000	$1,314,673,000

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Commissioner Nunan explained that the law requires payment of interest at the rate of 6 per cent per year on refunds delayed past March, and therefore the Government will save several million dollars of interest payments by the speedup plan. He pointed out that it took about a year to pay the refunds for 1943, first year of the withholding tax, and the interest charges were nearly $22,000,000. The 1944 refunds were completed in seven months and the interest payments fell $17,000,000. This year, it is expected to complete the refunds within three months after the March 15 deadline, and the savings, while impossible to estimate accurately, should be at least "several million dollars."

Under the present plan, refunds are paid on the basis of information in the taxpayer's return, with the understanding that any inaccuracies will be corrected when the regular audits of returns are made.

The 1944 tax returns resulted in over $1,000,000,000 of refunds to approximately 21,000,000 individuals. Due to demobilization and other economic factors following the end of the war, the 1945 refunds may be slightly higher.

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TREASURY DEPARTMENT
Bureau of Internal Revenue
Washington 25, D. C.

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For Release Morning Newspapers,
Thursday, February 7, 1946.

Press Service
No. V-221

Joseph D. Nunan, Jr., Commissioner of Internal Revenue, announced today that refunds on 1945 income tax returns of individual taxpayers have been sped up to save taxpayers several months of waiting and to save the Government several million dollars of interest payments.

Under the expedited plan, refunds are now being paid by local offices of collectors of internal revenue almost as fast as returns are received, and refunds totalling more than $27,000,000 were paid to more than 600,000 taxpayers in January. Other taxpayers who are entitled to refunds and who file immediately instead of waiting for the March 15 deadline, will receive correspondingly rapid service. To the extent that last minute returns swamp the facilities of collectors' offices, refunds due on such returns will be delayed. However, even these refunds (except on faulty returns) are expected to be completed before the end of June. Of course it is not possible for Collectors to make prompt refunds if returns are not complete and accurate. The most common reason for delay in refunding is failure of taxpayers, who use their withholding statements as returns, to sign them.

The refunds involved in this plan usually result from instances in which tax withholding from wages exceeds the actual tax liability of the taxpayers. The withholding tax is based on the assumption that every worker is employed continuously throughout the year, and therefore most of the refunds go to workers who did not work the whole year. Thus, many of the refunds will go to veterans who, after discharge from the armed forces, held civilian jobs during only part of the year. Many refunds also will go to war workers who were laid off as the result of cutbacks and reconversion in industry after V-E and V-J days.

TREASURY DEPARTMENT
Bureau of Internal Revenue
Washington 25, D. C.

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Thursday, February 7, 1946.

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Chief Wilson warned bond owners to keep their securities in a safe place, and to keep a record of bond serial numbers separately to aid in recovery if losses should occur.

In addition to its perennial war against moonshiners, continued prosecution of liquor black marketeers of the recent shortage years and evaders of the floor tax stipulated in recent revenue acts, the Alcohol Tax Unit tackled a new problem in 1945. The Unit, charged with enforcement of the National Firearms Act, conducted a nationwide campaign to register automatic weapons such as machine guns, sub-machine guns and machine pistols brought in as souvenirs by returning servicemen. The Unit sought to persuade the owners to render these and other weapons unserviceable, for the protection of their families and to decrease the possibility of such weapons falling into criminal hands.

Stewart Berkshire, Head of the Unit, said the campaign was considered imperative in view of a rapidly developing wave of crimes of violence in which such weapons brought in originally as souvenirs figured. He pointed out that the law provides a tax of $200 on each transfer of automatic weapons, a liability which can be avoided if the guns are made unserviceable.

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two-year sentence for burglary. While working in the prison foundry, he is alleged to have made sand moulds for manufacturing counterfeit nickels, dimes, quarters and half dollars out of iron and aluminum, which he spent in the prison commissary. His activities were discovered only two weeks before he was due for discharge, and he is now under indictment and awaiting trial on the counterfeiting charge.

Chief Frank Wilson of the Secret Service reported that losses to the public from circulation of counterfeit currency and coins dropped to a new low of $25,666 in 1945, compared to $28,067 in 1944. In some years in the middle 30's such losses ran to more than a million dollars a year.

The most spectacular check forgery case of the year was solved with the arrest of Arthur Moses in New York on November 24. Moses confessed he had made a living by victimizing merchants with more than 1,000 stolen checks since 1938, realizing at least $50,000. He operated in Detroit, Louisville, Chicago, Cincinnati, Philadelphia and other cities, in addition to New York.

The Secret Service received for investigation more than 6,500 bonds stolen and fraudulently negotiated during the year. In one case, in Philadelphia, Stanley S. Gnagey, 19 years old, was arrested in connection with theft and forgery of $1240 worth of bonds, the proceeds of which he exhausted on a New York spending spree. He was sentenced in state court for the burglary and faces other charges.

In the same area, officers foiled an extensive plot to export critically scarce truck tires. The conspirators sought to evade export control regulations by mounting the new tires on the wheels of decrepit automobiles and then exporting the automobiles. The "wrecks" were driven or towed through mud to conceal the newness of the tires.

Other cases involved illegal exportation of gold for sale abroad; and an attempt to export to the Orient without license quantities of medical supplies.

The Secret Service continued to combat counterfeiting and check forgeries with widespread use of educational films, newspaper and magazine publicity, and radio warnings designed to alert the public and storekeepers to the methods followed by these racketeers.

Two abortive attempts to make counterfeit currency were smashed during the year, one in Washington, D. C., and one in St. Petersburg, Florida.

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The Treasury's smallest investigative unit, the Foreign Funds Control Compliance Section, continued its policing of funds of enemy firms and nationals, with its outstanding case being the blocking as German of some $5,000,000 in cash and securities in five New York banks. These assets were held in the name of a Swiss company, which, investigation disclosed, was in turn owned by a German company.

During 1945, 11,012 persons were convicted in federal courts of violations of laws administered by the above agencies and the Bureau of Narcotics and Intelligence Unit of the Bureau of Internal Revenue, which, collectively, make up the Treasury Enforcement Agencies. In 1944, convictions totalled 10,888.

Typical of the cases developed by Customs in increasing numbers during the closing months of 1945 was the seizure, from a professional entertainer returning from Latin America by plane, of thirty-two cut diamonds and other gems concealed in baggage. The passenger paid $4,000 in penalties and surrendered the gems for forfeiture to the Government.

Customs officers broke up a small scale rum smuggling conspiracy operating between Cuba and Florida, and involving the masters of three vessels and officials of a steamship company. They sought to evade payment of duties by means of false manifests.

Mr. Irey reported that the United States Secret Service continued to depress money counterfeiting toward the vanishing point; but that theft and forgery of Government checks and bonds increased, although relatively slightly in comparison with the huge increase in such items being issued or outstanding. More than 23,000 checks were involved in Secret Service investigations during 1945, compared to 15,700 in 1944; and 1,841 persons were arrested on forgery charges. Discovery of coin counterfeiting within the walls of Missouri State Penitentiary was a spectacular incident of Secret Service investigative activities.

The Alcohol Tax Unit of the Bureau of Internal Revenue reported a decline in illicit distilling operations as reflected by still and mash seizures, but said the traditional moonshine states of the South witnessed fairly substantial substitution of cane syrup and homemade sorghum for scarce sugar, with operations continuing about as usual.

The fourteen Southern states contributed 95 percent of all the stills seized, 92 percent of the mash seized, and 85 percent of the persons arrested for liquor law violations.

For the entire country, still seizures in 1945 were 7,521, compared with 7,762 in 1944, with arrests of 9,492 compared to 11,911 in 1944.

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PROPOSED PRESS RELEASE

r. 222

Officers of the United States Customs ~~Agency~~ Service today saw statistical evidence of the shift of world trade and travel toward a peacetime basis with emphasis, from the enforcement point of view, on the traditional contraband of undeclared luxury merchandise -- diamonds, furs, watches and such.

Elmer L. Irey, Chief Coordinator of Treasury Enforcement Agencies, reported to Secretary Vinson that seizures of all types of smuggled commodities increased sharply in 1945 to 17,009 compared to 10,215 in 1944. Two elements swelled the total: first, the disposition of travelers to attempt to bring in or export scarce commodities, from beefsteak to nylons and automobile tires, in violation of wartime regulations; and in the closing months, conventional smuggling growing out of relaxed conditions of trade and travel. With the easing of the United States supply situation, liquor seizures declined.

E. J. Shamhart, Deputy Commissioner of Customs, said today that the Agency is applying ~~vastly~~ improved inspection techniques and equipment developed as a wartime protective service to the peacetime checking of travelers and their luggage and shipments of merchandise through Customs. He said those attempting to avoid payment of duties on merchandise will have a tougher gauntlet to run than ever before.

TREASURY DEPARTMENT

Washington

FOR RELEASE, MORNING NEWSPAPERS,
Thursday, February 7, 1946.

Press Service
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The coin manufacturing plant in Missouri Penitentiary involved 20 year old William L. Patterson, who was serving a two-year sentence for burglary. While working in the prison foundry, he is alleged to have made sand moulds for manufacturing counterfeit nickels, dimes, quarters and half dollars out of iron and aluminum, which he spent in the prison commissary. His activities were discovered only two weeks before he was due for discharge, and he is now under indictment and awaiting trial on the counterfeiting charge.

Chief Frank Wilson of the Secret Service reported that losses to the public from circulation of counterfeit currency and coins dropped to a new low of $25,666 in 1945, compared to $28,067 in 1944. In some years in the middle 30's such losses ran to more than a million dollars a year.

The most spectacular check forgery case of the year was solved with the arrest of Arthur Moses in New York on November 24. Moses confessed he had made a living by victimizing merchants with more than 1,000 stolen checks since 1938, realizing at least $50,000. He operated in Detroit, Louisville, Chicago, Cincinnati, Philadelphia and other cities, in addition to New York.

The Secret Service received for investigation more than 6,500 bonds stolen and fraudulently negotiated during the year. In one case, in Philadelphia, Stanley S. Gnagey, 19 years old, was arrested in connection with theft and forgery of $1,240 worth of bonds, the proceeds of which he exhausted on a New York spending spree. He was sentenced in state court for the burglary and faces other charges.

Chief Wilson warned bond owners to keep their securities in a safe place, and to keep a record of bond serial numbers separately to aid in recovery if losses should occur.

In addition to its perennial war against moonshiners, continued prosecution of liquor black marketeers of the recent shortage years and evaders of the floor tax stipulated in recent revenue acts, the Alcohol Tax Unit tackled a new problem in 1945. The Unit, charged with enforcement of the National Firearms Act, conducted a nationwide campaign to register automatic weapons such as machine guns, sub-machine guns and machine pistols brought in as souvenirs by returning servicemen. The Unit sought to persuade the owners to render these and other weapons unserviceable, for the protection of their families and to decrease the possibility of such weapons falling into criminal hands.

Stewart Berkshire, Head of the Unit, said the campaign was considered imperative in view of a rapidly developing wave of crimes of violence in which such weapons brought in originally as souvenirs figured. He pointed out that the law provides a tax of $200 on each transfer of automatic weapons, a liability which can be avoided if the guns are made unserviceable.

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Shortage and extremely high price of narcotics continued to lead addicts and drug peddlers to resort to many methods to obtain supplies from medicinal stocks. Despite precautions taken by legitimate handlers, robberies and burglaries of narcotics from pharmacies and other registered establishments increased, with the aggregate of these diversions substantial, the most spectacular being the theft of a truckload of morphine, with an underworld value of perhaps half a million dollars, from a supply house in Brooklyn. While several distributors have been arrested, and quantities of drugs identified as part of the loot have been seized, the actual perpetrators of the robbery are still at large.

Undercover Narcotics agents posing as dealers ~~unscrupulous physicians~~ in the market for the drugs, partially solved another substantial diversion case involving narcotics stolen from the United States Naval Medical Supply Depot in Brooklyn. Four persons were arrested and are awaiting trial, including several alleged leaders of the so-called 107th Street mob.

Edson J. Shamhart, Deputy Commissioner of Customs in charge of enforcement, reported continued numerous seizures of opium on vessels arriving from the Orient and from Europe, the largest being 36 pounds of raw opium turned up by a two-day search of a Netherlands tanker at Perth Amboy, New Jersey. Fourteen caches of the drug were found, including several lots concealed in hollowed out timbers. The tanker cleared from Liverpool.

One seizure of 35 pounds of Mexican opium was made ~~seized~~ at Gibson, Arizona, by Customs patrol officers, who found the contraband in hollowed out frames of the truck body. Two Mexican nationals were arrested.

of a supply of dope fugitive from the battlefields of Europe.

Strenuous efforts are being made by Allied occupation authorities in cooperation with the Treasury to corral all surplus narcotic supplies in war torn areas. Following the first world war, quantities of such drugs eventually found their way into the world illicit trade, and contributed to a wave of addiction that swept through many countries.

The first case of such diversion from abandoned medicinal stocks of this war developed in Portland, Oregon. As a result of undercover investigation by Bureau of Narcotics agents, a discharged Army infantryman who saw service in Africa, Sicily, Italy, France, Germany and Austria, and an associate face charges of violating the Harrison Act. Quantities of morphine and cocaine seized by the officers were, the soldier admitted, found in a small town near Nurmburg, Germany, in a German hospital supply dump, and were transported by him, by devious routes, packed in two Army canteens, back to the United States.

H. J. Anslinger, Commissioner of Narcotics, reported that illicit drugs continued scarce, with underworld prices very high, and drugs of the manufactured type when found often highly adulterated. Heroin appearing in the traffic shows evidence of manufacture from opium by crude methods, with some coming in from Mexico, and some being manufactured in this country in clandestine laboratories of the small "kitchen" type.

Raw and smoking opium made up the bulk of the supplies available to the underworld, coming largely from Mexico, Iran, and India. The Mexican Government is making a strong effort to suppress poppy growing, which is carried on principally in isolated, mountain sections.

R.T.

Proposed Press Release

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V-223

Treasury law enforcement agencies responsible for combating illicit traffic in narcotics reported today that 1945 saw a substantial increase in seizures of both opium and its derivatives compared with 1944.

Arrests of traffickers were somewhat fewer, indicating a continuing concentration of the racket in the hands of well-organized, well-financed mobs.

New York City appeared to be the focal point of such traffic, with remnants of several notorious gangs active, their tentacles reaching in some cases across the nation. Wholesale arrests of traffickers were made in this area, and drastic penalties meted out in Federal courts, 5 to 8 years in many instances, attested to the efficiency of the Treasury's war against the drug syndicates.

Elmer L. Irey, Chief Coordinator of Enforcement, reported to Secretary Vinson on the basis of statistics compiled by the Bureaus of Customs and Narcotics, that total seizures of opium type drugs were 10,995 ounces in 1945, compared to 7,226 ounces in 1944. The 1945 total still was well below comparable figures for some pre-war years.

Combined seizures of marihuana fell off in 1945, from 12,138 ounces in 1944 to 9,475 ounces, possibly reflecting the success of the Bureau of Narcotics in smashing several nationally operating gangs. In the year just closed, agents carried out an intensive campaign to eliminate traffic in the weed in fringes of the New York City night club belt.

Narcotics officers encountered the first symptoms of what was a serious post-~~world-war-one~~ WWI headache, with the seizure in the closing months of 1945

TREASURY DEPARTMENT

Washington

FOR RELEASE, AFTERNOON NEWSPAPERS,
Saturday, February 9, 1946.

Press Service
No. V-223

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Narcotics officers encountered the first symptoms of what was a serious post-World-War-I headache, with the seizure in the closing months of 1945 of a supply of dope fugitive from the battlefields of Europe.

Strenuous efforts are being made by Allied occupation authorities in cooperation with the Treasury to corral all surplus narcotic supplies in war torn areas. Following the first world war, quantities of such drugs eventually found their way into the world illicit trade, and contributed to a wave of addiction that swept through many countries.

The first case of such diversion from abandoned medical stocks of this war developed in Portland, Oregon. As a result of undercover investigation by Bureau of Narcotics agents, a discharged Army infantryman who saw service in Africa, Sicily, Italy, France, Germany and Austria, and an associate, face charges of violating the Harrison Act. Quantities of morphine and cocaine seized by the officers were, the soldier admitted, found in a small town near Nuernberg, Germany, in a German hospital supply dump, and were transported by him, by devious routes, packed in two Army canteens, back to the United States.

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Raw and smoking opium made up the bulk of the supplies available to the underworld, coming largely from Mexico, Iran, and India. The Mexican Government is making a strong effort to suppress poppy growing, which is carried on principally in isolated, mountain sections.

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drug were found, including several lots concealed in hollowed out timbers. The tanker cleared from Liverpool.

One seizure of 35 pounds of Mexican opium was made at Gibson, Arizona, by Customs patrol officers, who found the contraband in hollowed out frames of the truck body. Two Mexican nationals were arrested.

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V-224

FOR IMMEDIATE RELEASE
February 5, 1946

The Bureau of Customs announced today preliminary figures showing the quantities of coffee entered for consumption during the period commencing October 1, 1945, as follows:

Country of Production	Quantity in Pounds As of January 26, 1946
Signatory Countries:	
Brazil	490,987,609
Colombia	203,218,289
Costa Rica	7,471,220
Cuba	115
Dominican Republic	10,015,006
Ecuador	8,014,972
El Salvador	7,602,134
Guatemala	13,183,505
Haiti	6,285,771
Honduras	4,177,232
Mexico	9,013,265
Nicaragua	1,678,598
Peru	1,547,992
Venezuela	13,329,355
Non-Signatory Countries:	15,339,447
TOTAL	791,864,510

WHEN THIS RELEASE HAS BEEN MIMEOGRAPHED,

PLEASE FORWARD 8 COPIES TO ROOM 403, WILKINS BLDG.

TREASURY DEPARTMENT

Washington

FOR IMMEDIATE RELEASE,
Wednesday, February 6, 1946.

Press Service
No. V-224

The Bureau of Customs announced today preliminary figures showing the quantities of coffee entered for consumption during the period commencing October 1, 1945, as follows:

Country of Production	Quantity in Pounds As of January 26, 1946
Signatory Countries:	
Brazil	490,987,609
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Costa Rica	7,471,220
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Non-Signatory Countries:	15,339,447
TOTAL	791,864,510

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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.

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 Subject to these reservations, tenders for $200,000 or less from any one bidder at 99.905 entered on a fixed-price basis will be accepted in full. 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 February 14, 1946 .

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

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TREASURY DEPARTMENT

Washington

FOR RELEASE, MORNING NEWSPAPERS,
Friday, February 8, 1946 .
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The Secretary of the Treasury, by this public notice, invites tenders for $1,300,000,000 (2), or thereabouts, of 91 (3) -day Treasury bills, to be issued on a discount basis under competitive and fixed-price bidding as hereinafter provided. The bills of this series will be dated February 14, 1946 (4), and will mature May 16, 1946 (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 ~~War~~ Standard time, Monday, February 11, 1946 (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 2 percent of the face amount of Treasury bills applied for, unless the tenders are accompanied by an express guaranty of payment by an incorporated bank or trust company.

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

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TREASURY DEPARTMENT
Washington

FOR RELEASE, MORNING NEWSPAPERS,
Friday, February 8, 1946.

The Secretary of the Treasury, by this public notice, invites tenders for $1,300,000,000, or thereabouts, of 91-day Treasury bills, to be issued on a discount basis under competitive and fixed-price bidding as hereinafter provided. The bills of this series will be dated February 14, 1946, and will mature May 16, 1946, 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 or reject any or all tenders, in whole or in part, and his action in any such respect shall be final. Subject to these reservations, tenders for $200,000 or less from any one bidder at 99.905 entered on a fixed-price basis will be accepted in full. 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 February 14, 1946.

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,

V-225

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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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STATUTORY DEBT LIMITATION
AS OF JANUARY 31, 1946

Section 21 of the Second Liberty Bond Act, as amended, provides that the face amount of obligations issued under authority of that Act, and the face amount of obligations guaranteed as to principal and interest by the United States (except such guaranteed obligations as may be held by the Secretary of the Treasury), "shall not exceed in the aggregate $300,000,000,000 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			$300,000,000,
Outstanding January 31, 1946			
Obligations issued under Second Liberty Bond Act, as amended			
Interest-bearing			
Bonds			
Treasury	$121,358,354,450		
Savings (maturity value)*	59,467,668,300		
Depositary	473,624,500		
Adjusted Service	500,157,956	$181,799,805,206	
Treasury notes	39,202,996,000		
Certificates of indebtedness	50,111,962,000		
Treasury bills	17,041,628,000	106,356,586,000	
Total interest-bearing		288,156,391,206	
Matured, interest-ceased		251,831,145	
Bearing no interest			
War Savings Stamps	120,204,353		
Excess profits tax refunds bonds	239,723,240	359,927,593	
Total		288,768,149,944	
Guaranteed obligations (not held by Treasury)			
Interest-bearing			
Debentures: F.H.A.	38,657,936		
Demand obligations: C.C.C.	506,441,294	545,099,230	
Matured, interest-ceased		12,911,625	
		558,010,855	
Grand total outstanding			289,326,160,
Balance face amount of obligations issuable under above authority			10,673,839,

Reconcilement with Statement of the Public Debt - January 31, 1946
(Daily Statement of the United States Treasury, February 1, 1946)

Outstanding January 31, 1946		
Total gross public debt		278,886,605,
Guaranteed obligations not owned by the Treasury		558,010,
Total gross public debt and guaranteed obligations		279,444,616,
Add - unearned discount on U.S. Savings Bonds (Difference between maturity value and current redemption value)	10,880,133,362	
Deduct - other outstanding public debt obligations not subject to debt limitation	998,588,688	9,881,544,
		289,326,160,

* Approximate face or maturity value; current redemption value $48,587,534,938.

V-226

STATUTORY DEBT LIMITATION
AS OF JANUARY 31, 1946

February 11, 1946

Section 21 of the Second Liberty Bond Act, as amended, provides that the face amount of obligations issued under authority of that Act, and the face amount of obligations guaranteed as to principal and interest by the United States (except such guaranteed obligations as may be held by the Secretary of the Treasury),"shall not exceed in the aggregate $300,000,000,000 outstanding at any one time."

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Debentures: F.H.A.	38,657,936		
Demand obligations: C.C.C.	506,441,294	545,099,230	
Matured, interest-ceased..................		12,911,625	
		558,010,855	
Grand total outstanding......................................			289,326,160,799
Balance face amount of obligations issuable under above authority..			10,673,839,201

Reconcilement with Statement of the Public Debt - January 31, 1946
(Daily Statement of the United States Treasury, February 1, 1946)

Outstanding January 31, 1946		
Total gross public debt..................................		278,886,605,270
Guaranteed obligations not owned by the Treasury................		558,010,855
Total gross public debt and guaranteed obligations...............		279,444,616,125
Add - unearned discount on U. S. Savings Bonds (Difference between maturity value and current redemption value)	10,880,133,362	
Deduct - other outstanding public debt obligations not subject to debt limitation.........	998,588,688	9,881,544,674
		289,326,160,799

*Approximate face or maturity value; current redemption value $48,587,534,938.

V-226

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The Act of Congress dated April 2, 1792 which established the United States Mint also provided, on the advice of Alexander Hamilton, for a yearly examination of the silver coinage for weight and purity by an Annual Assay Commission, a group of citizens appointed each year by the President in conclave with certain specifically designated government officials carrying ex-officio status. The Mint opened during October of that year in Philadelphia, then the Nation's capital; coinage was under way by November; and the first Annual Assay Commission came together the second Wednesday of following February. With only one exception, the year 1801, when the capital transferred to Washington, the Annual Assay Commission has met on the second Wednesday of February. The 1801 meeting took place in April.

According to a provision in the original statute, Mint officials were punishable by death if the coins were found below the standards set by law. The penalty was never recommended.

Original ex-officio members were: the Chief Justice of the United States, the Secretary and Comptroller of the Currency, the Attorney General, and the Secretary of State (the last named because the Mint was a State Department function until 1795).

The President customarily names to the Annual Assay Commission a member of the staff of the National Bureau of Standards who brings with him to Philadelphia under seal the official weights of the Philadelphia Mint which are calibrated in Washington by the Bureau of Standards each year for these ceremonies.

TREASURY DEPARTMENT

WASHINGTON

Tuesday Ams V-227 OLR7

Nellie Tayloe Ross, Director of the Mint, will convene the 154th Annual Assay Commission on February 13 at Philadelphia to "try" a random sampling of the entire 1945 silver coinage for weight and fineness. The Commission was established by statute during George Washington's administration, and since then has been meeting each year at the Philadelphia Mint.

For this year's Annual Assay Commission, President Truman has named: George J. Kloepfer, ~~President of the Liberty Bank,~~ Buffalo, New York; Judge Thomas A. Keating Danbury, Connecticut; Mrs. Patrick F. McGann, Elizabeth, New Jersey; Mrs. Esther K. Taft, Norwich, Connecticut; Lieut. Col. Joseph Moss, Philadelphia, Pennsylvania; Judge Samuel Dennis, Baltimore, Maryland; I.H. Krekstein, Philadelphia, Pennsylvania; Mrs. William H. Davis, New York City; Mrs. Arthur J. White, Redbank, New Jersey; Arthur W. Devine, ~~President of the Rhode Island State Branch of the American Federation of Labor,~~ Providence, Rhode Island; Dr. Irl C. Schoonover, Division of Chemistry, National Bureau of Standards, Washington, D.C.; Dr. M. Fortwalter, Van Wert, Ohio.

Statutory ex-officio members are: Judge William H. Kirkpatrick of the District Court for Easterm Pennsylvania, Philadelphia, Pennsylvania; Comptroller of the Currency Preston Delano, Washington, D.C.; Joseph Buford, Assayer of the U.S. Assay Office, New York City.

A total of 198,321 silver coins worth $37,936.55 from all three mints will be tested.

The Annual Assay Commission remains in session for two days. Members serve without compensation, but receive a special medal. This year's is a three inch bronze disc bearing on the obverse a portrait of George Washington and on the reverse a relief of Mount Vernon.

TREASURY DEPARTMENT

Washington

FOR RELEASE, MORNING NEWSPAPERS,
Tuesday, February 12, 1946.

Press Service
No. V-227

Nellie Tayloe Ross, Director of the Mint, will convene the 154th Annual Assay Commission on February 13 at Philadelphia to "try a random sampling of the entire 1945 silver coinage for weight and fineness. The Commission was established by statute during George Washington's administration, and since then has been meeting each year at the Philadelphia Mint.

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TREASURY DEPARTMENT
Washington

FOR RELEASE, MORNING NEWSPAPERS,
Tuesday, February 12, 1946.

Press Service
V-226

The Secretary of the Treasury announced last evening that the tenders for $1,300,000,000, or thereabouts, of 91-day Treasury bills to be dated February 14, and mature May 16, 1946, which were offered on February 8, 1946, were opened at the Federal Reserve Banks on February 11.

The details of this issue are as follows:

Total applied for - $1,987,760,000
Total accepted - 1,309,003,000 (includes $51,482,000 entered on a fixed-price basis at 99.905 and accepted in full)
Average price - 99.905/ Equivalent rate of discount approx. 0.375% per annum

Range of accepted competitive bids:

High - 99.908 Equivalent rate of discount approx. 0.364% per annum
Low - 99.905 " " " " " 0.376% " "

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

Federal Reserve District	Total Applied for	Total Accepted
Boston	$ 19,525,000	$ 12,913,000
New York	1,493,098,000	967,188,000
Philadelphia	39,975,000	29,221,000
Cleveland	23,765,000	17,989,000
Richmond	17,735,000	15,303,000
Atlanta	23,445,000	17,745,000
Chicago	274,134,000	173,320,000
St. Louis	18,305,000	12,947,000
Minneapolis	3,300,000	2,920,000
Kansas City	12,963,000	11,063,000
Dallas	10,225,000	9,264,000
San Francisco	51,290,000	39,130,000
TOTAL	$1,987,760,000	$1,309,003,000

TREASURY DEPARTMENT

Washington

FOR RELEASE, MORNING NEWSPAPERS,
Tuesday, February 12, 1946.

Press Service
No. V-228

The Secretary of the Treasury announced last evening that the tenders for $1,300,000,000, or thereabouts, of 91-day Treasury bills to be dated February 14, and to mature May 16, 1946, which were offered on February 8, 1946, were opened at the Federal Reserve Banks on February 11.

The details of this issue are as follows:

Total applied for - $1,987,760,000
Total accepted - 1,309,003,000 (includes $51,482,000 entered on a fixed-price basis at 99.905 and accepted in full)
Average price - 99.905/ Equivalent rate of discount approx. 0.375% per annum

Range of accepted competitive bids:

High - 99.908 Equivalent rate of discount approx. 0.364% per annum
Low - 99.905 Equivalent rate of discount approx. 0.376% per annum

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

Federal Reserve District	Total Applied for	Total Accepted
Boston	$ 19,525,000	$ 12,913,000
New York	1,493,098,000	967,188,000
Philadelphia	39,975,000	29,221,000
Cleveland	23,765,000	17,989,000
Richmond	17,735,000	15,303,000
Atlanta	23,445,000	17,745,000
Chicago	274,134,000	173,320,000
St. Louis	18,305,000	12,947,000
Minneapolis	3,300,000	2,920,000
Kansas City	12,963,000	11,063,000
Dallas	10,225,000	9,264,000
San Francisco	51,290,000	39,130,000
TOTAL	$1,987,760,000	$1,309,003,000

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DIVISION OF PUBLIC RELATIONS

Assignment sheet. Title **Statistics of income, Part 2, 1943**

Release date **2/25/46** Press Service No. **V-229**

			Bldg. dist.	Mailing list	No. copies to be sent
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CQ	( )	Cotton quotas	22	135	
WQ	( )	Wheat quotas	22	115	
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F	( )	Finance	167	540	
NM	( )	Net Market transactions	142	207	
T	( )	Taxes	167	600	700
DLI	( )	Debt limitation	151	325	
SF	( )	Stabilization fund	174	551	
B	( )	Weekly bill offering	150	178	
B&B	( )	Bills & Bonds other than weekly	156	275	
FE	( )	Financial Editors	---	469	
NE	( )	News Editors		1,575	
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TREASURY DEPARTMENT

Washington

FOR RELEASE,

Monday, February 25, 1946

Press Service

No. V-229

Secretary of the Treasury Vinson today made public preliminary statistics from corporation income tax returns and corporation excess profits tax returns for 1943, filed through December 31, 1944, prepared under the direction of Commissioner of Internal Revenue Joseph D. Nunan, Jr. The preliminary report, Statistics of Income for 1943, Part 2, will be released at an early date.

SUMMARY DATA

The number of corporation income and declared value excess-profits tax returns for 1943, filed through December 31, 1944, is 455,753, of which 283,698 show net income of $28,689,371,258, while 136,787 show deficit of $898,719,848, and 35,268 have no income data (inactive corporations).

The income tax liability reported on these returns is $4,476,486,967 and the declared value excess-profits tax is $153,347,862, while an excess profits tax liability of $11,268,477,112, after credits, is reported on 68,163 corporation excess profits tax returns for the same period. Thus the total amount of corporation income and excess profits taxes is $15,898,311,941, representing an increase of 30 percent as compared with the total for 1942. The amounts of income tax and excess profits tax liability do not take into account any credit claimed for income and profits taxes paid to a foreign country or United States possession.

The 68,163 taxable corporation excess profits tax returns for 1943 show excess profits net income of $22,264,876,164 and adjusted excess profits net income of $14,519,879,149.

A comparison of the 1943 returns with the 1942 returns is provided in the following summary:

Corporation returns, 1943 and 1942: Summary data

(Money figures in thousands of dollars)

	1943 (Preliminary)	1942 (Complete)	Increase or decrease (-)	
			Number or amount	Percent
Income and declared value excess-profits tax returns				
Total number of income and declared value excess-profits tax returns, Form 1120:	455,753	479,677	-23,924	-5
Returns with net income: 1/				
Number	283,698	269,942	13,756	5
Net income 1/	28,689,371	24,052,358	4,637,013	19
Tax liability:				
Income tax 2/	4,476,487	4,337,728	138,759	3
Declared value excess-profits tax	153,348	66,854	86,494	129
Excess profits tax 3/	11,268,477	7,851,814	3,416,663	44
Total	15,898,312	12,256,396	3,641,916	30
Returns with no net income: 1/				
Number	136,787	172,723	-35,936	-21
Deficit 1/	898,720	1,000,746	-102,026	-10
Number of returns of inactive corporations	35,268	37,012	-1,744	-5
Excess profits tax returns				
Taxable excess profits tax returns, Form 1121:				
Number	68,163	54,002	14,161	26.22
Excess profits net income 4/	22,264,876	17,084,370	5,180,506	30.32
Adjusted excess profits net income 5/	14,519,879	10,494,667	4,025,212	38.35
Excess profits tax	See above			

For footnotes, see p. 17.

Allowance of the net operating loss deduction reduced the net income for declared value excess-profits tax computation by $224,688,137 on 44,579 returns filed for 1943, as compared with $378,113,851 on 46,008 returns filed for 1942.

The net operating loss deduction tabulated herein is the amount originally reported, consisting only of the net operating loss carry-over reduced by certain adjustments, and does not take into account whatever revisions may subsequently be made as the result of any carry-back of net operating loss from the two succeeding tax years. In general, the net operating loss carry-over is the sum of the net operating losses, if any, for the two preceding taxable years. If there is net income in the first preceding taxable year, the net operating loss for the second preceding taxable year is reduced to the extent such loss has been absorbed by such net income.

RETURNS INCLUDED

The returns included in this release are those filed for the calendar year ending December 31, 1943, a fiscal year ending within the period July 1943 through June 1944, and a part year with the greater portion of the accounting period in 1943.

The data are from corporation income and declared value excess-profits tax returns, Form 1120; life insurance company income tax returns, Form 1120L; mutual insurance company income tax returns, Form 1120M; and corporation excess profits tax returns, Form 1121. Included for this purpose in addition to returns filed by domestic corporations are the returns filed by foreign corporations engaged in business within the United States. Amended returns and tentative returns are not included. The complete report, Statistics of Income for 1943, Part 2, will contain more detailed statistics from corporation income and declared value excess-profits tax returns and from corporation excess profits tax returns, together with data from personal holding company returns, Form 1120H.

The statistics are compiled from the returns as filed, prior to revisions that may be made as a result of audit by the Bureau of Internal Revenue and prior to any changes which may result from the renegotiation of war contracts after the returns were filed. Changes resulting from the renegotiation of war contracts are recorded as settlements are reached, however, and the effect of renegotiation settlements reached to date with respect to the tax year 1943 will be shown in a special tabulation to be included in the complete report, Statistics of Income for 1943, Part 2.

CHANGES IN LAW AFFECTING CORPORATION RETURNS

The provisions of the Revenue Act of 1942 continue in effect for the calendar year 1943, for a fiscal year ending in the period July through November 1943, and for a part year beginning and ending in 1943.

In the case of returns for fiscal years ending in the period January through June 1944, and returns for part years ending in 1944 with the greater part of the accounting period falling in 1943, the tax liability is affected by certain changes in law introduced by the Revenue Act of 1943. These changes are described below:

Income and Declared Value Excess-Profits Tax Returns, Form 1120

(1) The amount of income subject to excess profits tax which is a credit against net income in arriving at normal-tax net income and surtax net income is decreased by $5,000. This is the result of a change in the excess profits tax law which provides an increase in the specific exemption from $5,000 to $10,000 for purposes of determining adjusted excess profits net income.

(2) Corporations filing returns for taxable years beginning in 1943 and ending in 1944 are required to compute two tentative taxes, one under the 1942 Act, the other under the 1943 Act, and prorate each on the basis of the number of days before January 1, 1944, and the number after December 31, 1943, respectively. The prorated portions of the two tentative taxes are then combined to determine the actual liability, which is the amount tabulated in this report. Amounts tabulated from these returns for all items other than the tax liability are the amounts used in computing the tentative tax for 1943 under provisions of the Revenue Act of 1942.

Excess Profits Tax Returns, Form 1121

(1) The excess profits tax rate is increased from 90 to 95 percent of adjusted excess profits net income.

(2) The specific exemption allowed a corporation, or an affiliated group of corporations filing a consolidated return, in determining adjusted excess profits net income is increased from $5,000 to $10,000. Exemption from filing an excess profits tax return is accordingly extended to cover corporations with excess profits net income up to $10,000, as against the $5,000 limitation previously in effect.

(3) The percentage of invested capital allowed as a credit under the invested capital method is reduced as follows:

Invested Capital	Percentage Allowed as a Credit Under the Revenue Acts of --	
	1943	1942
First $5,000,000	8	8
Next 5,000,000	6	7
Next 190,000,000	5	6
Over 200,000,000	5	5

(4) The limitation on post-war credit is amended to give effect to the increase in excess profits tax rate from 90 to 95 percent, and special rules are provided for the computation of post-war refunds on fiscal year returns.

(5) Corporations with taxable years beginning in 1943 and ending in 1944 are required to compute two tentative taxes and prorate each in a manner similar to that described above for income tax. As in the case of the income tax returns, the only item in this report affected by this change is the tax liability, all other items having been tabulated in the amounts determined under the provisions of the 1942 Act.

CONSOLIDATED RETURNS OF AFFILIATED CORPORATIONS (FORM 1120)

For 1943 the number of consolidated returns for income tax purposes is 1,286, of which 1,005 show net income amounting to $3,536,384,418, while 277 show deficit of $120,211,955, and 4 have no income data (inactive corporations). The number of consolidated returns filed is only 0.3 percent of all corporation returns. However, the net income reported in consolidated returns is 12.3 percent of the net income of all returns showing net income, and the income tax reported therein, amounting to $771,312,359, is 17.2 percent of the income tax for all corporations.

As in 1942 the privilege of filing a consolidated return for income tax purposes (Form 1120) is granted to affiliated domestic corporations in general upon the condition that the affiliated group make also a consolidated excess profits tax return for the taxable year. To qualify as an affiliated group, the member corporations must meet certain requirements in respect to their connection through stock ownership with a common parent corporation.

Data from the consolidated returns are shown as a separate tabulation in table 1-A, page 10 , and are combined with data from other returns in the tabulations presented elsewhere in this release. The following summary shows, by industrial divisions, the number of consolidated returns (Form 1120) and the number of subsidiaries included therein, for both the years 1943 and 1942.

Consolidated corporation returns, 1943 and 1942, by industrial divisions, showing number of consolidated returns and number of subsidiaries

Industrial divisions 6/	Number of consolidated returns 7/		Number of subsidi-aries 8/	
	1943	1942	1943	1942
All industrial divisions	1,286	944	6,165	5,596
Mining and quarrying	56	46	285	293
Manufacturing	414	304	1,973	1,515
Public utilities	200	176	1,546	1,604
Trade	206	149	570	474
Service	90	64	312	403
Finance, insurance, real estate, and lessors of real property	253	167	1,332	1,204
Construction	47	28	91	58
Agriculture, forestry, and fishery	15	7	50	40
Nature of business not allocable	5	3	6	5

For footnotes, see p. 17.

INDUSTRIAL GROUPS

The distribution of the corporation income and declared value excess-profits tax returns for 1943 by major industrial groups for returns with net income and returns with no net income is shown in tables 1, 1-A, and 2, pages 8-13, of this release. Tables 1 and 2 include all returns, while table 1-A includes only consolidated returns.

The industrial classification is based on the business activity reported on the return. When multiple businesses are reported on a return, the classification is determined by the business activity which accounts for the largest percentage of total receipts. Therefore, the industrial groups do not reflect pure industry classifications. It is important to note that the industrial classification of a consolidated return is based on the predominant business of the affiliated corporations for which the consolidated return is filed. If it were possible to segregate the income of the subsidiary or affiliated concerns, the data for such concerns might fall in industrial divisions other than the ones in which they are here included.

In analyzing the data compiled from returns classified under the major group "Insurance carriers, agents, etc.," it should be noted that life insurance companies are required to include only interest,

dividends, and rents in gross income. Beginning 1942, life insurance companies are allowed a "reserve and other policy liability credit" equal to a flat percentage of investment income less tax-exempt interest. This credit, which is deducted after arriving at net income, takes the place of the deductions for reserve earnings, deferred dividends, and interest paid, which formerly were allowed in computing net income. For 1943 the credit rate is 91.98 percent and for normal tax purposes the aggregate amount of reserve and other policy liability credit is $902,706,498, reported only on returns with net income. As an offset to this credit, adjustment for certain non-life insurance reserves is reported in total amount of $5,202,812 on returns with net income. The latter adjustment, which is made in order to include in the tax base the interest received on non-life insurance reserves, applies only to life insurance companies deriving a portion of their income from contracts other than life insurance, annuities, or noncancellable health and accident insurance.

HISTORICAL SUMMARY

A historical summary for each of the years 1934-1943 is presented in table 4, page 16. In comparing the data throughout the ten-year period, the various changes in law must be taken into consideration, especially (1) the discontinuance for 1934-1941 of the privilege of filing consolidated returns for income tax purposes (except by railroad corporations and their related holding or leasing companies and, in 1940 and 1941, by Pan-American trade corporations) and the restoration of this privilege for 1942-1943, and (2) the provision for 1936 and subsequent years requiring the dividends received from domestic corporations subject to tax to be included in net income.

Table 1. - Corporation income and declared value excess-profits tax returns, 1943, by major industrial groups, for returns with net income and returns with no net income: Number of returns, total compiled receipts, net income or deficit, and dividends paid in cash and assets other than own stock; also, for returns with net income: Total tax, income tax, declared value excess-profits tax, excess profits tax, and income subject to excess profits tax

(Money figures in thousands of dollars)

	Major industrial groups 6/	Total number of returns 7/	Returns with net income 1/									Returns with no net income 1/				
			Number of returns	Total compiled receipts 9/	Net income 1/	Income subject to excess profits tax 10/	Taxes				Dividends paid in cash and assets other than own stock	Number of returns	Total compiled receipts 9/	Deficit 1/	Dividends paid in cash and assets other than own stock	
							Total tax	Income tax 2/	Declared value excess-profits tax	Excess profits tax 3/						
1	All industrial groups	455,753	283,698	240,550,237	28,689,371	14,448,608	15,898,312	4,476,487	153,348	11,268,477	5,623,116	136,787	8,912,257	898,720	96,666	1
2	Mining and quarrying	10,123	4,030	3,221,691	387,346	86,343	169,544	99,421	665	69,458	193,002	4,102	509,412	49,430	7,129	2
3	Metal mining	1,888	250	770,263	129,533	31,671	56,572	30,836	100	25,636	81,715	747	76,826	13,349	1,006	3
4	Anthracite mining	145	74	273,080	10,311	1,382	4,109	3,033	8	1,068	6,492	65	62,684	2,814	339	4
5	Bituminous coal, lignite, peat, etc.	1,783	975	1,277,666	103,153	26,599	49,215	27,465	280	21,470	23,982	648	169,381	6,996	1,210	5
6	Crude petroleum and natural gas production	4,060	1,962	555,325	94,688	10,049	34,518	26,385	191	7,942	60,480	1,799	149,369	20,018	4,205	6
7	Nonmetallic mining and quarrying	1,553	743	333,375	47,949	15,641	24,103	11,497	75	12,531	19,717	694	49,139	5,044	332	7
8	Mining and quarrying not allocable	694	26	11,981	1,712	1,001	1,027	205	11	811	617	149	2,012	1,210	38	8
9	Manufacturing	81,443	61,673	143,318,329	16,702,208	10,537,272	10,526,725	2,264,191	113,737	8,148,797	2,614,372	17,009	2,934,768	146,207	15,941	9
10	Food and kindred products	9,327	7,269	18,611,884	1,129,256	499,296	636,551	225,983	8,447	402,121	247,356	1,749	420,567	12,278	2,138	10
11	Beverages	2,832	2,303	3,228,863	367,057	171,720	209,466	71,734	1,418	136,315	85,130	384	58,077	2,850	45	11
12	Tobacco manufactures	221	160	2,086,723	184,275	49,453	92,165	51,998	162	40,005	67,495	53	3,802	160	16	12
13	Cotton manufactures	819	741	2,903,662	327,956	228,284	221,057	37,837	837	182,383	43,463	73	32,337	1,634	51	13
14	Textile-mill products, except cotton	3,661	3,130	5,032,058	511,151	307,778	322,925	74,590	3,270	245,066	66,383	465	73,145	4,750	2,064	14
15	Apparel and products made from fabrics	8,193	7,006	4,004,833	254,235	143,683	148,185	35,414	2,426	110,345	28,362	1,089	93,139	2,654	209	15
16	Leather and products	2,064	1,813	2,029,336	151,158	77,284	89,657	26,505	926	62,226	28,263	218	37,103	1,336	36	16
17	Rubber products	463	360	2,979,713	364,968	280,676	255,875	31,553	3,655	220,667	34,676	77	4,423	379	12	17
18	Lumber and timber basic products	2,542	1,703	1,561,690	176,273	88,004	101,912	30,835	698	70,379	38,490	731	114,325	7,620	1,506	18
19	Furniture and finished lumber products	3,992	2,983	1,822,066	146,332	68,468	82,725	26,697	1,248	54,780	24,558	936	113,709	6,022	558	19
20	Paper and allied products	2,149	1,838	3,227,588	397,647	211,005	240,302	69,022	1,372	169,908	76,410	273	52,863	3,136	509	20
21	Printing and publishing industries	10,423	7,165	2,973,125	449,775	202,054	251,782	85,869	4,049	161,865	87,771	2,963	148,133	9,933	538	21
22	Chemicals and allied products	6,544	4,538	8,585,746	1,271,587	603,711	730,501	240,742	3,595	486,164	320,584	1,703	134,886	10,764	708	22
23	Petroleum and coal products	526	332	8,605,894	761,438	94,863	312,050	233,888	1,632	76,529	317,438	150	45,390	2,205	1,008	23
24	Stone, clay, and glass products	2,942	1,721	2,227,020	318,067	168,397	191,356	55,567	901	134,889	67,958	1,114	154,961	16,338	970	24
25	Iron, steel, and products	6,506	5,025	20,823,748	2,717,639	1,928,536	1,797,528	291,591	22,652	1,483,285	302,082	1,312	338,673	22,486	2,261	25
26	Nonferrous metals and their products	2,418	1,853	4,297,219	530,526	338,219	339,548	69,692	2,717	267,139	87,831	494	55,814	2,565	209	26
27	Electrical machinery and equipment	1,730	1,299	6,777,291	1,080,431	805,409	739,428	97,889	7,326	634,212	142,393	359	40,751	3,018	138	27
28	Machinery, except transportation equipment and electrical	6,201	4,819	11,357,957	2,202,454	1,825,606	1,523,863	165,614	20,858	1,337,392	197,267	1,143	153,697	11,981	1,489	28
29	Automobiles and equipment, except electrical	598	476	4,021,737	414,272	265,403	263,050	57,636	3,560	201,855	28,658	100	9,438	576	28	29
30	Transportation equipment, except automobiles	1,224	885	21,951,723	2,333,194	1,756,412	1,576,627	217,091	16,087	1,343,449	243,617	271	725,453	14,691	402	30
31	Other manufacturing	3,792	2,798	2,602,050	394,678	277,805	260,215	40,680	3,511	216,024	41,247	870	64,278	4,866	804	31
32	Manufacturing not allocable	2,276	1,456	1,606,400	217,838	145,205	139,957	25,764	2,392	111,801	36,941	482	59,802	3,965	243	32
33	Public utilities	20,680	13,170	20,427,970	4,616,313	1,754,611	2,403,753	997,420	3,642	1,402,691	1,166,261	6,110	911,484	121,803	5,363	33
34	Transportation	13,760	8,798	13,371,798	2,900,494	1,322,056	1,654,899	591,597	2,959	1,060,343	332,934	4,014	803,001	106,472	1,465	34
35	Communication	3,629	2,241	2,483,031	686,519	199,257	289,685	131,609	374	157,702	362,263	1,212	32,848	6,506	258	35
36	Other public utilities	3,291	2,131	4,573,142	1,029,301	233,298	459,169	274,214	309	184,646	471,063	884	75,634	8,826	3,640	36
37	Trade	124,120	94,642	56,128,056	3,156,132	1,524,148	1,772,398	538,261	24,172	1,209,964	538,277	26,236	2,218,343	64,596	5,166	37
38	Wholesale	35,347	27,549	27,147,483	1,215,697	620,802	691,646	194,038	9,657	487,951	191,423	6,897	969,075	26,499	2,101	38
39	Commission merchants	5,555	3,726	1,438,342	95,747	44,652	50,570	14,694	589	35,287	19,427	1,656	132,808	3,741	575	39
40	Other wholesalers	29,792	23,823	25,709,142	1,119,950	576,150	641,076	179,344	9,068	452,664	171,996	5,241	836,267	22,758	1,525	40
41	Retail	74,263	56,615	24,437,973	1,674,886	799,385	943,703	291,929	11,831	639,944	311,479	15,995	974,682	28,083	2,676	41
42	General merchandise	5,792	4,893	8,246,434	788,627	448,856	491,724	126,525	3,282	361,917	161,911	799	48,484	1,493	611	42
43	Food stores, including market milk dealers	5,881	4,117	5,293,730	134,567	48,441	69,976	30,283	826	38,867	33,067	1,595	195,920	3,107	379	43
44	Package liquor stores	1,797	1,484	160,139	7,601	1,850	3,018	1,316	232	1,470	323	298	13,357	279	3	44
45	Drug stores	4,600	3,507	925,602	57,197	28,536	32,056	8,735	432	22,889	10,356	999	43,709	932	28	45
46	Apparel and accessories	10,440	8,720	2,848,019	218,802	122,050	128,964	29,910	1,622	97,432	26,609	1,479	75,111	2,050	17	46
47	Furniture and house furnishings	4,718	3,714	814,869	96,285	21,185	42,759	25,850	886	16,023	19,526	917	37,581	1,916	319	47
48	Eating and drinking places	9,787	6,470	1,104,779	69,310	28,261	34,198	11,009	880	22,310	9,866	3,095	156,996	4,897	31	48

For footnotes, see pp. 17-18.

Table 1. - Corporation income and declared value excess-profits tax returns, 1945, by major industrial groups, for returns with net income and returns with no net income: Number of returns, total compiled receipts, net income or deficit, and dividends paid in cash and assets other than own stock; also, for returns with net income: Total tax, income tax, declared value excess-profits tax, excess profits tax, and income subject to excess profits tax - Continued

(Money figures in thousands of dollars)

	Major industrial groups 6/ - Continued	Total number of returns 7/	Returns with net income 1/: Number of returns	Total compiled receipts 9/	Net income 1/	Income subject to excess profits tax 10/	Taxes: Total tax	Income tax 2/	Declared value excess-profits tax	Excess profits tax 3/	Dividends paid in cash and assets other than own stock	Returns with no net income 1/: Number of returns	Total compiled receipts 9/	Deficit 1/	Dividends paid in cash and assets other than own stock	
	Trade - Continued															
	Retail - Continued															
49	Automotive dealers	8,229	6,170	1,190,092	65,081	16,181	26,988	13,683	481	12,804	9,992	1,775	90,268	2,824	345	49
50	Filling stations	1,934	1,025	182,785	11,486	4,293	6,002	2,439	92	3,472	3,139	849	49,633	1,505	64	50
51	Hardware	2,335	1,934	189,726	14,607	4,084	6,242	2,766	263	3,213	2,337	373	10,279	428	12	51
52	Building materials, fuel, and ice	7,490	5,591	1,237,747	70,460	17,880	30,339	15,096	942	14,301	15,707	1,757	135,315	4,680	394	52
53	Other retail trade	7,325	5,723	1,333,748	97,747	43,906	51,493	15,588	1,338	34,567	11,869	1,450	78,877	2,979	376	53
54	Retail trade not allocable	3,935	3,267	910,302	43,116	13,863	19,964	8,730	555	10,679	6,779	609	39,153	994	98	54
55	Trade not allocable	14,510	10,478	4,542,600	265,548	103,961	137,048	52,295	2,684	82,069	35,374	3,344	274,585	10,013	390	55
56	Service	38,660	21,603	4,553,703	594,853	253,570	310,242	106,093	2,824	201,325	104,550	13,991	604,025	48,410	1,030	56
57	Hotels and other lodging places	4,521	2,971	809,011	96,706	32,492	45,730	19,335	462	25,933	10,223	1,389	134,768	14,407	227	57
58	Personal service	8,536	5,489	718,231	54,513	15,086	23,286	10,914	478	11,894	9,022	2,678	143,889	5,755	274	58
59	Business service	7,061	3,875	822,139	71,413	21,376	33,401	16,063	368	16,970	19,076	2,733	81,278	4,852	251	59
60	Automotive repair services and garages	3,398	1,718	114,711	8,833	2,159	3,479	1,695	93	1,691	1,333	1,571	46,143	2,426	46	60
61	Miscellaneous repair services, hand trades	1,501	1,032	135,069	14,879	9,689	8,949	1,304	121	7,524	950	436	14,303	859	1	61
62	Motion pictures	4,067	2,897	1,321,536	262,933	127,493	147,219	44,336	416	102,467	53,571	1,008	66,014	5,382	53	62
63	Amusement, except motion pictures	4,766	1,701	224,783	38,536	19,266	21,728	6,199	514	15,016	4,949	2,224	51,285	6,023	75	63
64	Other service, including schools	4,698	1,870	375,069	45,915	25,692	25,915	5,974	367	19,575	5,061	1,912	65,365	8,673	103	64
65	Service not allocable	112	50	33,155	1,124	319	536	274	5	256	367	40	980	33	-	65
66	Finance, insurance, real estate, and lessors of real property	142,191	74,955	8,060,567	2,784,835	69,569	463,684	404,470	3,055	56,159	942,084	58,701	1,137,184	409,386	57,818	66
67	Finance	35,109	23,229	3,040,815	1,035,174	12,087	205,785	194,878	1,474	9,432	668,832	9,877	257,788	98,065	41,053	67
68	Banks and trust companies	15,822	12,558	1,980,353	457,247	3,581	118,982	115,377	814	2,791	224,514	2,510	184,623	87,049	14,181	68
69	Long-term credit agencies, mortgage companies, except banks	3,252	1,465	27,057	6,493	173	1,938	1,787	11	140	2,530	1,618	7,172	10,723	6,565	69
70	Short-term credit agencies, except banks	3,950	2,355	197,401	53,496	3,164	20,406	17,825	68	2,513	24,368	1,295	14,709	3,682	1,310	70
71	Investment trust and investment companies 11/	3,376	2,435	221,809	163,177	300	10,018	9,731	198	89	138,920	884	4,714	5,309	1,458	71
72	Other investment companies, including holding companies 12/	1,895	1,361	407,689	290,054	1,011	34,652	33,610	220	822	253,603	477	18,095	15,059	8,355	72
73	Security and commodity-exchange brokers and dealers	1,448	910	127,610	30,835	1,090	8,405	7,475	51	879	10,296	450	13,511	2,486	374	73
74	Other finance companies	1,692	681	48,221	21,988	2,444	8,958	6,942	79	1,937	9,503	790	9,833	14,761	4,652	74
75	Finance not allocable	3,674	1,464	30,674	9,885	325	2,426	2,131	32	262	5,098	1,853	5,133	8,996	4,359	75
76	Insurance carriers, agents, etc.	7,909	5,136	3,491,354	1,387,502	26,107	132,531	111,062	106	21,363	137,451	2,418	180,274	97,087	3,009	76
77	Insurance carriers	1,923	1,537	3,302,071	1,357,906	20,621	121,161	104,185	9	16,967	124,467	279	143,780	94,131	2,829	77
78	Insurance agents, brokers, etc.	5,986	3,599	189,283	29,596	5,486	11,370	6,877	97	4,396	12,984	2,139	36,494	2,956	180	78
79	Real estate, including lessors of buildings	91,789	43,289	1,326,937	259,052	18,006	80,703	65,132	1,284	14,288	74,731	43,051	655,782	194,359	11,622	79
80	Lessors of real property, except buildings	7,384	3,301	201,460	105,107	13,369	44,665	33,398	191	11,076	61,070	3,355	43,339	19,875	2,134	80
81	Construction	13,324	7,476	3,873,340	294,419	173,445	174,776	36,058	3,385	135,332	29,693	4,651	468,982	27,135	1,605	81
82	Agriculture, forestry, and fishery	7,295	4,252	765,215	128,219	44,186	62,503	25,831	1,597	35,076	29,506	2,632	102,574	14,374	1,581	82
83	Agriculture and services	6,593	3,894	725,317	120,946	42,668	59,863	24,462	1,540	33,862	25,786	2,365	97,446	12,752	1,216	83
84	Forestry	433	208	17,084	4,054	130	1,062	931	26	105	3,368	177	3,227	1,191	362	84
85	Fishery	269	150	22,814	3,219	1,388	1,578	438	31	1,108	350	90	1,852	431	3	85
86	Nature of business not allocable	17,917	1,897	201,364	25,046	5,464	9,325	4,742	271	4,312	5,373	3,355	25,536	17,378	1,032	86

For footnotes, see pp. 17-18.

Table 1-A. - Consolidated corporation income and declared value excess-profits tax returns, 1945, by major industrial groups, for returns with net income and returns with no net income: Number of returns, number of subsidiaries, total compiled receipts, net income or deficit, and dividends paid in cash and assets other than own stock; also, for returns with net income: Total tax, income tax, declared value excess-profits tax, excess profits tax, and income subject to excess profits tax

(Money figures in thousands of dollars)

	Major industrial groups 6/	Total number of consolidated returns 7/	Returns with net income 1/: Number of returns	Number of subsidiaries 8/	Total compiled receipts 9/	Net income 1/	Income subject to excess profits tax 10/	Taxes: Total tax	Income tax 2/	Declared value excess-profits tax	Excess profits tax 3/	Dividends paid in cash and assets other than own stock	Returns with no net income 1/: Number of returns	Number of subsidiaries 8/	Total compiled receipts 9/	Deficit 1/	Dividends paid in cash and assets other than own stock	
1	All industrial groups	1,286	1,005	5,281	31,625,241	5,536,384	1,450,054	1,919,097	771,312	8,012	1,139,772	864,961	277	884	1,268,610	120,212	7,778	1
2	Mining and quarrying	56	35	217	424,191	26,605	1,425	9,930	8,774	4	1,155	19,441	23	68	50,009	2,111	612	2
3	Metal mining	3	3	19	98,142	8,551	1,392	3,871	2,743	(13)	1,128	7,626	-	-	-	-	-	3
4	Anthracite mining	8	3	56	123,419	3,151	-	1,079	1,079	(13)	-	2,808	5	16	24,855	1,018	295	4
5	Bituminous coal, lignite, peat, etc.	20	12	78	140,140	6,683	-	2,586	2,585	(13)	-	974	8	14	14,516	387	-	5
6	Crude petroleum and natural gas production	22	13	58	60,824	8,043	31	2,320	2,293	3	25	7,964	9	37	8,469	680	300	6
7	Nonmetallic mining and quarrying	3	2	6	1,665	198	-	74	74	-	-	69	1	1	2,169	26	18	7
8	Mining and quarrying not allocable	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	8
9	Manufacturing	414	372	1,880	22,991,405	2,082,222	890,589	1,161,025	449,123	7,387	704,515	517,071	42	93	726,692	16,489	1,975	9
10	Food and kindred products	50	45	286	5,437,073	108,527	57,555	66,214	19,588	263	46,363	17,888	5	17	13,569	304	8	10
11	Beverages	10	8	30	178,702	17,328	8,958	10,649	3,380	13	7,256	4,472	2	4	1,558	18	-	11
12	Tobacco manufactures	3	3	6	8,368	791	-	276	275	1	-	10	-	-	-	-	-	12
13	Cotton manufactures	4	4	10	65,031	7,425	5,213	5,245	853	213	4,179	994	-	-	-	-	-	13
14	Textile-mill products, except cotton	25	21	45	342,936	46,799	31,584	31,779	5,895	789	25,095	991	2	6	4,003	471	-	14
15	Apparel and products made from fabrics	10	9	18	29,466	1,977	383	935	619	6	310	999	1	2	1,312	2	-	15
16	Leather and products	4	4	6	48,127	1,951	82	846	780	-	66	695	-	-	-	-	-	16
17	Rubber products	5	5	38	872,283	105,752	90,360	76,710	5,882	1,334	69,494	7,385	-	-	-	-	-	17
18	Lumber and timber basic products	13	12	16	29,044	2,749	561	1,218	763	1	454	1,071	1	1	621	30	14	18
19	Furniture and finished lumber products	8	8	15	28,051	2,999	834	1,516	828	29	659	353	-	-	-	-	-	19
20	Paper and allied products	15	14	31	92,043	9,396	4,358	5,195	1,669	7	3,519	1,226	1	2	899	16	231	20
21	Printing and publishing industries	42	37	152	466,393	64,428	21,647	34,374	16,503	356	17,516	12,739	5	8	5,894	107	-	21
22	Chemicals and allied products	39	37	159	914,755	106,632	34,639	57,592	29,287	119	28,186	31,866	2	2	754	31	-	22
23	Petroleum and coal products	23	23	275	4,561,779	391,038	17,910	145,623	130,173	947	14,505	178,797	-	-	-	-	-	23
24	Stone, clay, and glass products	11	7	18	47,643	3,553	1,140	1,901	978	(13)	923	772	4	6	7,247	177	85	24
25	Iron, steel, and products	50	44	245	3,427,416	252,947	83,859	133,822	69,611	910	65,301	35,943	6	16	64,272	4,614	647	25
26	Nonferrous metals and their products	15	15	105	1,721,278	221,046	129,977	139,602	33,579	305	105,718	47,992	-	-	-	-	-	26
27	Electrical machinery and equipment	13	11	91	205,409	32,315	4,439	11,936	8,116	225	3,595	31,184	2	3	2,377	76	32	27
28	Machinery, except transportation equipment and electrical	28	23	47	99,124	13,314	8,581	8,581	1,841	26	6,714	744	5	12	8,873	1,037	-	28
29	Automobiles and equipment, except electrical	4	4	6	17,703	1,526	415	797	461	1	336	186	-	-	-	-	-	29
30	Transportation equipment, except automobiles	22	19	130	6,260,864	669,659	383,054	414,243	112,173	1,750	300,320	123,675	3	8	599,577	8,596	248	30
31	Other manufacturing	12	10	22	12,650	1,480	389	573	247	11	315	101	2	5	15,628	1,008	713	31
32	Manufacturing not allocable	10	9	129	125,267	18,589	4,653	9,398	5,624	81	3,694	16,988	1	1	328	2	-	32
33	Public utilities	200	161	1,353	5,889,114	1,213,510	494,663	658,967	259,554	283	399,130	246,242	38	193	327,888	79,945	199	33
34	Transportation	126	101	606	4,435,524	951,262	470,770	565,526	185,624	125	379,777	111,347	24	112	302,549	73,653	63	34
35	Communication	10	8	41	25,900	5,764	266	2,490	2,236	38	216	877	2	39	18,415	5,491	-	35
36	Other public utilities	64	52	706	1,427,690	256,483	23,627	92,951	73,694	119	19,138	134,019	12	42	6,923	821	136	36
37	Trade	206	182	514	1,457,206	88,827	34,955	48,213	19,775	171	28,266	21,324	24	56	57,959	1,261	297	37
38	Wholesale	78	70	180	481,242	30,338	4,983	13,324	9,226	65	4,033	9,046	8	11	3,554	204	7	38
39	Commission merchants	5	3	3	801	412	155	236	104	7	125	148	2	2	521	94	-	39
40	Other wholesalers	73	67	177	480,442	29,926	4,828	13,089	9,122	59	3,908	8,897	6	9	3,033	110	7	40
41	Retail	103	92	290	925,586	55,398	29,104	35,375	9,745	100	25,530	11,574	11	32	44,989	849	291	41
42	General merchandise	19	17	95	395,992	31,611	17,745	19,752	5,363	67	14,322	7,694	2	6	6,829	98	-	42
43	Food stores, including market milk dealers	12	12	24	196,927	3,783	1,103	1,853	941	13	899	379	-	-	-	-	-	43
44	Package liquor stores	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	44
45	Drug stores	5	4	42	149,401	8,889	6,723	6,345	895	3	5,447	1,160	1	1	87	1	-	45
46	Apparel and accessories	16	15	38	75,090	5,382	2,086	3,047	1,351	3	1,693	958	1	6	11,795	31	-	46
47	Furniture and house furnishings	3	3	4	4,221	102	-	36	36	-	-	24	-	-	-	-	-	47
48	Eating and drinking places	14	12	42	80,672	4,191	1,220	1,713	717	9	987	1,227	2	12	3,123	49	-	48
49	Automotive dealers	10	10	17	10,327	987	184	447	297	(13)	149	137	-	-	-	-	-	49
50	Filling stations	1	-	-	-	-	-	-	-	-	-	-	1	1	454	8	-	50
51	Hardware	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	51
52	Building materials, fuel, and ice	11	9	11	4,074	138	29	58	29	4	23	1	2	3	1,400	13	-	52
53	Other retail trade	8	7	14	7,741	271	-	85	84	1	-	9	1	2	21,080	642	291	53
54	Retail trade not allocable	4	3	3	1,140	94	12	40	31	-	10	5	1	1	221	7	-	54
55	Trade not allocable	25	20	44	50,377	3,091	869	1,511	804	5	702	705	5	13	9,416	207	-	55

For footnotes, see pp. 17-18.

Table 1-A. - Consolidated corporation income and declared value excess-profits tax returns, 1945, by major industrial groups, for returns with net income and returns with no net income: Number of returns, number of subsidiaries, total compiled receipts, net income or deficit, and dividends paid in cash and assets other than own stock; also, for returns with net income: Total tax, income tax, declared value excess-profits tax, excess profits tax, and income subject to excess profits tax - Continued

(Money figures in thousands of dollars)

			Returns with net income 1/					Taxes					Returns with no net income 1/					
	Major industrial groups 6/ - Continued	Total number of consolidated returns 7/	Number of returns	Number of subsidiaries 8/	Total compiled receipts 9/	Net income 1/	Income subject to excess profits tax 10/	Total tax	Income tax 2/	Declared value excess-profits tax	Excess profits tax 3/	Dividends paid in cash and assets other than own stock	Number of returns	Number of subsidiaries 8/	Total compiled receipts 9/	Deficit 1/	Dividends paid in cash and assets other than own stock	
56	Service	90	70	268	186,850	26,974	2,450	11,508	9,555	51	1,942	5,999	20	44	9,892	1,190	15	56
57	Hotels and other lodging places	19	15	29	12,574	2,055	212	779	606	2	171	615	4	10	2,870	204	-	57
58	Personal service	7	6	7	4,127	358	6	131	126	(13)	5	60	1	1	229	1	-	58
59	Business service	9	8	32	4,961	275	-	104	104	-	-	99	1	1	76	14	-	59
60	Automotive repair services and garages	3	-	-	-	-	-	-	-	-	-	-	3	9	938	16	15	60
61	Miscellaneous repair services, hand trades	2	1	1	461	5	-	-	-	-	-	-	1	1	1,735	91	-	61
62	Motion pictures	26	21	131	136,884	20,038	886	8,354	7,650	9	675	4,511	5	15	3,425	774	-	62
63	Amusement, except motion pictures	14	12	54	11,963	2,505	1,154	1,365	467	3	894	247	2	3	452	56	-	63
64	Other service, including schools	10	7	14	15,859	1,764	242	795	582	17	196	466	3	4	167	33	-	64
65	Service not allocable	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	65
66	Finance, insurance, real estate, and lessors of real property	255	145	946	398,375	75,526	2,575	19,386	17,246	55	2,085	45,043	106	386	71,000	17,806	4,430	66
67	Finance	91	61	600	186,004	49,469	212	10,445	10,229	45	171	33,461	30	93	25,776	3,835	3,170	67
68	Banks and trust companies	32	21	158	65,278	14,483	-	3,556	3,548	8	-	8,283	11	37	22,821	1,979	1,957	68
69	Long-term credit agencies, mortgage companies, except banks	4	1	1	132	7	-	2	2	-	-	1	3	3	267	488	-	69
70	Short-term credit agencies, except banks	22	15	356	45,596	10,256	212	4,315	4,137	7	171	4,088	7	32	1,728	457	162	70
71	Investment trust and investment companies 11/	5	4	18	17,647	2,105	-	357	353	4	-	1,325	1	1	-	1	-	71
72	Other investment companies, including holding companies 12/	12	9	37	39,122	19,811	-	1,789	1,763	26	-	18,557	3	7	756	412	-	72
73	Security and commodity-exchange brokers and dealers	5	4	11	8,615	1,274	-	192	192	-	-	258	1	1	163	45	-	73
74	Other finance companies	2	1	3	4,381	540	-	226	226	-	-	327	1	1	20	310	611	74
75	Finance not allocable	9	6	16	7,233	994	-	7	7	-	-	622	3	11	21	142	459	75
76	Insurance carriers, agents, etc.	19	17	80	174,982	17,090	1,329	5,491	4,414	(13)	1,077	9,628	2	2	68	32	78	76
77	Insurance carriers	15	15	72	165,683	14,695	1,329	5,018	3,942	(13)	1,077	6,529	-	-	-	-	-	77
78	Insurance agents, brokers, etc.	4	2	8	9,299	2,396	-	473	473	-	-	3,099	2	2	68	32	78	78
79	Real estate, including lessors of buildings	127	58	245	30,636	4,272	-	1,193	1,189	4	-	1,329	69	281	41,576	13,698	1,183	79
80	Lessors of real property, except buildings	16	9	21	6,753	4,695	1,033	2,256	1,414	5	837	624	5	10	3,579	242	-	80
81	Construction	47	28	54	152,058	11,682	3,374	5,870	3,176	32	2,662	2,760	18	37	24,527	1,114	249	81
82	Agriculture, forestry, and fishery	15	11	45	125,469	10,953	25	4,200	4,130	49	20	7,082	4	5	613	114	-	82
83	Agriculture and services	13	10	43	124,832	10,749	1	4,123	4,081	42	(13)	7,055	3	3	564	47	-	83
84	Forestry	1	-	-	-	-	-	-	-	-	-	-	1	2	49	67	-	84
85	Fishery	1	1	2	637	204	24	76	49	7	20	27	-	-	-	-	-	85
86	Nature of business not allocable	5	3	4	593	86	-	(13)	(13)	-	-	-	2	2	51	182	-	86

For footnotes, see pp. 17-18.

Table 2. - Corporation income and declared value excess-profits tax returns, 1943, by major industrial groups, for returns with net income and returns with no net income: Dividends received on stock of domestic corporations and interest received on Government obligations

(Money figures in thousands of dollars)

	Major industrial groups 6/	Returns with net income 1/						Returns with no net income 1/						
		Dividends received on stock of domestic corporations 14/	Interest received on Government obligations (less amortizable bond premium)					Dividends received on stock of domestic corporations 14/	Interest received on Government obligations (less amortizable bond premium)					
			Total	Wholly taxable 15/	Subject to declared value excess-profits tax and surtax 16/	Subject to surtax only 17/	Wholly tax-exempt 18/		Total	Wholly taxable 15/	Subject to declared value excess-profits tax and surtax 16/	Subject to surtax only 17/	Wholly tax-exempt 18/	
1	All industrial groups	1,306,967	1,258,431	629,513	341,525	28,057	259,536	27,401	66,324	35,262	11,373	1,270	18,420	1
2	Mining and quarrying	24,519	4,214	2,426	1,085	24	679	612	185	106	29	(13)	49	2
3	Metal mining	12,241	1,904	1,1P1	428	3	292	39	47	33	4	-	19	3
4	Anthracite mining	404	301	124	157	2	19	12	23	16	7	(13)	1	4
5	Bituminous coal, lignite, peat, etc.	2,454	735	454	195	15	71	84	36	8	14	-	13	5
6	Crude petroleum and natural gas production	8,039	871	396	225	2	249	407	56	31	2	-	23	6
7	Nonmetallic mining and quarrying	1,350	395	266	77	3	49	63	23	18	3	-	2	7
8	Mining and quarrying not allocable	31	8	5	3	-	-	8	-	-	-	-	-	8
9	Manufacturing	310,055	73,451	51,792	10,130	764	10,766	1,607	778	396	134	19	229	9
10	Food and kindred products	26,654	4,228	2,797	515	23	894	321	55	24	28	-	2	10
11	Beverages	3,994	1,161	796	166	30	168	18	5	5	-	-	-	11
12	Tobacco manufactures	4,450	487	166	208	17	96	-	(13)	(13)	-	-	-	12
13	Cotton manufactures	2,646	1,311	1,026	148	13	124	2	3	3	-	-	-	13
14	Textile-mill products, except cotton	4,169	2,059	1,710	163	13	174	10	70	68	1	-	1	14
15	Apparel and products made from fabrics	1,543	620	445	131	5	39	(13)	1	(13)	(13)	-	1	15
16	Leather and products	1,275	711	588	80	1	43	8	1	(13)	(13)	-	(13)	16
17	Rubber products	1,366	445	373	54	2	17	3	1	1	-	-	-	17
18	Lumber and timber basic products	2,679	963	796	101	5	61	53	17	15	1	-	2	18
19	Furniture and finished lumber products	1,385	967	506	140	26	295	6	45	17	8	(13)	20	19
20	Paper and allied products	6,475	2,307	1,546	479	15	268	83	68	13	23	-	32	20
21	Printing and publishing industries	10,494	2,830	1,138	956	28	707	43	20	12	5	(13)	4	21
22	Chemicals and allied products	59,818	7,164	4,399	1,226	160	1,379	38	45	19	6	(13)	21	22
23	Petroleum and coal products	75,985	3,905	2,360	601	70	874	8	2	2	-	1	-	23
24	Stone, clay, and glass products	6,320	2,246	1,451	536	10	249	99	87	40	24	15	8	24
25	Iron, steel, and products	32,061	14,865	11,847	1,737	101	1,181	195	117	65	16	3	34	25
26	Nonferrous metals and their products	4,899	2,276	1,737	191	6	342	9	10	10	-	-	(13)	26
27	Electrical machinery and equipment	20,538	5,204	2,591	372	117	2,124	38	2	1	(13)	-	(13)	27
28	Machinery, except transportation equipment and electrical	10,865	8,541	6,571	1,065	28	878	70	141	33	16	(13)	92	28
29	Automobiles and equipment, except electrical	343	1,060	P46	107	5	102	-	4	-	4	-	-	29
30	Transportation equipment, except automobiles	28,337	7,937	6,478	878	82	499	578	40	40	(13)	-	-	30
31	Other manufacturing	2,318	1,434	1,175	85	4	169	19	20	16	3	-	(13)	31
32	Manufacturing not allocable	1,441	728	450	192	4	82	6	24	11	-	-	13	32
33	Public utilities	321,928	19,170	12,588	2,193	119	4,290	903	735	519	86	1	129	33
34	Transportation	75,906	10,875	6,931	1,855	59	2,030	854	546	357	66	(13)	122	34
35	Communication	177,937	2,483	2,262	41	4	176	17	5	5	(13)	-	-	35
36	Other public utilities	68,085	5,812	3,375	297	57	2,084	32	185	158	20	1	7	36
37	Trade	45,797	14,287	10,872	1,392	229	1,795	1,024	389	307	37	1	44	37
38	Wholesale	23,945	5,163	3,682	578	51	852	720	254	207	23	(13)	25	38
39	Commission merchants	7,507	497	348	44	6	99	112	24	17	2	-	5	39
40	Other wholesalers	16,438	4,666	3,335	534	45	753	608	230	190	21	(13)	19	40
41	Retail	18,651	8,270	6,544	701	161	863	180	95	66	13	1	15	41
42	General merchandise	8,637	5,255	4,322	321	83	529	56	1	1	(13)	(13)	(13)	42
43	Food stores, including market milk dealers	1,348	398	236	47	9	107	2	4	4	(13)	-	-	43
44	Package liquor stores	(13)	10	10	-	-	-	-	-	-	-	-	-	44
45	Drug stores	1,931	110	96	8	(13)	5	2	(13)	-	(13)	-	(13)	45
46	Apparel and accessories	2,372	623	522	40	4	57	2	2	2	(13)	(13)	-	46
47	Furniture and house furnishings	609	469	407	31	5	26	2	2	2	-	-	-	47
48	Eating and drinking places	914	140	97	31	3	10	1	1	1	-	-	-	48

For footnotes, see pp. 17-18.

Table 2. - Corporation income and declared value excess-profits tax returns, 1943, by major industrial groups, for returns with net income and returns with no net income: Dividends received on stock of domestic corporations and interest received on Government obligations - Continued

(Money figures in thousands of dollars)

	Major industrial groups 6/ - Continued	Returns with net income 1/: Dividends received on stock of domestic corporations 14/	Returns with net income 1/: Interest received on Government obligations (less amortizable bond premium): Total	Wholly taxable 15/	Subject to declared value excess-profits tax and surtax 16/	Subject to surtax only 17/	Wholly tax-exempt 18/	Returns with no net income 1/: Dividends received on stock of domestic corporations 14/	Returns with no net income 1/: Interest received on Government obligations (less amortizable bond premium): Total	Wholly taxable 15/	Subject to declared value excess-profits tax and surtax 16/	Subject to surtax only 17/	Wholly tax-exempt 18/	
	Trade - Continued													
	Retail - Continued													
49	Automotive dealers	352	319	233	50	4	33	18	53	21	(13)	(13)	11	49
50	Filling stations	124	121	26	49	35	12	4	9	8	1	-	(13)	50
51	Hardware	89	48	41	2	(13)	5	(13)	(13)	(13)	-	-	-	51
52	Building materials, fuel, and ice	1,104	342	258	43	14	27	23	20	9	9	(13)	2	52
53	Other retail trade	763	281	194	48	2	37	66	19	17	1	-	1	53
54	Retail trade not allocable	408	155	103	33	3	17	2	2	2	-	-	-	54
55	Trade not allocable	3,201	854	645	113	16	80	124	40	35	1	-	4	55
56	Service	22,982	1,683	1,270	203	25	185	256	225	134	59	3	29	56
57	Hotels and other lodging places	1,279	396	350	25	1	19	127	35	31	4	(13)	(13)	57
58	Personal service	791	138	69	24	4	41	20	15	10	3	(13)	3	58
59	Business service	2,601	356	255	81	4	36	33	93	21	47	2	23	59
60	Automotive repair services and garages	87	17	13	2	(13)	2	2	19	19	-	-	-	60
61	Miscellaneous repair services, hand trades	22	15	13	1	1	(13)	2	1	1	-	-	-	61
62	Motion pictures	17,353	449	378	23	3	45	13	17	17	(13)	(13)	(13)	62
63	Amusement, except motion pictures	398	108	90	7	1	10	34	25	24	(13)	(13)	1	63
64	Other service, including schools	424	203	120	40	12	32	26	19	11	5	(13)	2	64
65	Service not allocable	27	2	2	-	-	-	-	-	-	-	-	-	65
66	Finance, insurance, real estate, and lessors of real property	568,610	1,142,899	549,025	325,720	26,882	241,273	22,279	63,767	33,700	10,984	1,231	17,853	66
67	Finance	444,073	780,922	370,129	222,513	19,438	168,843	17,595	58,870	32,070	8,946	1,176	16,678	67
68	Banks and trust companies	17,836	762,936	361,219	218,536	18,804	164,377	2,533	55,745	31,180	8,626	1,157	14,781	68
69	Long-term credit agencies, mortgage companies, except banks	205	170	84	16	5	66	60	93	32	8	1	52	69
70	Short-term credit agencies, except banks	2,056	720	572	42	10	96	34	40	30	1	1	8	70
71	Investment trust and investment companies 11/	155,961	3,967	1,884	991	22	1,069	1,808	528	120	17	7	383	71
72	Other investment companies, including holding companies 12/	251,620	3,039	1,605	499	62	872	12,326	169	99	17	1	52	72
73	Security and commodity-exchange brokers and dealers	14,100	8,453	5,942	2,331	520	1,661	432	1,977	459	220	1	1,296	73
74	Other finance companies	559	98	62	30	1	5	269	37	21	5	6	6	74
75	Finance not allocable	1,736	1,538	761	67	13	697	133	281	130	51	1	99	75
76	Insurance carriers, agents, etc.	107,993	357,608	176,330	102,404	7,375	71,499	3,160	3,295	755	1,539	22	978	76
77	Insurance carriers	104,513	357,405	176,168	102,384	7,371	71,482	3,117	3,283	750	1,538	22	973	77
78	Insurance agents, brokers, etc.	3,480	203	161	20	4	18	43	12	5	1	1	5	78
79	Real estate, including lessors of buildings	14,530	3,772	2,350	580	65	777	1,456	1,565	853	491	32	189	79
80	Lessors of real property, except buildings	2,014	598	217	223	4	153	68	38	22	8	(13)	7	80
81	Construction	7,544	1,396	910	187	8	292	217	108	50	16	(13)	42	81
82	Agriculture, forestry, and fishery	4,018	1,093	342	572	4	176	256	52	14	5	1	33	82
83	Agriculture and services	3,864	1,046	308	565	4	169	248	50	13	4	1	32	83
84	Forestry	132	32	19	7	-	7	5	3	1	1	-	1	84
85	Fishery	22	16	16	-	-	-	2	(13)	(13)	-	-	-	85
86	Nature of business not allocable	1,515	236	109	44	3	80	248	83	35	23	14	12	86

For footnotes, see pp. 17-18.

Table 3. - Taxable corporation excess profits tax returns, 1943, by adjusted excess profits net income classes and by method of credit computation: Number of returns, excess profits net income, excess profits credit, adjusted excess profits net income, excess profits tax, credit for debt retirement, and post-war refund

(Income classes and money figures in thousands of dollars)

Adjusted excess profits net income classes 5/	Number of returns	Excess profits net income 4/	Excess profits credit 19/	Adjusted excess profits net income 5/	Excess profits tax before credits 3/	Credit for debt retirement 20/	Post-war refund 21/	Excess profits tax less credit for debt retirement and post-war refund
Aggregate								
Under 5	18,464	279,710	133,603	38,731	31,092	784	2,394	27,914
5 under 10	8,898	215,937	95,621	64,772	54,959	1,423	4,081	49,456
10 under 15	5,662	181,779	75,025	70,037	60,174	1,544	4,541	54,089
15 under 20	4,053	166,507	68,283	70,365	61,034	1,479	4,706	54,849
20 under 25	3,045	143,111	55,253	68,253	59,591	1,526	4,382	53,683
25 under 50	8,626	585,880	216,648	308,855	271,833	6,535	20,796	244,502
50 under 100	6,747	811,196	280,986	479,427	423,649	9,520	32,886	381,243
100 under 250	6,198	1,544,034	510,031	976,553	856,570	19,312	65,790	771,467
250 under 500	2,815	1,506,598	478,400	985,637	854,663	18,409	66,586	769,668
500 under 1,000	1,681	1,707,257	508,940	1,175,450	1,013,481	22,334	78,507	912,639
1,000 under 2,000	939	1,927,950	576,867	1,309,113	1,127,270	24,176	87,806	1,015,288
2,000 under 3,000	323	1,145,643	354,237	784,490	676,966	15,442	52,043	609,480
3,000 under 4,000	181	1,006,152	334,955	629,364	540,295	11,956	41,547	486,792
4,000 under 5,000	97	646,672	209,609	433,341	371,025	9,315	27,785	333,925
5,000 under 10,000	228	2,308,624	696,205	1,580,589	1,356,495	33,725	101,642	1,221,128
10,000 under 15,000	94	1,788,146	580,896	1,145,101	979,873	28,726	67,584	883,563
15,000 under 20,000	27	631,655	154,938	452,222	390,299	13,330	25,512	351,457
20,000 under 25,000	22	756,269	262,125	493,043	398,949	14,014	25,848	359,087
25,000 and over	63	4,911,755	1,300,853	3,454,536	2,986,610	111,148	187,217	2,688,246
Total	68,163	22,264,876	6,893,477	14,519,879	12,514,827	344,698	901,652	11,268,477
Invested capital method								
Under 5	14,090	188,479	78,759	29,029	22,783	625	1,753	20,405
5 under 10	6,472	142,477	54,831	46,996	39,631	1,098	2,887	35,646
10 under 15	3,830	109,399	37,329	47,287	40,464	1,158	2,949	36,357
15 under 20	2,663	97,003	32,946	46,185	39,757	1,082	2,947	35,728
20 under 25	1,956	83,315	26,952	43,902	38,172	1,071	2,716	34,385
25 under 50	5,254	325,789	99,505	187,696	164,947	4,446	12,223	148,278
50 under 100	3,799	418,480	118,205	269,562	236,878	5,889	17,723	213,265
100 under 250	3,250	749,948	202,759	510,114	443,190	11,697	32,316	399,178
250 under 500	1,407	685,663	172,510	489,776	420,017	10,787	30,931	378,299
500 under 1,000	814	787,527	206,861	566,089	483,214	12,911	35,353	434,949
1,000 under 2,000	428	823,787	212,517	588,792	502,069	13,310	36,637	452,122
2,000 under 3,000	136	426,418	93,945	328,840	281,875	8,087	20,098	253,690
3,000 under 4,000	67	386,598	114,279	232,635	197,992	4,438	15,137	178,417
4,000 under 5,000	45	245,724	41,648	203,101	170,301	4,376	12,652	153,274
5,000 under 10,000	88	852,573	216,868	605,540	517,151	18,218	33,494	465,439
10,000 under 15,000	42	758,682	191,103	504,989	423,021	16,613	25,162	381,246
15,000 under 20,000	15	375,560	100,664	250,461	215,467	8,900	12,606	193,961
20,000 under 25,000	15	547,690	207,303	339,320	268,857	11,292	15,594	241,971
25,000 and over	30	2,245,633	570,443	1,519,209	1,303,419	78,799	51,540	1,173,080
Total	44,401	10,250,744	2,779,424	6,809,523	5,809,204	214,797	364,718	5,229,689
Income method - aggregate								
Under 5	4,374	91,231	54,844	9,702	8,309	160	640	7,509
5 under 10	2,426	73,461	40,791	17,776	15,328	325	1,194	13,810
10 under 15	1,832	72,380	37,697	22,751	19,710	386	1,592	17,732
15 under 20	1,390	69,504	35,337	24,179	21,277	397	1,759	19,121
20 under 25	1,089	59,796	28,301	24,350	21,419	455	1,666	19,298
25 under 50	3,372	260,091	117,143	121,159	106,886	2,089	8,573	96,224
50 under 100	2,948	392,716	162,781	209,864	186,771	3,631	15,163	167,978
100 under 250	2,948	794,085	307,272	466,439	413,379	7,616	33,474	372,289
250 under 500	1,408	820,935	305,891	495,861	434,645	7,621	35,655	391,369
500 under 1,000	867	919,730	302,079	609,361	530,267	9,423	43,153	477,691
1,000 under 2,000	511	1,104,164	364,350	720,321	625,202	10,866	51,169	563,166
2,000 under 3,000	187	719,225	260,293	455,650	395,091	7,355	31,945	355,790
3,000 under 4,000	114	619,554	220,676	396,729	342,303	7,518	26,410	308,376
4,000 under 5,000	52	400,948	167,961	230,240	200,723	4,939	15,133	180,651
5,000 under 10,000	140	1,456,052	479,337	975,049	839,344	15,507	68,147	755,689
10,000 under 15,000	52	1,029,463	389,793	640,112	556,852	12,113	42,422	502,317
15,000 under 20,000	12	256,095	54,274	201,761	174,833	4,430	12,906	157,496
20,000 under 25,000	7	208,580	54,823	153,722	130,092	2,722	10,254	117,116
25,000 and over	33	2,666,122	730,411	1,935,327	1,683,192	32,349	135,676	1,515,166
Total	23,762	12,014,132	4,114,054	7,710,356	6,705,623	129,901	536,933	6,038,788

For footnotes, see pp. 17-18.

Table 3. - Taxable corporation excess profits tax returns, 1943, by adjusted excess profits net income classes and by method of credit computation: Number of returns, excess profits net income, excess profits credit, adjusted excess profits net income, excess profits tax, credit for debt retirement, and post-war refund - Continued

(Income classes and money figures in thousands of dollars)

Adjusted excess profits net income classes 5/	Number of returns	Excess profits net income 4/	Excess profits credit 19/	Adjusted excess profits net income 5/	Excess profits tax before credits 3/	Credit for debt retirement 20/	Post-war refund 21/	Excess profits tax less credit for debt retirement and post-war refund
Income method - general average								
Under 5	2,121	40,911	23,380	4,631	3,996	75	315	3,605
5 under 10	1,176	33,631	17,679	8,682	7,493	150	595	6,747
10 under 15	896	34,208	17,196	11,125	9,640	170	789	8,681
15 under 20	687	32,311	15,892	11,968	10,582	174	911	9,496
20 under 25	534	29,282	13,725	11,935	10,511	209	832	9,470
25 under 50	1,674	128,594	57,758	60,325	53,245	938	4,422	47,885
50 under 100	1,487	200,471	84,740	105,616	93,807	1,617	7,849	84,340
100 under 250	1,516	398,113	146,276	241,812	213,876	3,694	17,519	192,663
250 under 500	730	398,746	135,154	255,942	225,415	3,562	18,952	202,901
500 under 1,000	465	477,517	142,637	331,097	287,424	4,716	23,757	258,951
1,000 under 2,000	292	610,737	186,946	409,241	355,085	6,436	29,029	319,619
2,000 under 3,000	111	408,328	137,058	269,773	232,527	3,629	19,582	209,317
3,000 under 4,000	61	338,014	126,548	210,874	181,581	3,877	14,275	163,429
4,000 under 5,000	25	208,630	96,184	111,383	97,080	2,930	6,778	87,372
5,000 under 10,000	75	737,155	216,984	519,018	452,279	5,936	39,066	407,277
10,000 under 15,000	29	622,613	270,960	348,508	304,732	6,330	22,992	275,409
15,000 under 20,000	10	217,292	50,902	166,340	145,127	4,430	9,936	130,760
20,000 under 25,000	3	87,980	23,828	64,137	57,204	1,802	3,918	51,484
25,000 and over	16	1,526,547	550,957	975,480	871,133	21,302	65,676	784,155
Total	11,908	6,531,079	2,314,802	4,117,888	3,612,736	71,979	287,196	3,253,561
Income method - increased earnings								
Under 5	2,253	50,320	31,464	5,071	4,313	84	325	3,904
5 under 10	1,250	39,830	23,112	9,095	7,836	175	598	7,062
10 under 15	936	38,172	20,501	11,626	10,070	216	803	9,051
15 under 20	703	37,193	19,446	12,211	10,695	222	848	9,625
20 under 25	555	30,514	14,576	12,415	10,908	246	834	9,828
25 under 50	1,698	131,497	59,385	60,834	53,641	1,151	4,151	48,339
50 under 100	1,461	192,245	78,041	104,248	92,965	2,014	7,313	83,638
100 under 250	1,432	395,973	160,996	224,627	199,503	3,921	15,955	179,626
250 under 500	678	422,189	170,736	239,919	209,230	4,059	16,703	188,468
500 under 1,000	402	442,213	159,442	278,264	242,843	4,707	19,396	218,740
1,000 under 2,000	219	493,426	177,404	311,080	270,116	4,430	22,140	243,547
2,000 under 3,000	76	310,897	123,235	185,877	162,564	3,726	12,363	146,474
3,000 under 4,000	53	281,540	94,128	185,855	160,721	3,640	12,134	144,947
4,000 under 5,000	27	192,318	71,777	118,858	103,644	2,009	8,355	93,279
5,000 under 10,000	65	718,897	262,353	456,031	387,065	9,571	29,082	348,413
10,000 under 15,000	23	406,850	118,333	291,604	252,120	5,782	19,430	226,908
15,000 under 20,000	2	38,803	3,373	35,421	29,706	-	2,971	26,735
20,000 under 25,000	4	120,600	30,995	89,585	72,888	920	6,336	65,632
25,000 and over	17	1,139,575	179,454	959,847	812,059	11,048	70,000	731,011
Total	11,854	5,483,053	1,799,251	3,592,468	3,092,886	57,922	249,737	2,785,227

For footnotes, see pp. 17-18.

Table 4. - Corporation returns, 1934-1943: Historical summary of selected items from income and declared value excess-profits tax returns, and excess profits tax returns

(Money figures in thousands of dollars)

Line		1943 22/	1942	1941	1940	1939	1938	1937	1936	1935	1934	Line
	Income and declared value excess-profits tax returns											
	All income and declared value excess-profits tax returns:											
1	Number (excluding returns of inactive corporations)	420,485	442,665	468,906	473,042	469,617	471,032	477,838	478,857	477,113	469,804	1
2	Total compiled receipts 9/	249,462,494	217,680,512	190,432,017	148,236,787	132,878,224	120,453,946	142,443,379	132,722,602	114,649,717	101,489,954	2
3	Net income less deficit 1/	27,790,651	23,051,611	16,332,542	8,919,429	6,734,565	3,672,882	7,353,991	7,326,218	1,695,950	94,170	3
4	Total tax liability	15,898,312	12,256,396	7,167,902	2,548,546	1,232,256	859,566	1,276,172	1,191,378	735,125	596,048	4
5	Income tax	2/ 4,476,487	2/ 4,337,728	23/ 3,744,568	25/ 2,144,292	1,216,450	27/ 853,578	28/ 1,232,837	29/ 1,169,765	710,156	588,375	5
6	Declared value excess-profits tax	153,348	66,854	64,149	26/ 30,744	15,806	5,988	43,335	21,613	30/ 24,969	30/ 7,673	6
7	Excess profits tax 3/	11,268,477	7,851,814	3,359,186	373,511	-	-	-	-	-	-	7
8	Dividends paid in cash and assets other than own stock	5,719,782	5,607,085	6,700,787	6,088,781	5,746,739	5,013,433	7,514,017	7,379,333	5,940,620	31/ 4,859,379	8
	Returns with net income: 1/											
9	Number	283,698	269,942	264,628	220,977	199,479	169,884	192,028	203,161	164,231	145,101	9
10	Total compiled receipts 9/	240,550,237	206,160,215	175,181,820	125,180,472	105,658,338	80,267,477	109,202,739	105,011,693	77,658,952	63,118,536	10
11	Net income 1/	28,689,371	24,052,358	18,111,095	11,203,224	8,826,713	6,525,979	9,634,857	9,478,241	5,164,723	4,275,197	11
12	Total tax liability	15,898,312	12,256,396	7,167,902	2,548,546	1,232,256	859,566	1,276,172	1,191,378	735,125	596,048	12
13	Income tax	2/ 4,476,487	2/ 4,337,728	23/ 3,744,568	25/ 2,144,292	1,216,450	27/ 853,578	28/ 1,232,837	29/ 1,169,765	710,156	588,375	13
14	Declared value excess-profits tax	153,348	66,854	64,149	26/ 30,744	15,806	5,988	43,335	21,613	30/ 24,969	30/ 7,673	14
15	Excess profits tax 3/	11,268,477	7,851,814	3,359,186	373,511	-	-	-	-	-	-	15
16	Dividends paid in cash and assets other than own stock	5,623,116	5,490,167	6,518,177	5,888,325	3,562,273	4,780,202	7,308,774	7,179,220	4,651,002	3,822,599	16
	Returns with no net income: 1/											
17	Number	136,787	172,723	204,278	252,065	270,138	301,148	285,810	275,696	312,882	324,703	17
18	Total compiled receipts 9/	8,912,257	11,520,297	15,250,197	23,056,316	27,219,886	40,186,469	33,240,640	27,710,909	37,010,765	38,371,418	18
19	Deficit 1/	898,720	1,000,746	1,778,553	2,283,795	2,092,148	2,853,098	2,280,846	2,152,024	3,468,774	4,181,027	19
20	Dividends paid in cash and assets other than own stock	96,666	116,918	182,610	200,457	184,466	233,231	205,243	200,112	1,289,618	31/ 1,036,781	20
	Returns of inactive corporations:											
21	Number	35,268	37,012	40,160	43,741	46,343	49,469	51,259	51,922	56,518	59,094	21
	Excess profits tax returns											
	Taxable excess profits tax returns:											
22	Number	68,163	54,002	42,412	13,440	-	-	-	-	-	-	22
23	Excess profits net income	4/ 22,264,876	4/ 17,084,370	24/ 12,072,516	24/ 2,997,937	-	-	-	-	-	-	23
24	Adjusted excess profits net income 5/	14,519,879	10,494,667	6,334,864	911,603	-	-	-	-	-	-	24
25	Excess profits tax	(See line 15 above.)				-	-	-	-	-	-	25

For footnotes, see pp. 17-18.

Footnotes for tables in this release

1/ "Net income" or "Deficit" for 1940-43 is the amount reported for declared value excess-profits tax computation adjusted by excluding net operating loss deduction; for 1936-39 is the amount reported for (declared value) excess-profits tax computation and is the difference between "Total income" and "Total deductions"; for 1934-35 is the amount reported for income tax computation. Net income or deficit as here defined is the basis for classification of the returns by those with net income and those with no net income for all years except 1936 when the classification was based on the net income for income tax computation which is less than the net income for (declared value) excess-profits tax computation by the amount of the (declared value) excess-profits tax.

2/ "Income tax" for 1942-43 consists of normal tax, surtax, and, for taxable years beginning after December 31, 1941, alternative tax reported in lieu of normal tax and surtax where the income includes an excess of net long-term capital gain over net short-term capital loss, if and only if such tax is less than the normal tax and surtax. Tabulated with the income tax for returns with net income is a small amount of surtax reported on returns with no net income, where receipts for the taxable year include interest on obligations of certain instrumentalities of the United States, described in note 17.

3/ The excess profits tax shown is that imposed by section 710 of the Internal Revenue Code as amended and should not be confused with the declared value excess-profits tax. For 1942-43 the amount shown is the excess profits tax liability reported on corporation excess profits tax returns, less the credit for debt retirement and the net post-war refund, except that in table 3 the amount of tax before such credits is also shown. Throughout this release, the 1943 tax is before the amount deferred under section 710(a)(5) (relating to abnormalities under section 722) and after any adjustments under other relief provisions. Owing, in some instances, to the non-availability of the corresponding income and declared value excess-profits tax return for matching with the corporation excess profits tax return, $5,362,245 of the total excess profits tax shown for 1943 is not distributed by industrial groups.

The amount for 1941, shown in table 4, is the excess profits tax deduction (item 35, p. 1, Form 1120, for 1941) allowed in the computation of normal-tax net income, except that for fiscal years beginning in 1940, with the greater part of the accounting period in 1941, there is tabulated the amount of excess profits tax liability (item 32, p. 1, Form 1121 for 1940).

The amount for 1940, shown in table 4, is tabulated from corporation excess profits tax returns for the calendar year 1940 and for fiscal years beginning in 1940 with the greater part of the accounting period in 1940 (item 32, p. 1, Form 1121). The excess profits tax provisions apply only to taxable years beginning after December 31, 1939.

4/ The excess profits net income for returns with taxable year beginning in 1943 is obtained, as in 1942, from the normal-tax net income (computed without allowance of credit for income subject to excess profits tax and without allowance of dividends received credit) by making certain adjustments, consisting principally of the exclusion of long-term capital gains and losses, and dividends received from domestic corporations.

5/ The adjusted excess profits net income is the excess profits net income less the sum of the specific exemption, excess profits credit, and unused excess profits credit adjustment. For part year returns, the amounts of excess profits net income and adjusted excess profits net income have been placed on an annual basis.

6/ The industrial classification is based on the business activity reported on the return. When multiple businesses are reported on a return, the classification is determined by the business activity which accounts for the largest percentage of total receipts. Therefore, the industrial groups do not reflect pure industry classifications.

7/ Total number of returns includes returns of inactive corporations.

8/ "Number of subsidiaries" is the number of affiliated corporations which together with the common parent corporation file a consolidated corporation income tax return.

9/ "Total compiled receipts" consists of gross sales (less returns and allowances), gross receipts from operations (where inventories are not an income-determining factor), all interest received on Government obligations (less amortizable bond premium), other interest, rents and royalties, net capital gain, net gain from sale or exchange of property other than capital assets, dividends, and other receipts required to be included in gross income. "Total compiled receipts" excludes nontaxable income other than tax-exempt interest received on certain Government obligations.

10/ "Income subject to excess profits tax," allowed as a credit in computing normal tax and surtax net income for taxable years beginning after December 31, 1941, is, in general, equal to the adjusted excess profits net income. However, in case the excess profits tax is determined as provided in section 721 (relating to abnormalities in income in the taxable period), section 726 (relating to corporations completing contracts under the Merchant Marine Act of 1936), section 731 (relating to corporations engaged in mining strategic minerals), or section 736(b) (relating to corporations with income from long-term contracts), the credit for income subject to excess profits tax is the amount of which the excess profits tax is 90 percent. For the purpose of computing such credit, the excess profits tax used is the tax computed without regard to the limitation provided in section 710(a)(1)(B) (the 80 percent limitation), without regard to the credit provided in section 729(c) and (d) for foreign taxes paid, and without regard to the adjustments provided in section 734 in case of position inconsistent with prior income tax liability.

11/ The industrial classification designated "Investment trust and investment companies" consists of corporations which derived 90 percent or more of receipts from investments and which at no time during the taxable year had investments in corporations in which they owned 50 percent or more of the voting stock.

12/ The industrial classification designated "Other investment companies, including holding companies" consists of (1) corporations which derived 90 percent or more of receipts from investments and which at some time during the taxable year had investments in corporations in which they owned 50 percent or more of the voting stock, and (2) corporations which derived less than 90 percent but more than 50 percent of receipts from investments.

13/ Less than $500.

14/ "Dividends, domestic corporations" consists of dividends received from domestic corporations subject to income taxation under chapter 1 of the Internal Revenue Code. This item is reported in column 2, schedule E, page 3, Form 1120, and is the amount used for computation of the dividends received credit. There is excluded from this amount 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) such dividends being included in "Other receipts."

15/ "Interest received on Government obligations, wholly taxable" consists of interest on Treasury notes issued on or after December 1, 1940, and obligations issued on or after March 1, 1941, by the United States or any agency or instrumentality thereof, reported as item 9(b), page 1, Form 1120.

16/ "Interest received on Government obligations, subject to declared value excess-profits tax and surtax"

(Footnotes continued on p. 18)

Footnotes for tables in this release - Continued

consists of interest on United States savings bonds and Treasury bonds owned in principal amount of over $5,000 issued prior to March 1, 1941, reported as item 9(a), page 1, Form 1120.

17/ "Interest received on Government obligations, subject to surtax only" consists of interest on obligations of instrumentalities of the United States (other than obligations of Federal land banks, joint stock land banks, and Federal intermediate credit banks) issued prior to March 1, 1941, reported as item 32, page 1, Form 1120.

18/ "Interest received on Government obligations, wholly tax-exempt" consists of interest on obligations of States, Territories, or political subdivisions thereof, the District of Columbia, and United States possessions; obligations of the United States issued on or before September 1, 1917; all postal savings bonds; Treasury notes issued prior to December 1, 1940; Treasury bills issued prior to March 1, 1941; United States savings bonds and Treasury bonds owned in principal amount of $5,000 or less issued prior to March 1, 1941; and obligations issued prior to March 1, 1941, by Federal land banks, joint stock land banks, and Federal intermediate credit banks. Interest from such sources is reported under item 15(a) of schedule M, page 4, Form 1120.

19/ The excess profits credit is a deduction from the excess profits net income and is computed by one or the other of the following methods:

(a) Under section 713 of the Internal Revenue Code the credit is based on income, and for domestic corporations is 95 percent of the average base period net income plus 8 percent of net capital addition or minus 6 percent of net capital reduction; for foreign corporations this credit is 95 percent of the average base period net income. The method based on income permits the base period net income to be determined on either a general average basis or on increased earnings in the last half of the base period. The base period, in general, begins after December 31, 1935, and ends with the close of the last taxable year beginning before January 1, 1940.

(b) Under section 714 the credit is based on invested capital, and, for returns with taxable year beginning in 1942 or 1943, the percentage of invested capital allowed as a credit is as follows: First $5,000,000, 8 percent; next $5,000,000, 7 percent; next $190,000,000, 6 percent; and over $200,000,000, 5 percent; for returns with taxable year beginning in 1944, the percentage of invested capital allowed as a credit is as follows: First $5,000,000, 8 percent; next $5,000,000, 6 percent; next $190,000,000, 5 percent; and over $200,000,000, 5 percent. (This change affects certain returns, included in the tabulations of this release, as explained in "Returns Included," page 3.)

The "Unused excess profits credit adjustment" is not included in the amount of excess profits credit shown in table 3 but is taken into account in arriving at the adjusted excess profits net income, as explained in note 5.

20/ At the election of the taxpayer a credit for debt retirement is allowed against the excess profits tax. This credit is limited to the lesser of (1) 10 percent of the excess profits tax or (2) 40 percent of the net debt reduction for the year. To measure the net debt reduction, the indebtedness as of the close of the taxable year is compared with the indebtedness as of September 1, 1942, or, if the taxable year begins after this date, with the smallest amount of indebtedness during the period beginning September 1, 1942, and ending with the close of the preceding taxable year. No credit for debt retirement is allowed for taxable years beginning in 1941, or ending before September 1, 1942.

21/ For taxable years beginning after December 31, 1941, and not beginning after December 31, 1943, the law provides a post-war refund of an amount equal to 10 percent of the excess profits tax for each taxable year. The amount due the taxpayer is represented by non-interest-bearing nonnegotiable bonds redeemable after January 1, 1946. However, part or all of such credit is available currently for debt retirement as explained in note 20.

For taxable years beginning in 1941 and ending after June 30, 1942, the Revenue Act of 1943 limits the post-war refund to 10 percent of the prorated tentative tax computed under the 1942 law. However, the returns for such taxable years were filed previous to February 29, 1944, the date of the 1943 Act, and accordingly show post-war refunds computed under the Revenue Act of 1942 which, in such cases, provided for a smaller amount of refund, equal to 10 percent of the excess of the actual tax liability over the tentative tax computed under the 1941 law.

22/ Preliminary figures.

23/ "Income tax" for 1941 consists of income and income defense taxes reported on returns for a fiscal year ending in the period July through November 1941 (and on returns for a part year beginning in 1940 and ending in 1941, the greater part of the accounting period falling in 1941); and normal tax and surtax reported on returns for the calendar year 1941 and on returns for a fiscal year ending in the period January through June 1942 (and on returns for a part year beginning and ending in 1941, and for a part year beginning in 1941 and ending in 1942, the greater part of the accounting period falling in 1941). Tabulated with the income tax for returns with net income is a small amount of surtax reported on returns with no net income, where receipts for the taxable year include interest on obligations of certain instrumentalities of the United States, described in note 17.

24/ The excess profits net income for returns with taxable year beginning in 1940 is obtained from the normal-tax net income by making certain adjustments, consisting principally of the deduction of income and income defense taxes for the taxable year, and the exclusion of (1) dividends received from domestic corporations (this adjustment refers to that portion of dividends not deducted as dividends received credit in computing normal-tax net income), and (2) gains or losses from sale or exchange of capital assets (depreciable or nondepreciable) held for more than 18 months. For returns with taxable years beginning in 1941, the income tax is not deducted in arriving at excess profits net income, instead, the excess profits tax is allowed as a deduction in the computation of normal-tax net income. (The starting point in the computation of excess profits net income for 1941 remains the normal-tax net income computed without deduction of excess profits tax.)

25/ Income tax shown for 1940 includes income defense tax.

26/ Declared value excess-profits tax shown for 1940 includes declared value excess-profits defense tax reported on returns for a fiscal year ending in period July 1, 1940, through June 30, 1941.

27/ Income tax shown for 1938 consists of $41,569,498 normal tax and $7,778,561 surtax on undistributed profits reported on returns for a fiscal year ending in period July through November 1938 (and on returns for a part year beginning in 1937 and ending in 1938, the greater part of the accounting period falling in 1938), and $804,230,054 income tax reported on returns for the calendar year 1938 and on returns with a fiscal year ending in period January through June 1939 (and on returns for a part year beginning and ending in 1938, and for a part year beginning in 1938 and ending in 1939, the greater part of the accounting period falling in 1938).

28/ Income tax shown for 1937 consists of $1,056,939,166 normal tax and $175,897,696 surtax on undistributed profits.

29/ Income tax shown for 1936 consists of $59,289,827 income tax reported on returns with fiscal year ending in period July through November 1936 (and on returns for a part year beginning in 1935 and ending in 1936, the greater part of the accounting period falling in 1936), and $965,503,111 normal tax and $144,972,284 surtax on undistributed profits reported on returns for the calendar year 1936 and on returns with fiscal year ending in period January through June 1937 (and on returns for a part year beginning and ending in 1936, and for a part year beginning in 1936 and ending in 1937, the greater part of the accounting period falling in 1936).

30/ The (declared value) excess-profits tax shown for 1934 and 1935 includes a small amount of (declared value) excess-profits tax which appears on returns with no net income for income tax purposes because the credit for interest received on certain obligations of the United States and its instrumentalities, which was allowed against net income in the computation of the income tax, was not allowed against net income in the computation of the (declared value) excess-profits tax.

31/ Revised.
1934: See Statistics of Income for 1935, Part 2, page 9, footnote 2.

V-230

FOR IMMEDIATE RELEASE
February ~~13, 1946~~ 1946
13

The Bureau of Customs announced today preliminary figures showing the quantities of coffee entered for consumption during the period commencing October 1, 1945, as follows:

Country of Production	Quantity in Pounds As of February 2, 1946
Signatory Countries:	
Brazil	522,396,302
Colombia	215,584,421
Costa Rica	7,914,877
Cuba	123
Dominican Republic	10,267,897
Ecuador	8,014,837
El Salvador	7,601,679
Guatemala	13,183,505
Haiti	6,285,771
Honduras	4,177,232
Mexico	9,756,663
Nicaragua	1,678,598
Peru	1,547,992
Venezuela	13,536,946
Non-Signatory Countries:	15,339,455
TOTAL	837,286,298

TREASURY DEPARTMENT

Washington

FOR IMMEDIATE RELEASE,
Wednesday, February 13, 1946.

Press Service
No. V-230

The Bureau of Customs announced today preliminary figures showing the quantities of coffee entered for consumption during the period commencing October 1, 1945, as follows:

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Signatory Countries:	
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Peru	1,547,992
Venezuela	13,536,946
Non-Signatory Countries:	15,339,455
TOTAL	837,286,298

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COTTON CARD STRIPS made from cottons having a staple of less than 1-3/16 inches in length; 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 [redacted] 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, 1945 to Feb. 2, 1946	ESTABLISHED 33-1/3% of Total Quota	Imports Sept. 20, 1945 to Feb. 2, 1946 1/
United Kingdom......	4,323,457	-	1,441,152	-
Canada..............	239,690	-	-	-
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	-
TOTALS	5,482,509	69,627	1,599,886	-

1/ Included in total imports, column 2.

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FOR IMMEDIATE RELEASE
February 12, 1946

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, as amended by the proclamations of December 19, 1940, March 31, 1942, and June 29, 1942, during the period September 20, 1945, to February 2, 1946

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, 1945, to Feb. 2, 1946	Staple length 1-1/8" or more but less than 1-11/16": Established Quota 45,656,420	Staple length 1-1/8" or more but less than 1-11/16": Imports Sept. 20, 1945, to Feb. 2, 1946
Egypt and the Anglo-Egyptian Sudan	783,816	-		9,520,220
Peru	247,952	247,952		5,082,340
British India	2,003,483	1,717,591		-
China	1,370,791	-		-
Mexico	8,883,259	8,883,259		-
Brazil	618,723	618,723		-
Union of Soviet Socialist Republics	475,124	-		-
Argentina	5,203	-		-
Haiti	237	-		-
Ecuador	9,333	-		-
Honduras	752	-		-
Paraguay	871	-		-
Colombia	124	-		-
Iraq	195	-		-
British East Africa	2,240	-		-
Netherlands East Indies	71,388	-		-
Barbados	-	-		-
Other British West Indies 1/	21,321	-		-
Nigeria	5,377	-		-
Other British West Africa 2/	16,004	-		-
Other French Africa 3/	689	-		1
Algeria and Tunisia	-	-		-
	14,516,882	11,467,525	45,656,420	14,602,561

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, February 13, 1946.

Press Service
No. V-231

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, as amended by the proclamations of December 19, 1940, March 31, 1942, and June 29, 1942, during the period September 20, 1945, to February 2, 1946.

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, 1945, to Feb. 2, 1946	Staple length 1-1/8" or more but less than 1-11/16": Established Quota 45,656,420	Staple length 1-1/8" or more but less than 1-11/16": Imports Sept. 20, 1945, to Feb. 2, 1946
Egypt and the Anglo-Egyptian Sudan........	783,816	-		9,520,220
Peru....................	247,952	247,952		5,082,340
British India...........	2,003,483	1,717,591		-
China...................	1,370,791	-		-
Mexico..................	8,883,259	8,883,259		-
Brazil..................	618,723	618,723		-
Union of Soviet Socialist Republics...	475,124	-		-
Argentina...............	5,203	-		-
Haiti...................	237	-		-
Ecuador.................	9,333	-		-
Honduras................	752	-		-
Paraguay................	871	-		-
Colombia................	124	-		-
Iraq....................	195	-		-
British East Africa.....	2,240	-		-
Netherlands East Indies.	71,388	-		-
Barbados................	-	-		-
Other British West Indies 1/............	21,321	-		-
Nigeria.................	5,377	-		-
Other British West Africa 2/............	16,004	-		-
Other French Africa 3/..	689	-		1
Algeria and Tunisia.....	-	-		-
	14,516,382	11,467,525	45,656,420	14,602,561

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 made from cottons having a staple of less than 1-3/16 inches in length, 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 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, 1945 to Feb. 2, 1946	ESTABLISHED 33-1/3% of Total Quota	Imports Sept. 20, 1945 to Feb. 2, 1946 1/
United Kingdom........	4,323,457	-	1,441,152	-
Canada................	239,690	-	-	-
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	-
TOTALS	5,482,509	69,627	1,599,886	-

1/ Included in total imports, column 2.

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Commodity	Established Quota: Period and Country	Established Quota: Quantity	Unit of Quantity	Imports as of February 2, 1946
Silver or Black foxes, furs, and articles: Foxes valued under $250 each and whole furs and skins	Month of January Canada	17,500	Number	5,820
	Other than Canada	7,500	Number	398
Tails	12 months from Dec. 1, 1945	5,000	Piece	-
Paws, heads or other separated parts	"	500	Pound	490
Piece plates	"	550	Pound	-
Articles, other than piece plates	"	500	Unit	33

FOR IMMEDIATE RELEASE,
February 12, 1946.

V-232

The Bureau of Customs announced today preliminary figures showing the imports for consumption of commodities within quota limitations provided for under trade agreements, from the beginning of the quota periods to February 2, 1946, inclusive, as follows:

Commodity	Established Quota: Period and Country	Established Quota: Quantity	Unit of Quantity	Imports as of February 2, 1946
Whole Milk, fresh or sour	Calendar year	3,000,000	Gallon	901
Cream, fresh or sour	Calendar year	1,500,000	Gallon	195
Fish, fresh or frozen, filleted, etc., cod, haddock, hake, pollock, cusk, and rosefish	Calendar year	15,000,000	Pound	3,623,900
White or Irish potatoes:	12 months from Sept. 15, 1945			
certified seed		90,000,000	Pound	68,585,532
other		60,000,000	Pound	190,118
Cuban filler tobacco unstemmed or stemmed (other than cigarette leaf tobacco), and scrap tobacco	Calendar year	22,000,000	Pound (unstemmed equivalent)	Quota filled
Red cedar shingles	Calendar year	Undetermined	Square	113,222
Molasses and sugar sirups containing soluble nonsugar solids equal to more than 6% of total soluble solids	Calendar year	1,500,000	Gallon	

TREASURY DEPARTMENT
Washington

FOR IMMEDIATE RELEASE,
Wednesday, February 13, 1946.

Press Service
No. V-232

The Bureau of Customs announced today preliminary figures showing the imports for consumption of commodities within quota limitations provided for under trade agreements, from the beginning of the quota periods to February 2, 1946, inclusive, as follows:

Commodity	Established Quota: Period and Country	Established Quota: Quantity	Unit of Quantity	Imports as of February 2, 1946
Whole Milk, fresh or sour	Calendar Year	3,000,000	Gallon	901
Cream, fresh or sour	Calendar Year	1,500,000	Gallon	195
Fish, fresh or frozen, filleted, etc., cod, haddock, hake, pollock, cusk, and rosefish	Calendar Year	15,000,000	Pound	3,623,900
White or Irish potatoes: certified seed	12 months from Sept. 15, 1945	90,000,000	Pound	68,585,532
other		60,000,000	Pound	190,118
Cuban filler tobacco unstemmed or stemmed (other than cigarette leaf tobacco) and scrap tobacco	Calendar Year	22,000,000	Pound (unstemmed equivalent)	Quota filled
Red cedar shingles	Calendar Year	Undetermined	Square	113,222
Molasses and sugar sirups containing soluble non-sugar solids equal to more than 6% of total soluble solids	Calendar Year	1,500,000	Gallon	-
Silver or Black foxes, furs, and articles: Foxes valued under $250 each and whole furs and skins	Month of January Canada	17,500	Number	5,820
	Other than Canada	7,500	Number	398
Tails	12 months from Dec. 1, 1945	5,000	Piece	-
Paws, heads or other separated parts	"	500	Pound	490
Piece plates	"	550	Pound	-
Articles, other than piece plates	"	500	Unit	33

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FOR IMMEDIATE RELEASE,
February 12, 1946

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, as modified by the President's proclamations of April 13, 1942, and April 29, 1943, for the 12 months commencing May 29, 1945, as follows:

Country of Origin	Wheat		Wheat flour, semolina, crushed or cracked wheat, and similar wheat products	
	Established Quota	Imports May 29, 1945, to Feb. 2, 1946	Established Quota	Imports May 29, 1945, to Feb. 2, 1946
	(Bushels)	(Bushels)	(Pounds)	(Pounds)
Canada	795,000	794,425	3,815,000	1,122,733
China	-	-	24,000	-
Hungary	-	-	13,000	-
Hong Kong	-	-	13,000	-
Japan	-	-	8,000	-
United Kingdom	100	-	75,000	-
Australia	-	-	1,000	234
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	-
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	794,425	4,000,000	1,122,967

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TREASURY DEPARTMENT
Washington

FOR IMMEDIATE RELEASE,
Wednesday, February 13, 1946.

Press Service
No. V-233

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, as modified by the President's proclamations of April 13, 1942, and April 29, 1943, for the 12 months commencing May 29, 1945, as follows:

Country of Origin	Wheat		Wheat flour, semolina, crushed or cracked wheat, and similar wheat products	
	Established Quota (Bushels)	Imports May 29, 1945, to Feb. 2, 1946 (Bushels)	Established Quota (Pounds)	Imports May 29, 1945, to Feb. 2, 1946 (Pounds)
Canada	795,000	794,425	3,815,000	1,122,733
China	-	-	24,000	-
Hungary	-	-	13,000	-
Hong Kong	-	-	13,000	-
Japan	-	-	8,000	-
United Kingdom	100	-	75,000	-
Australia	-	-	1,000	234
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	-
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	794,425	4,000,000	1,122,967

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THREE PERCENT TREASURY BONDS OF 1946-48

NOTICE OF CALL FOR REDEMPTION

To Holders of 3 percent Treasury Bonds of 1946-48, and Others Concerned:

1. Public notice is hereby given that all outstanding 3 percent Treasury Bonds of 1946-48, dated June 15, 1934, are hereby called for redemption on June 15, 1946, on which date interest on such bonds will cease.

2. Holders of these bonds may, in advance of the redemption date, be offered the privilege of exchanging all or any part of their called bonds for other interest-bearing obligations of the United States, in which event public notice will hereafter be given and an official circular governing the exchange offering will be issued.

3. Full information regarding the presentation and surrender of the bonds for cash redemption under this call will be found in Department Circular No. 666, dated July 21, 1941.

Fred M. Vinson,
Secretary of the Treasury.

TREASURY DEPARTMENT,
Washington, February 14, 1946.

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THREE AND ONE-EIGHTH PERCENT TREASURY BONDS OF 1946-49

NOTICE OF CALL FOR REDEMPTION

To Holders of 3-1/8 percent Treasury Bonds of 1946-49, and Others Concerned:

1. Public notice is hereby given that all outstanding 3-1/8 percent Treasury Bonds of 1946-49, dated June 15, 1931, are hereby called for redemption on June 15, 1946, on which date interest on such bonds will cease.

2. Holders of these bonds may, in advance of the redemption date, be offered the privilege of exchanging all or any part of their called bonds for other interest-bearing obligations of the United States, in which event public notice will hereafter be given and an official circular governing the exchange offering will be issued.

3. Full information regarding the presentation and surrender of the bonds for cash redemption under this call will be found in Department Circular No. 666, dated July 21, 1941.

Fred M. Vinson,
Secretary of the Treasury.

TREASURY DEPARTMENT,
Washington, February 14, 1946.

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(over)

Press Service

FOR RELEASE, MORNING NEWSPAPERS,
Thursday, February 14, 1946

The Secretary of the Treasury ... two outst... United States on June 15, 1946 ... date. ... and the ... percent Treasury Bon... ing $818, ... percent bonds ...

The texts ... are as follows:

THREE AND ONE-E...

To Holders of 3-1/8 percent Treasury Bonds ... Concerned:

1. Public notice is hereby ... percent Treasury Bonds of 1946-49 ... called for redemption on June 15, ... such bonds will cease.

2. Holders of these ... date, be offered the priv... called bonds for other ... States, in which event ... official circular gover...

3. Full information reg... the bonds for cash redempt... Department Circular No. 666, ...

TREASURY DEPARTMENT,
Washington, February 14, 194...

TREASURY DEPARTMENT

Washington

FOR RELEASE, MORNING NEWSPAPERS, Thursday, February 14, 1946.

Press Service
V-234

The Secretary of the Treasury announced today that the bonds of two outstanding issues which may be redeemed at the option of the United States on June 15, 1946, are called for redemption on that date. These issues are the 3-1/8 percent Treasury Bonds of 1946-49 and the 3 percent Treasury Bonds of 1946-48. There are now outstanding $818,627,000 of the 3-1/8 percent bonds and $1,035,873,400 of the 3 percent bonds.

The texts of the formal notices of call are as follows:

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TREASURY DEPARTMENT

Washington

FOR RELEASE, MORNING NEWSPAPERS,
Thursday, February 14, 1946.

Press Service
No. V-234

The Secretary of the Treasury announced today that the bonds of two outstanding issues which may be redeemed at the option of the United States on June 15, 1946, are called for redemption on that date. These issues are the 3-1/8 percent Treasury Bonds of 1946-49 and the 3 percent Treasury Bonds of 1946-48. There are now outstanding $818,627,000 of the 3-1/8 percent bonds and $1,035,873,400 of the 3 percent bonds.

The texts of the formal notices of call are as follows:

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THREE AND ONE-EIGHTH PERCENT TREASURY BONDS OF 1946-49

NOTICE OF CALL FOR REDEMPTION

To Holders of 3-1/8 percent Treasury Bonds of 1946-49, and Others Concerned:

1. Public notice is hereby given that all outstanding 3-1/8 percent Treasury Bonds of 1946-49, dated June 15, 1931, are hereby called for redemption on June 15, 1946, on which date interest on such bonds will cease.

2. Holders of these bonds may, in advance of the redemption date, be offered the privilege of exchanging all or any part of their called bonds for other interest-bearing obligations of the United States, in which event public notice will hereafter be given and an official circular governing the exchange offering will be issued.

3. Full information regarding the presentation and surrender of the bonds for cash redemption under this call will be found in Department Circular No. 666, dated July 21, 1941.

Fred M. Vinson,
Secretary of the Treasury.

TREASURY DEPARTMENT,
Washington, February 14, 1946.

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(Over)

THREE PERCENT TREASURY BONDS OF 1946-48

NOTICE OF CALL FOR REDEMPTION

To Holders of 3 percent Treasury Bonds of 1946-48, and Others Concerned:

1. Public notice is hereby given that all outstanding 3 percent Treasury Bonds of 1946-48, dated June 15, 1934, are hereby called for redemption on June 15, 1946, on which date interest on such bonds will cease.

2. Holders of these bonds may, in advance of the redemption date, be offered the privilege of exchanging all or any part of their called bonds for other interest-bearing obligations of the United States, in which event public notice will hereafter be given and an official circular governing the exchange offering will be issued.

3. Full information regarding the presentation and surrender of the bonds for cash redemption under this call will be found in Department Circular No. 666, dated July 21, 1941.

Fred M. Vinson,
Secretary of the Treasury.

TREASURY DEPARTMENT,
Washington, February 14, 1946.

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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.

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. Subject to these reservations, tenders for $200,000 or less from any one bidder at 99.905 entered on a fixed-price basis will be accepted in full. 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 February 21, 1946 .

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

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TREASURY DEPARTMENT

Washington

FOR RELEASE, MORNING NEWSPAPERS,
Friday, February 15, 1946 .

The Secretary of the Treasury, by this public notice, invites tenders for $ 1,300,000,000 , or thereabouts, of 91 -day Treasury bills, to be issued on a discount basis under competitive and fixed-price bidding as hereinafter provided. The bills of this series will be dated February 21, 1946 , and will mature May 23, 1946 , 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 ~~war~~ Standard time, Monday, February 18, 1946 . 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 2 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

V-235

TREASURY DEPARTMENT
Washington

FOR RELEASE, MORNING NEWSPAPERS,
Friday, February 15, 1946.

The Secretary of the Treasury, by this public notice, invites tenders for $1,300,000,000, or thereabouts, of 91-day Treasury bills to be issued on a discount basis under competitive and fixed-price bidding as hereinafter provided. The bills of this series will be dated February 21, 1946, and will mature May 23, 1946, 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, February 18, 1946. 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 2 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. Subject to these reservations, tenders for $200,000 or less from any one bidder at 99.905 entered on a fixed-price basis will be accepted in full. 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 February 21, 1946.

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,

V-235

(Over)

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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V. GENERAL PROVISIONS

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

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.

FRED M. VINSON,
Secretary of the Treasury.

3. The certificates will be acceptable to secure deposits of public moneys. They will not be acceptable in payment of taxes.

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

5. The certificates will be subject to the general regulations of the Treasury Department, now or hereafter prescribed, governing United Statés certificates.

III. SUBSCRIPTION AND ALLOTMENT

1. 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.

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 certificates applied for, and to close the books as to any or all subscriptions at any time without notice; and any action he may take in these respects shall be final. Subject to these reservations, subscriptions for amounts up to and including $25,000 will be allotted in full, and subscriptions for amounts over $25,000 will be allotted to all holders on an equal percentage basis, but not less than $25,000 on any one subscription. The basis of the allotment will be publicly announced, and allotment notices will be sent out promptly upon allotment.

IV. PAYMENT

1. Payment at par for certificates allotted hereunder must be made on or before March 1, 1946, or on later allotment, and may be made only in Treasury Certificates of Indebtedness of Series B-1946, maturing March 1, 1946, which will be accepted at par, and should accompany the subscription.

UNITED STATES OF AMERICA

7/8 PERCENT TREASURY CERTIFICATES OF INDEBTEDNESS OF SERIES C-1947

Dated and bearing interest from March 1, 1946 — Due March 1, 1947

1946
Department Circular No. 785

TREASURY DEPARTMENT,
Office of the Secretary,
Washington, February 18, 1946.

Fiscal Service
Bureau of the Public Debt

I. OFFERING OF CERTIFICATES

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 certificates of indebtedness of the United States, designated 7/8 percent Treasury Certificates of Indebtedness of Series C-1947, in exchange for Treasury Certificates of Indebtedness of Series B-1946, maturing March 1, 1946. Approximately $1,000,000,000 of the maturing certificates will be retired on cash redemption.

II. DESCRIPTION OF CERTIFICATES

1. The certificates will be dated March 1, 1946, and will bear interest from that date at the rate of 7/8 percent per annum, payable semiannually on September 1, 1946, and March 1, 1947. They will mature March 1, 1947, and will not be subject to call for redemption prior to maturity.

2. The income derived from the certificates shall be subject to all Federal taxes, now or hereafter imposed. The certificates 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.

TREASURY DEPARTMENT
Washington

FOR RELEASE, MORNING NEWSPAPERS,
Monday, February 18, 1946.

Press Service
V-236

Secretary of the Treasury Vinson today announced that the Treasury Bonds of 1946-56, in the amount of $489,080,100, which have been called for redemption on March 15, 1946, and the Treasury Notes of Series A-1946, in the amount of $1,290,640,500, which will mature on March 15, 1946, will be redeemed in cash.

At the same time, the Secretary announced the offering, through the Federal Reserve Banks, of 7/8 percent Treasury Certificates of Indebtedness of Series C-1947, open on an exchange basis, par for par, to holders of Treasury Certificates of Indebtedness of Series B-1946, maturing March 1, 1946. Since it is planned to retire about $1,000,000,000 of the maturing certificates on cash redemption, subscriptions will be received subject to allotment to all holders on an equal percentage basis, except that subscriptions in amounts up to $25,000 will be allotted in full. Cash subscriptions will not be received.

The certificates now offered will be dated March 1, 1946, and will bear interest from that date at the rate of seven-eighths of one percent per annum, payable semiannually on September 1, 1946, and March 1, 1947. They will mature March 1, 1947. They will be issued in bearer form only, in denominations of $1,000, $5,000, $10,000, $100,000 and $1,000,000.

Pursuant to the provisions of the Public Debt Act of 1941, interest upon the certificates now offered shall not have any exemption, as such, under Federal tax Acts now or hereafter enacted. The full provisions relating to taxability are set forth in the official circular released today.

Subscriptions will be received at the Federal Reserve Banks and Branches, and at the Treasury Department, Washington, and should be accompanied by a like face amount of the maturing certificates.

The subscription books will close at the close of business Wednesday, February 20, except for the receipt of subscriptions from holders of $25,000 or less of the maturing certificates. The subscription books will close for the receipt of subscriptions of the latter class at the close of business Saturday, February 23.

Subscriptions addressed to a Federal Reserve Bank or Branch or to the Treasury Department, and placed in the mail before midnight of the respective closing days, will be considered as having been entered before the close of the subscription books.

There are now outstanding $4,147,310,000 of the Series B-1946 certificates.

The text of the official circular follows:

TREASURY DEPARTMENT

Washington

FOR RELEASE, MORNING NEWSPAPERS,
Monday, February 18, 1946.

Press Service
No. V-236

Secretary of the Treasury Vinson today announced that the Treasury Bonds of 1946-56, in the amount of $489,080,100, which have been called for redemption on March 15, 1946, and the Treasury Notes of Series A-1946, in the amount of $1,290,640,500, which will mature on March 15, 1946, will be redeemed in cash.

At the same time, the Secretary announced the offering, through the Federal Reserve Banks, of 7/8 percent Treasury Certificates of Indebtedness of Series C-1947, open on an exchange basis, par for par, to holders of Treasury Certificates of Indebtedness of Series B-1946, maturing March 1, 1946. Since it is planned to retire about $1,000,000,000 of the maturing certificates on cash redemption, subscriptions will be received subject to allotment to all holders on an equal percentage basis, except that subscriptions in amounts up to $25,000 will be allotted in full. Cash subscriptions will not be received.

The certificates now offered will be dated March 1, 1946, and will bear interest from that date at the rate of seven-eighths of one percent per annum, payable semiannually on September 1, 1946, and March 1, 1947. They will mature March 1, 1947. They will be issued in bearer form only, in denominations of $1,000, $5,000, $10,000, $100,000 and $1,000,000.

Pursuant to the provisions of the Public Debt Act of 1941, interest upon the certificates now offered shall not have any exemption, as such, under Federal tax Acts now or hereafter enacted. The full provisions relating to taxability are set forth in the official circular released today.

Subscriptions will be received at the Federal Reserve Banks and Branches, and at the Treasury Department, Washington, and should be accompanied by a like face amount of the maturing certificates.

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Subscriptions addressed to a Federal Reserve Bank or Branch or to the Treasury Department, and placed in the mail before midnight of the respective closing days, will be considered as having been entered before the close of the subscription books.

There are now outstanding $4,147,310,000 of the Series B-1946 certificates.

The text of the official circular follows:

UNITED STATES OF AMERICA

7/8 PERCENT TREASURY CERTIFICATES OF INDEBTEDNESS OF SERIES C-1947

Dated and bearing interest from March 1, 1946 Due March 1, 1947

1946
Department Circular No. 785

TREASURY DEPARTMENT
Office of the Secretary
Washington, February 18, 1946.

Fiscal Service
Bureau of the Public Debt

I. OFFERING OF CERTIFICATES

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 certificates of indebtedness of the United States, designated 7/8 percent Treasury Certificates of Indebtedness of Series C-1947, in exchange for Treasury Certificates of Indebtedness of Series B-1946, maturing March 1, 1946. Approximately $1,000,000,000 of the maturing certificates will be retired on cash redemption.

II. DESCRIPTION OF CERTIFICATES

1. The certificates will be dated March 1, 1946, and will bear interest from that date at the rate of 7/8 percent per annum, payable semiannually on September 1, 1946, and March 1, 1947. They will mature March 1, 1947, and will not be subject to call for redemption prior to maturity.

2. The income derived from the certificates shall be subject to all Federal taxes, now or hereafter imposed. The certificates 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 certificates will be acceptable to secure deposits of public moneys. They will not be acceptable in payment of taxes.

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

5. The certificates will be subject to the general regulations of the Treasury Department, now or hereafter prescribed, governing United States certificates.

III. SUBSCRIPTION AND ALLOTMENT

1. 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.

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 certificates applied for, and to close the books as to any or all subscriptions at any time without notice; and any action he may take in these respects shall be final. Subject to these reservations, subscriptions for amounts up to and including $25,000 will be allotted in full, and subscriptions for amounts over $25,000 will be allotted to all holders on an equal percentage basis, but not less than $25,000 on any one subscription. The basis of the allotment will be publicly announced, and allotment notices will be sent out promptly upon allotment.

IV. PAYMENT

1. Payment at par for certificates allotted hereunder must be made on or before March 1, 1946, or on later allotment, and may be made only in Treasury Certificates of Indebtedness of Series B-1946, maturing March 1, 1946, which will be accepted at par, and should accompany the subscription.

V. GENERAL PROVISIONS

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

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.

FRED M. VINSON,
Secretary of the Treasury.

-oOo-

Mr. Shaeffer

V-237

February 7, 1946

TO MR. BARTELT:

The following market transactions were made during the month of January, 1946, in direct and guaranteed securities of the Government for Treasury investment and other accounts:

Sales	$13,133,000
Purchases	4,996,000
	$ 8,137,000

(Sgd) Joseph Greenberg

Joseph Greenberg
Assistant Commissioner of Accounts

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TREASURY DEPARTMENT

Washington

FOR IMMEDIATE RELEASE,
Friday, February 15, 1946.

Press Service
No. V-237

During the month of January, 1946, market transactions in direct and guaranteed securities of the Government for Treasury investment and other accounts resulted in net sales of $8,137,000, Secretary Vinson announced today.

-oOo-

Mr. Bartelt
Mr. Batchelder
Mr. Bernstein (3445)
Mr. Brennan (Disb.)
Mr. Burdette (3111)
Miss Burke
B & W (4308)
Mr. Cake
Mr. Church
Mr. Coe
Mrs. Coon
Miss Cullen
Mr. Cunningham
Mrs. Day (3421)
Mr. Delano
Mr. Dietrich (3453)
Miss Edelin
Mrs. Farrell (5323)
Miss Florin (4125)
Mr. Frese (3464)
Mr. Gerardi
Miss Gibson (3464)
Mr. Glasser (3437)
Mr. Greenberg
Mr. Gunter (2222)
Mr. Haas
Mr. Handy (3458)
Mr. Hearst
Mr. Heffelfinger
Mr. Howard
Miss Hodel (3458)
Mr. Hyland (3413)
Mr. Jones (2449)
Mr. Jordan
Miss Kailey (3013)
Mr. Kelley
Mr. Kilby
Mr. Landis
Mrs. Legg (3453)
Mr. Lindow

Mr. Maxwell (4330)
Mr. McDonald
Miss Michener
Mr. L. V. Moore
Mr. M. Moore (3458)
Mr. Mulvihill (5310)
Mrs. Naud (4330)
Mr. Ness
Mr. Nisonger (4409)
Mr. O'Connell
Mr. O'Daniel (5056)
Mr. Peterson (Disb.)
Mrs. Potts
Mr. Rabon
Mrs. Ralf (1324)
Mr. Reeves
Mrs. Root (3464)
Mrs. Ross
Miss Rousseaux (4319)
Miss Sanford (5124)
Mr. Schoeneman
Mr. Schwalm
Mr. Shaeffer
Mr. Slindee
Mr. Smith (3464)
Mr. Speck
Mr. Starratt
Miss Stockwell (3453)
Mrs. Sundelson (3449)
Mr. Tickton
Mr. Tietjens
Mr. Upham
Miss Vassar (3446)
Mrs. Walker (3464)
Mrs. Warneson (3446)
Mr. Weber
Miss White (3446)
Mr. White
Mrs. Wondrack
Mr. Ziegenfus

This is the usual data released to the Press

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TREASURY DEPARTMENT
Washington

FOR RELEASE, MORNING NEWSPAPERS,
Tuesday, February 19, 1946.

Press Service
V-238

The Secretary of the Treasury announced last evening that the tenders for $1,300,000,000, or thereabouts, of 91-day Treasury bills to be dated February 21 and to mature May 23, 1946, which were offered on February 15, 1946, were opened at the Federal Reserve Banks on February 18.

The details of this issue are as follows:

Total applied for - $2,037,113,000
Total accepted - 1,301,118,000 (includes $47,991,000 entered on a fixed-price basis at 99.905 and accepted in full)
Average price - 99.905/ Equivalent rate of discount approx. 0.375% per annum

Range of accepted competitive bids:

High - 99.908 Equivalent rate of discount approx. 0.364% per annum
Low - 99.905 " " " " " 0.376% " "

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

Federal Reserve District	Total Applied for	Total Accepted
Boston	$ 38,970,000	$ 23,677,000
New York	1,544,171,000	971,319,000
Philadelphia	36,620,000	24,238,000
Cleveland	17,490,000	13,390,000
Richmond	14,170,000	12,120,000
Atlanta	8,215,000	7,965,000
Chicago	274,461,000	169,173,000
St. Louis	16,309,000	11,184,000
Minneapolis	2,490,000	2,490,000
Kansas City	25,463,000	23,413,000
Dallas	8,799,000	7,774,000
San Francisco	49,955,000	34,375,000
TOTAL	$2,037,113,000	$1,301,118,000

TREASURY DEPARTMENT

Washington

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Tuesday, February 19, 1946.

Press Service
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Atlanta	8,215,000	7,965,000
Chicago	274,461,000	169,173,000
St. Louis	16,309,000	11,184,000
Minneapolis	2,490,000	2,490,000
Kansas City	25,463,000	23,413,000
Dallas	8,799,000	7,774,000
San Francisco	49,955,000	34,375,000
TOTAL	$2,037,113,000	$1,301,118,000

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FOR IMMEDIATE RELEASE
February 19, 1946.

V-239

The Bureau of Customs announced today preliminary figures showing the quantities of coffee entered for consumption during the period commencing October 1, 1945, as follows:

Country of Production	Quantity in Pounds As of February 9, 1946
Signatory Countries:	
Brazil	558,867,189
Colombia	235,257,384
Costa Rica	8,257,868
Cuba	126
Dominican Republic	10,515,851
Ecuador	8,215,851
El Salvador	8,381,364
Guatemala	16,796,655
Haiti	6,284,712
Honduras	4,276,112
Mexico	12,971,972
Nicaragua	1,807,461
Peru	1,547,992
Venezuela	15,115,138
Non-Signatory Countries:	15,339,599
TOTAL	903,635,274

TREASURY DEPARTMENT

Washington

FOR IMMEDIATE RELEASE,
Wednesday, February 20, 1946.

Press Service
No. V-239

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Peru	1,547,992
Venezuela	15,115,138
Non-Signatory Countries:	15,339,599
TOTAL	903,635,274

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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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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. Subject to these reservations, tenders for $200,000 or less from any one bidder at 99.905 entered on a fixed-price basis will be accepted in full. 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 **February 28, 1946**.

(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

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TREASURY DEPARTMENT

Washington

FOR RELEASE, MORNING NEWSPAPERS,
~~Thursday~~, February 21, 1946 .

The Secretary of the Treasury, by this public notice, invites tenders for $ 1,300,000,000 , or thereabouts, of 92 -day Treasury bills, to be issued on a discount basis under competitive and fixed-price bidding as hereinafter provided. The bills of this series will be dated February 28, 1946 , and will mature May 31, 1946 , 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, February 25, 1946 . 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 2 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

V-240

TREASURY DEPARTMENT
Washington

FOR RELEASE, MORNING NEWSPAPERS,
Thursday, February 21, 1946

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

V-240

(Over)

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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The report said that the gross ~~total of~~ foreign-owned assets increased by December 31, 1944, to approximately $14,000,000,000, exclusive of gold earmarked for foreign account. Earmarked gold increased from $1,916,000,000 to $3,937,000,000. Foreign deposits rose during this period, foreign countries acquired United States Government obligations, and foreign-owned securities increased considerably in value.

Assets in this country owned by enemy countries as of the census date amounted to $519,000,000. Germany led with $198,000,000, Japan followed with $160,000,000, and Italy was third with $130,000,000.

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Of the remaining assets listed for the United Kingdom, $700,000,000 was in the form of business establishments operated in the United States, and $400,000,000 in the form of estates and trusts.

A single class of United Kingdom-owned assets amounting to $1,000,000,000 was in the form of business claims and debts in the process of liquidation, with $850,000,000 of this representing British pre-payment on munitions contracts which on the census date were in process of being fulfilled. Further, the United Kingdom at that time had outstanding contract obligations of $940,000,000 which it still had to pay on munitions. The obligation under these contracts was later met by use of deposits and securities owned by residents of the United Kingdom.

Chief among groups of countries in which ownership of assets was listed are the following:

Continental Europe -- $4,800,000,000 gross, including $3,000,000,000 in deposits and securities.

United Kingdom -- $3,200,000,000 gross, including $970,000,000 in deposits and securities.

Canada -- $1,750,000,000 gross, including $950,000,000 in deposits and securities.

Latin America -- $1,400,000,000 gross, including $840,000,000 in deposits and securities.

Rest of world -- $1,500,000,000 gross, including $1,100,000,000 in deposits and securities.

Of the $970,000,000 in deposits and securities attributed to United Kingdom ownership, the report showed that $245,000,000 actually was in the name of citizens of other countries, mainly Americans.

Of the gross total, more than $1,300,000,000 represents assets owned by American citizens living abroad and American companies operating abroad. Allowances for these and other pertinent items, Treasury experts in charge of the census said, would reduce the gross total to a much smaller net amount of assets in this country actually available to foreign countries for their use in international finance.

The census listed the various forms of the assets. Of the gross total, about $6,948,000,000 was in deposits and securities. Property of foreign corporations, including American subsidiaries abroad, and of estates and trusts accounted for about $3,000,000,000 more. The remaining $2,500,000,000 was in the form of debts and claims and similar items arising from current business transactions -- the "float" of ordinary business and banking.

was approximately $12,739,000,000, the report sets forth. Included were such assets as deposits in American banks, investments in United States securities and enterprises, interests in estates and trusts, and numerous other types of property. Ownership of these assets was vested in about $60,000 sources -- individuals, partnerships, corporations, governmental bodies and agencies, estates, trusts and so forth. In taking the census the Treasury did not attempt to reduce the gross total to a net figure of any kind. To have done so would have required offsetting against the assets a very large number and wide variety of liabilities, such as current debts and other claims.

Many of the assets, it was pointed out, are of types that cannot be realized upon, such as the holdings of estates and trusts.

nature and scope of the survey, discuss the more important findings up to the end of 1944 so far as has been feasible, and outline certain technical problems encountered in analyzing such statistics.

The census of foreign-owned assets was taken immediately after "freezing control" was extended June 14, 1941, to Germany, Italy, and the remainder of continental Europe. To accomplish the census, the Treasury circularized tens of thousands of business concerns and individuals with a questionnaire, Form TFR-300. Because of the importance of full information for Foreign Funds Control, the census included data on debts, claims and other items which are not of particular importance as foreign-owned assets.

The gross total of all foreign-owned assets in the United States as of the census date -- June 14, 1941 --

PROPOSED PRESS RELEASE:

V-241)

The Treasury Department today made public a report showing the results of a census of foreign-owned assets in the United States taken in 1941 by the department's Foreign Funds Control. In a foreword to the report, Secretary Vinson pointed out that with the war over, the data provided by the census are available not only for use in unfreezing foreign-owned assets over which the Foreign Funds Control exercised wartime supervision, but also for their application to various post-war problems of international concern.

The report is in the form of a booklet, "Census of Foreign-Owned Assets in the United States". It is for sale by the Superintendent of Documents. Its chapters relate events which led up to the census, describe the

FILE COPY

TREASURY DEPARTMENT

Washington

FOR RELEASE, MORNING NEWSPAPERS
Saturday, February 23, 1946

Press Service
No. V-241

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The gross total of all foreign-owned assets in the United States as of the census date -- June 14, 1941 -- was approximately $12,739,000,000, the report sets forth. Included were such assets as deposits in American banks, investments in United States securities and enterprises, interests in estates and trusts, and numerous other types of property. Ownership of these assets was vested in about 160,000 sources -- individuals, partnerships, corporations, governmental bodies and agencies, estates, trusts and so forth. In taking the census the Treasury did not attempt to reduce the gross total to a net figure of any kind. To have done so would have required offsetting against the assets a very large number and wide variety of liabilities, such as current debts and other claims.

Many of the assets, it was pointed out, are of types that cannot be realized upon, such as the holdings of estates and trusts.

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Census of Foreign-Owned Assets in the United States

United States Treasury Department
Office of the Secretary
Washington, D. C.

Census of Foreign-Owned Assets In the United States

United States Treasury Department
Office of the Secretary
Washington, D.C.

UNITED STATES
GOVERNMENT PRINTING OFFICE
WASHINGTON : 1945
For sale by the Superintendent of Documents, Washington, D.C.

Acknowledgments

The Treasury Department is indebted to many members of its staff for valuable services performed in connection with the census of foreign-owned assets in the United States. The analysis of the data and the preparation of this report were directed by Paul D. Dickens. During the early stages of planning and administration, E. M. Bernstein, W. Harvey Reeves and Elting Arnold were in direct charge of the work. Mr. Arnold was associated with the census throughout.

Contents

Part II. Country Tables

Foreword

On April 10, 1940, when Germany invaded Denmark and Norway, the President of the United States issued an Executive order freezing the dollar assets of those two countries and their nationals. The purpose was to safeguard their assets and prevent the aggressor from benefiting therefrom. Similar action was taken at the time of each further aggression until, on June 14, 1941, the freezing controls were extended to Germany and Italy, and to the remainder of continental Europe.

With a view to implementing the freezing controls, regulations were issued providing for a census of all foreign-owned property subject to the jurisdiction of the United States. Tens of thousands of banks, corporations and individuals in this country were required to file, on Form TFR-300, reports giving detailed information with respect to foreign-owned assets and the owners. The cooperation received was excellent notwithstanding the fact that a substantial amount of work was required —several thousands of reports were filed by some banks.

As a result of the census, the magnitude of the foreign stake in this country has become fully known for the first time. About $12,739,000,000 of assets—deposits in American banks, investments in United States securities and enterprises, interests in estates and trusts and many other types of property—were owned by foreign individuals and organizations as of June 14, 1941. The dollar assets of persons located in countries affected by the freezing controls amounted to $5,985,000,000. Gold and foreign securities in the United States similarly owned raised the total of blocked assets to $7,955,000,000.

The census also revealed the widespread character of foreign interests in the United States. For example, more than 132,000 foreign individuals had assets in this country valued at nearly $2,600,000,000, and 23,000 foreign corporations held property valued at about $8,000,000,000. Thousands of persons held assets amounting to less than $5,000. While the foreign interests in American corporations were large in value, it can be stated definitely that they did not represent control over any large segments of the industry of this country.

The information filed on Form TFR-300 was greatly needed in the administration of the freezing controls. It enabled Foreign Funds Control to determine in advance the importance of proposed measures of controls and the nature of the administrative problems involved. As useful as they were during the last half of 1941, the data immediately became vital to many of the economic warfare activities of this Government after Pearl Harbor. Now that the war is over, the TFR-300 data facilitate planning by Government agencies for the unfreezing of the assets included within the scope of the controls.

Never before was as complete information available for analyses of the holdings of foreigners in this country. These data, studied in conjunction with materials currently collected on the subject of capital movements and foreign short-term dollar balances, permit a close appraisal of the present dollar assets and gold in the United States now available to the various countries of the world. Thus, for example, the Government is better equipped to solve the problems connected with the financing of relief and reconstruction in the war-ravaged areas.

Industry and the general public in this country are also greatly concerned in postwar problems. For that reason, the Treasury Department has prepared this report for public distribution. It contains first, a statement of the events leading to the census on Form TFR-300 and a description of its nature and scope. Next is an analysis of the most important facts revealed by the reports, together with summary tables. The last two chapters bring the data up to the end of 1944 and discuss the census in relation to certain technical problems relating to the international financial position of this country. Individual tables, relating to the principal countries, containing data by property types and by the citizenship of the owners, are presented in the appendix. These should enable people interested in international affairs to answer many of the statistical and economic questions which will arise concerning the assets of foreign countries in the United States.

FRED M. VINSON,
Secretary of the Treasury.

CHAPTER I

General Background of Fact and Policy

The census of foreign-owned assets in the United States, taken by the Treasury Department in the summer of 1941 on Form TFR-300, has performed two important services. First, it has furnished detailed information with respect to the holdings of each foreign national having assets in this country as well as significant facts concerning the nationals whose properties were reported. Second, it has provided statistical data about the foreign ownership of assets in the United States that are more complete and accurate than anything previously available. Both of these services have been very useful in the process of determining and enforcing policies of economic defense and economic warfare.

The value of foreign-owned assets in the United States increased greatly in the years after 1934. By the fall of 1939 the dollar assets owned by the countries of continental Europe alone amounted to at least \$3,500,000,000. If property of such value had been available to persons or nations for use in ways inimical to the interests of the United States, untold damage could have been inflicted upon this country and the cause of those countries that were fighting for their freedom. It was, therefore, necessary to bring assets owned by enemy and enemy-occupied countries and their nationals under United States Government control or supervision. To make that control effective, detailed information was required concerning the assets, their location and their owners.

Foreign Assets in the United States Before World War II

American securities and properties have long been popular among investors in Europe. Total foreign investments in the United States, as early as 1899, were estimated at \$3,330,000,000,[1] and by 1908 the estimates rose as high as \$6,500,000,000.[2] The liquidation of British and other European holdings during the First World War was very large, however, and by the end of 1919 the estimated long- and short-term foreign investments in the United States were reduced to \$3,985,000,000.[3] The next 10 years, during which this country experienced unrivaled

[1] *Yale Review*, November, 1900, vol. 9, pp. 263-285, "American International Indebtedness," by Nathaniel T. Bacon.

[2] United States National Monetary Commission, *Publications*, vol. XX, Miscellaneous Articles, pp. 172-176, "The Trade Balance of the United States" by Sir George Paish.

[3] Lewis, Cleona, *America's Stake in International Investments*, p. 450.

prosperity and was the world's most profuse lender, were also years during which the value of foreign assets in this country increased rapidly. Part of this increase was the result of rising securities prices and part was due to the accumulation of deposits in American banks. New investments in securities and business properties contributed substantially to the total. By the end of 1929 total foreign assets in the United States were estimated at $8,931,000,000.[4]

The depression years—1930 to 1933—were notable for the vast withdrawal of foreign short-term balances from this country. American lending to foreign countries had come to a stop during 1930 and the foreign balances reported by banks in New York City, accumulated partly from the proceeds of dollar loans, fell from about $2,673,000,000 at the end of 1929 to $467,000,000 at the end of 1934.[5] Even during this period the trend in the flow of long-term foreign capital was toward the United States. The total value of foreign assets in this country at the end of 1933 was estimated at approximately $5,400,000.000.[6]

After the stabilization of the dollar in terms of gold in 1934, this country became a place of refuge for the capital of peoples all over the world. The depreciation of important foreign currencies or the threat of depreciation were hazards which private capital in many countries faced almost constantly. Such factors caused heavy inflows of foreign short-term capital. Preservation of capital, however, was not alone as an influence inducing the movement of foreign funds. The progress toward prosperity in the United States, which was evident in 1935 and 1936, was another influence. During that period a relatively large proportion of the total inflow of foreign capital was long-term in form—investments in United States securities.

Political events, such as the Italian invasion of Ethiopia in October 1935, had their influence. They became the dominant factors in 1938 and 1939. German aggressions, the invasion of Austria in March 1938, the annexation of the Sudetenland of Czechoslovakia in September 1938, and the occupation of the remaining parts of Czechslovakia in March 1939, were outstanding events contributing to the mounting international tension. Up to the time of the Munich Conference for the settlement of the Czechoslovakian controversy in September 1938, the political crises were of a minor character or were largely internal in their origin and effects. The results had been violent inflows of short-term funds and moderate net foreign sales of United States securities interspersed with relatively long periods of net purchases of United States securities and moderate increases in short-term deposits. Following the crises of the Munich Conference net purchases of securities, that is, long-term investments, almost

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[4] *Ibid.*, p. 450.

[5] Board of Governors of the Federal Reserve System, *Banking and Monetary Statistics*, 1943, pp. 574-576. (The 1934 figure was as of November 28).

[6] Department of Commerce, Economic Series No. 11, *Foreign Long-Term Investments in the United States, 1937-9*, p. 10, plus short-term balances as given in the source cited next above. The reduction from the 1929 total, insofar as it is not accounted for by the movement of short-term funds. is the result of the reduction in the market prices of common stocks included in the totals.

ceased, and there was an extremely large inflow of short-term funds of which, in contrast to earlier periods, an important part was governmental.[7]

This year of warning—September 1938 to August 1939—was used extensively by England and France to build up a reserve of liquid funds from which they could draw to finance the war purchases looming as essential to their defense. The traditional neutral countries of Europe, such as Belgium, the Netherlands and Sweden, were equally foresighted and began to keep substantial portions of their monetary reserves in the United States. Individuals and corporations within those and other countries were also anxious to accumulate funds in the relative safety of this country.

Period of American Neutrality

When the war in Europe started, the foreign-owned United States assets,[8] exclusive of earmarked gold amounting to $1,130,000,000, were estimated at $9,064,000,000.[9] Of this total, about $3,500,000,000 belonged to continental European countries and $3,000,000,000 to the United Kingdom. The practice of piling up dollar balances, so noticeable in the prewar period, was continued by the neutral countries of continental Europe over the next two years with a resultant increase of $400,000,000 in their total short-term holdings.

One almost immediate result of the war was to place the assets of persons in France, the United Kingdom and the British dominions and colonies, under the actual or nominal control of their governments. Assets payable in dollars and certain other currencies had to be reported in accordance with Government decrees. Short-term assets were placed under strict exchange controls almost immediately, but the orders or decrees did not amount to the actual mobilization of foreign security holdings. Only the United Kingdom implemented the control to the extent of taking title to securities. This was done through the vesting of specified issues at various dates between February 1940 and May 1941, and the later sale of the vested securities in the United States. Such sales[10] plus private sales, the dollar proceeds of which probably accrued to the British Government because of its controls, amounted to approximately $600,000,000. Other securities and properties were pledged as collateral to the $425,000,000 R.F.C. loan to the United Kingdom. Gold from the British reserves and Empire production, amounting to more than $2,500,000,000, was also sold to the United States during the first two years of the war to finance the purchases of war supplies in this country.

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[7]Of the net inflow of foreign short-term funds since 1934, amounting to $2,400,000,000, about two-thirds occurred after August 31, 1938, but of the net purchases of securities amounting to $1,177,000,000, less than five percent occurred during the 12 months following Munich.

[8]See appendix I, p. 54, for definition of the phrase "United States assets."

[9]*Foreign Commerce Weekly*, January 4, 1941, pp. 5-7, "Foreign Investments in the United States After One Year of War."

[10]Including the sale of American Viscose Corporation to an American banking group. See, Hearings before the Subcommittee of the Committee on Appropriations, House of Representatives, 77th Cong. 1st sess. on the *Second Supplemental National Defense Appropriation Bill for 1942*, p. I, pp. 453 and 414-428.

The course of the war in Europe brought to the United States a realization of its own lack of preparedness and a desire, at least partly inspired by self interest, to be of some assistance to the cause of the Allies. In other words, this country was soon interpreting its neutrality as a policy of economic defense. American industry then had the dual task of building up our own war potential and of adding to that of the Allies.

When Germany invaded Denmark and Norway in April 1940, a new factor entered the complex of forces determining the trend of policy. The assets in the United States belonging to those countries and their nationals were frozen by Executive Order 8389, issued on April 10, in order to prevent the Nazis from seizing, and putting to their own uses, assets which the citizens of those two countries had accumulated over many years. Part of those assets had been sent to the United States during the preceding year or two primarily to have them in a place of safety. To have permitted the invaders to acquire such assets by force would have been equivalent to a breach of trust.

Although the value of the Danish and Norwegian assets aggregated only about $200,000,000, the Belgian, Dutch and French holdings of dollar balances and securities, frozen in May and June after the invasion of those countries, amounted to over $2,300,000,000.[11] Axis propaganda in this country and in Latin America, the sabotage of vital American properties and the acquisition of strategic materials would have been greatly assisted had Germany been able to draw upon dollar resources of such magnitude. The effective freezing of assets of that amount was, therefore, an important contribution to the economic defense program of the United States.[12] Nevertheless, the dollar assets of Germany, Italy,[13] and Japan remained free of restrictions and their liquid assets were reduced by more than 50 percent from April 10, 1940 to June 11, 1941. These reductions were effected partly by the remittance of funds to Latin American countries or by transfer to cloaks often for uses contrary to the best interests of this country. Japan was able to purchase much needed materials in the United States.

The policy of economic defense was a composite of (1) preparedness, (2) economic assistance to those fighting the Axis, and (3) financial trusteeship. Not until 1941 did the policy lose its purely defensive character. The Lend-Lease Act, "An Act to Promote the Defense of the United States," was approved on March 11 of that year. That measure represented a long step in the evolution of American policy, although to some it was still economic defense. For many months the industrial resources of the United States had been at the disposal, at a price, of the nations

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[11] On June 14, 1941 as shown herein. Excluding gold held under earmark and the assets of their colonial empires.

[12] The successive invasions, by force or intimidation, of Rumania, Bulgaria, Hungary, Yugoslavia and Greece were each followed by the extension of the freezing orders. The total United States assets of these five countries amounted to about $135,000,000.

[13] The assets of states invaded by Germany and Italy before April 1940 were not frozen until June 14, 1941. All countries affected by Executive Order No. 8389, as amended, 5 F. R. 1400, have been identified in appendix I, "The Geographical Arrangement," p. 59.

fighting the Axis. At this point the ability to continue to pay the price began to seem doubtful. As stated in the report to Congress by the Lend-Lease Administration at the end of 1942:[14]

> (a) It was essential to our security that all possible material assistance be furnished to those nations then fighting or threatened by the Axis.
>
> (b) It was in our interest that the flow of weapons and other supplies furnished to promote the defense of the United States should not be interrupted by a lack of dollar exchange.

If the shift away from purely defensive policy had not taken place at the time of the passage of the Lend-Lease Act, it did on June 14, 1941, when the freezing control was extended to cover Germany, Italy and the rest of continental Europe. The comment of one Treasury official was: "This step changed the emphasis of freezing control from a defensive weapon primarily intended to protect the property of invaded countries, to a frankly aggressive weapon against the Axis."[15]

As long as the policy of the Government with respect to foreign-owned United States assets did not go beyond protecting the assets of invaded countries, a simple record of those assets sufficed. During that period reports on Form TFR-100 were required with respect to assets belonging to the nationals of each country as it became the object of Axis aggression. When, however, the policy became more aggressive in outlook it was necessary to obtain complete information, world-wide in scope. Claims to United States property crossed and recrossed national boundaries; changes in title for the purpose of concealing ownership, and cloaking, were frequent; these and other conditions and practices pointed to the need for the fullest data. Therefore, simultaneously with the extension of the freezing control to all of continental Europe, regulations were issued calling for a report on Form TFR-300 of all foreign-owned property in the United States.[16]

Significance of the Census

Of the two important uses of the census materials, to provide statistical information concerning property values and to supply detailed information about the owners of the property and the property itself, the latter was first in point of time. These data enabled Foreign Funds Control to act more expeditiously and intelligently on applications for the release, transfer and use of the frozen property. Other functions of the Control, such as investigations to uncover enemy agents and enemy assets, especially after our entry into the war, were greatly facilitated by the TFR-300 information. while the directive license program, whereby commodities owned by blocked nationals were disposed of as dictated by United

[14] Report to the 78th Congress on Lend-Lease Operations, 78th Cong., 1st sess., H. Doc. No. 57, p. 7. Government Printing Office, 1943.

[15] "Freezing Control as a Weapon of Economic Defense," an address by E. H. Foley, Jr., General Counsel for the Treasury Department, Indianapolis, Ind., September 29, 1941.

[16] Sec. 130.4 of the regulations of April 10, 1940, as amended, 5 F. R. 1401.

Nations needs, was based to a considerable extent on the same source of information.

The statistical information obtained was soon used in many ways through preliminary tabulations. The probable effects of changes in the freezing controls, and the needs for such, were determined in part on the basis of these data. For example, before the domicile provision in General License No. 42[17] was eliminated on November 27, 1941, and again before that general license was amended, on February 23, 1942, to extend its provisions to all nationals of foreign countries in the United States on or before that date, the number of persons who might be affected thereby and the volume of their assets were ascertained from TFR-300 data.

Although the preliminary statistical data from the census were significant aids to the economic warfare program, the final tabulations presented herein should be still more useful in planning for the peace and the period of rebuilding in foreign countries. These data reveal the character and magnitude of ownership of the assets which the enemy-occupied countries may, under certain circumstances, draw upon to meet their needs for dollar exchange incident to the relief of their people and the rehabilitation of their economies. Some of those assets, such as gold and bank balances, belong to the governments concerned and are highly liquid. Other balances are owned by individuals and corporations and, therefore, can be made available only if legal steps have been taken. Certain types of assets, such as securities and business enterprises, are seldom owned by the foreign governments and are less liquid. They are producing income and, even if they remain in private hands, will tend to support the balance of payments position of these countries after the war. To the extent that exchange controls are in effect, the governments concerned will have control over the disposition of that income.

Data obtained by means of Form TFR-300 concerning the assets owned in enemy countries permit more exact consideration of the war claims problem. The effect on Germany and the United States, the administrative questions involved, and the persons primarily affected by the proposed solutions can all be analyzed with more assurance as a result of the census. Inasmuch as transactions affecting the assets of enemy and enemy-occupied countries could only be executed when licensed by the Treasury Department, the assets as of the present are not greatly different from those reported as of June 14, 1941 except to the extent they have been vested by the Alien Property Custodian.[19]

As it related to the assets of nonblocked countries both Allied and neutral, the greatest services of the TFR-300 census were in the war

[17]General License No. 42, as issued on June 14, 1941, 6 F. R. 2907, permitted the free use of their assets by citizens of foreign countries if, in general they had been domiciled in and resided only in the United States since June 17, 1940.

[18]See chap. IV, section on "Changes in Foreign-Owned Dollar Assets and Gold in the United States, 1941 to 1944."

[19]The issuance of general licenses has permitted substantial changes in the gold and dollar assets of the blocked neutral countries as well.

period. Because of the lack of restrictions many changes in the character and total of these assets have taken place.[19] The data obtained will, however, provide a more substantial basis for estimates regarding the international investment position of those countries and will thus aid the preparation of more accurate appraisals of the balance of international payments of each. Never before has a full record of all types of foreign-owned United States assets been available as a point of reference for work in this field.

CHAPTER II

Form and Scope of the Census Briefly Discussed

The census of foreign-owned assets in the United States on Form TFR-300 was announced on June 14, 1941, when amended regulations under Executive Order No. 8389 were issued. Originally all reports were required to be filed by July 14, 1941, with respect to assets owned as of June 14, 1941, and as of June 30, 1940. The filing date was extended to October 31, 1941. Further extensions were granted to institutions which, because of the volume of reports to be filed, had been unable to complete the necessary work, and to others when special circumstances justified it.

Representatives of other Government departments and several groups of business men were consulted extensively in the final stages of the planning of Form TFR-300. Valuable suggestions were made by them relating to the forms and to the interpretations of technical parts of the instructions.[1] The business groups also assisted greatly in the important and difficult task of bringing the census and the instructions to the attention of those who should file, by circularizing persons in their industry and by sending to them copies of the interpretations agreed upon with the Treasury officials.[2]

The Reporting Requirements

Every person in the United States, including corporations and other organizations, was required to make a report of all property held for or owned by a foreign country or national thereof. The term "national" was defined, briefly, as any subject, citizen or resident of, a foreign country, and any organization organized in or controlled by a foreign country or by persons who were nationals of such a country. Property of individual nationals domiciled and resident in the United States since June 17, 1940, was in general, exempted from the reporting requirements.[3]

Not only Alaska, Hawaii, and Puerto Rico but also, at the outset, the Philippine Islands, for the purpose of TFR-300, were treated the same in all respects as other parts of the United States, and assets located there were reportable only when they belonged to foreign nationals. Because of unavoidable delays in issuing the census forms in the United

[1]Contained in Public Circular No. 4.

[2]These interpretations took the form of questions and answers. There were approximately 250 such questons and answers which were thought to be of sufficient general interest to be brought to the attention of large groups of potential reporters.

[3]See appendix I for a full definition of the matters discussed in this paragraph.

States, and the further difficulties involved in distributing them in the Philippines, very few reports were ever received from the Islands. A few returns relating to property which would normally be reported in the Philippines were filed in the United States but their number and the value of property involved were both very small.

In February 1942, after the invasion of the Islands by Japan, reports were required on Form TFR-300, Series K, of property in the United States (exclusive of the Philippine Islands) in which citizens of, and others located in, the Islands had an interest as of January 1, 1942. Because of the impossibility of making the census complete as to property in the Philippines, as was originally planned, it was decided to use Series K material as an integral part of this report, notwithstanding the difference in the reporting date, and to eliminate all of the original series reports filed in or relating to nationals located in the Islands. Therefore, citizens of the Philippine Islands are treated as foreign nationals in this report and their United States assets are included in the tables. Securities issued by organizations in, and other properties located in, the Philippine Islands have been excluded in practically all cases.

Several persons were often required to file reports with respect to the same property and nationality because they served in different capacities, such as debtors, agents and trustees. The reasons for requiring such duplicating reports were: first, the economic warfare uses for TFR-300 which made it desirable to get data from various sources, and second, the hope that by those means the census would be statistically more complete and accurate.

All kinds of property were reportable under 30 specified types. The descriptions were so broad and inclusive that no property interests were omitted. Certain contingent claims against the Government of the United States arising out of World War I were omitted from the reporting. Market or estimated value in June 1941, was the basis of valuation for most items. The principal exceptions to the rule applied to life interests in estates and trusts, which were valued on an actuarial basis, and interests in controlled enterprises. Some other categories, such as charter parties and agency contracts, were reportable at "no value" or "value indeterminable." Closely held corporations and branches were carried in the tables at the book value of the net foreign interest in the enterprises,[4] inasmuch as market values were not available.

Eight different basic series of Form TFR-300 were provided. There were two general forms, Series A and B, and six specialized forms, Series C to H, designed for reports relating to certain types of property by special reporting parties. Four other forms, Series I, J, K, and L, were added in response to special needs[5] but, with the exception of Series K, were not used in connection with this report.

[4]See the list of property types in appendix I. A detailed statement with respect to the types of valuation and technical definitions is also given in that appendix.

[5]See appendix I. Copies of the forms and instructions, as well as the questions and answers referred to above, have been supplied to leading research libraries throughout the country.

Reports Received

In all approximately 565,000 reports were filed on Form TFR-300, Series A to H. More than 65 percent of all the reports were filed with the Federal Reserve Bank of New York.[6] However, about 85 percent of the total assets were reported on forms filed with that bank, reflecting the concentration of large accounts in the New York banking institutions. The dominant position of New York in the international financial activities of the United States was further reflected in the distribution of the Series E, F and G reports, the bank and broker reports. More than 75 percent of the first and approximately 90 percent of the last two were filed in that district. Reports filed with respect to the assets of individuals located in the United States, and reports filed which duplicated those filed by other reporters, numbered about 210,000. All of these were, of course, eliminated from the census.[7]

A large number of persons were required to file one or more reports. Almost 10,000 corporations filed reports detailing the foreign holdings of their securities. On the average each corporation filed 15 reports on Series C-2 relating to separate nationals, but some of the larger ones filed several hundreds of those forms. Approximately 4,000 banks and trust companies filed 190,000 reports on Series D, E and F, in addition to thousands of reports on Series A and B. Certain banks filed reports numbering in the tens of thousands. Moreover, thousands of individuals and corporations filed because they were indebted to or held property for a foreign national.

Outline of This Report

In this report the main body of the tables, and the discussion, relate to the foreign interest in United States assets. The principal criterion determining the foreign nature of the interest was the location or reported address of the beneficial owner of the property. Consequently citizens of the United States living abroad were considered as foreign nationals and their United States assets included under the country of location. However, because of their special interest, the assets of such persons were also shown in appendix II, tables 10 and 11. Citizens of foreign countries living in the United States were considered as domestic persons and their assets were excluded. Several tables are included in which citizenship is an important factor, particularly in appendix II, part II. However, the decision to include the assets in those tables rested on the finding that the owner lived in a foreign country.

Foreign securities held in the United States, while reportable on TFR-300, are included in the report only in appendix II, table 12. Their values are not included in any other tables, except those relating to the assets

[6] See appendix I, table 13, for further detail.

[7] In cases of duplcating reports, those were kept which revealed the most significant relationship; for example, custodian was preferred over a power of attorney relationship.

of United States citizens and American controlled enterprises in foreign countries.

Chapter III gives a brief statement of the principal facts of the foreign ownership of United States assets. The discussion is brief and the tables are numerous. Tables in the appendix are detailed and, unless necessary in the interest of clarity and understanding, they are not discussed in the text. Chapter IV is devoted to a short discussion of the changes which have taken place in foreign-owned United States assets since the date of the census. It indicates roughly the value of those assets as of December 31, 1944, and the principal factors in the changes that occurred.

Short analyses of four by-products of the census are given in chapter V. First is a comparison of the TFR-300 results and earlier estimates of similar type. The purpose is to ascertain any defects in the estimates so that both future studies and future uses of them may be more accurate. Second is an analysis of the results of the census. The aim is to extract such help as possible in the explanation of the "residuals," or "unexplained items," in the balance of international payments of the United States. Third is a brief statement with respect to the United States assets and foreign securities held in this country by United States citizens and enterprises abroad, and fourth, is an analysis of foreign holdings of foreign securities through custodians and nominees in the United States.

There are two appendices. The first is a detailed discussion of the rules and regulations under which the census was taken and a careful statement of the definitions and principles of valuation used in this report. There is also a "Geographical Outline" which shows the combinations of areas used generally throughout the tables. The second is a series of detailed tables with respect to foreign-owned assets as reported on Form TFR-300. A set of 19 tables relating to the assets of the principal foreign countries, by detailed property types, has been included in appendix II, part II.

CHAPTER III

Foreign-Owned United States Assets

The Statistical Results of the Census

The United States was in 1941, and still is, the greatest storehouse for foreign-owned values in the world. About 160,000 persons of all countries in the world held United States assets[1] which on June 14, 1941 were valued at $12,739,000,000[2] as shown in table I. Foreign securities held here for foreign account, but excluded from the total just stated, had a market value of $890,000,000.

TABLE I.—*Number of foreign persons owning United States assets and the value thereof, by types of persons, as of June 14, 1941*

Type of person	Number of persons		Value of assets reported
	Having only assets reported without values[1]	Having assets reported wholly or in part with values	
			Millions
Individuals and sole proprietorships	72,479	132,036	$2,577.8
Corporations and other profit organizations	16,788	23,102	7,980.3
Non-profit organizations[2]	271	857	70.2
Governmental bodies	525	711	2,016.3
Miscellaneous[3]	1,804	3,638	93.9
Total, all types	91,867	160,344	[4]12,738.7

NOTE.—The value figures are rounded and will not necessarily add to the totals.

[1]Composed principally of three types of reports: (1) those relating only to types of assets, with respect to which no values were required, namely, patents and contracts, (2) those relating to assets, primarily foreign securities, with respect to which no values were obtainable, and (3) those relating to nationals whose total reported assets were less than $1,000. (See appendix I, p. 55.)

[2]Charitable, educational, religious and similar organizations.

[3]Principally, foreign estates and trusts.

[4]Foreign securities held in the United States for the account of foreigners, but excluded from the body of this report, are shown by countries in table 12, p. 75, and are discussed in Chapter V, Section D, pp. 50, 51.

Besides the normal attractiveness of this country as a place to invest savings, world economic and political conditions before 1941 were such as to encourage persons in foreign countries to accumulate assets here for

[1]For meaning of the terms "United States assets" and "persons," as well as for other definitions, see appendix I, p. 54.

[2]The foreign-owned United States assets of $12.739,000,000 were not net, or free of indebtedness, as of June 14, 1941. Indebtedness secured by the assets reported amounted to about $300,000,000 including debit balances reported by United States brokers. A much larger sum of unsecured indebtedness was reported but was not subjected to intensive editing analysis because such indebtedness would be reported in the census of American-owned assets in foreign countries (TFR-500) which was taken as of May 31, 1943. The valuation methods employed in the case of branches and subsidiaries of foreign companies took account of the indebtedness. The net in such instances should have approximated the net worth of the foreign interest in those enterprises.

The statistics presented in this report are subject to the following types of correction: First, some foreign-owned assets may not have been reported, and, second, some reports may have been incorrect, even after editing, with respect to such matters as classification and valuation. It is believed that these corrections would make no significant difference in the major totals. They might, occasionally, have an important effect on details.

safekeeping. That this was a dominant motive is shown by the fact that approximately one-third of the total foreign-owned United States assets was in the form of demand deposits in American banks, a type of asset on which no interest has been paid in recent years.

Because the United States is an important industrial country, securities of American corporations were attractive to foreigners. They presented many opportunities for sound, profitable investments. Many of such investments, which totaled about $2,400,000,000, were made during the years between 1937 and 1941 and may have been motivated by the desire to have some assets in a safe place.

Being one of the principal consumers, as well as producers, of goods and services in the world, the United States attracted a large volume of investments in subsidiaries and branches to manufacture for, distribute to, and serve the public. Investments of this type, which participate directly in the economic activity of the country, amounted to $2,312,000,000. These are not influenced as greatly by world conditions, such as those which existed before the war,[3] as the other types of assets are.

General Types of Assets

Assets which do not involve any appreciable control over industry in the United States predominate among the foreign holdings. Bank deposits in particular, which are almost exclusively demand deposits, have been placed here normally to facilitate commercial transactions. However, as of the date of the census they were larger than necessary for that purpose, in fact the total of about $4,000,000,000 had never been approached previously. The deposits of central banks and foreign governments were unusually large because of world economic and political conditions. Private deposits had increased also and for somewhat the same reasons. In large part "checks, notes and drafts" amounting to $317,000,000 could be classed with deposits and currency as short-term assets (see tables IV and V, pp. 18 and 19, respectively).

Common stocks comprised almost 70 percent of the foreign portfolios of domestic securities (see table VII, p. 22). Whereas at various times in the history of this country Government bonds and railroad bonds have been favored by foreign investors, today those types are relatively unimportant. Approximately three-fourths of the securities reported were listed on the New York Stock Exchange and more than half of the remainder were listed on the New York Curb Exchange.

The substantial volume of interests in estates and trusts was the result of several factors: First among them was the large number of well-to-do citizens of the United States who made their homes abroad, for example, in France, Italy and England. Second was the effect of immigration, evident in the number of estates, and trusts under wills, in

[3] Enterpriser's capital did migrate at the time with the individual owners (refugees). Such investments are not reflected in these figures.

which natives of Europe were beneficiaries. Third were the marital ties between wealthy American and prominent European families which showed up particularly in the number and value of trusts with English beneficiaries, and fourth, some trusts were established by English insurance companies during 1939 and 1940. A large number of the trusts in which residents of the United Kingdom were involved dated back to 1910 and earlier.

TABLE II.—*Number of foreign persons owning United States assets and the value thereof, by geographic areas (on the basis of reported address), as of June 14, 1941*

Geographic areas (of reported address)	Number of persons		Value of assets reported
	Having only assets reported without values[1]	Having assets reported wholly or in part with values	
			Millions
Canada and Newfoundland	12,276	29,092	$1,742.8
South America	8,992	12,649	672.9
Central America and Mexico	5,408	7,010	385.3
West Indies and Bermuda	4,437	6,847	306.4
Europe	50,750	84,093	8,127.6
Africa	1,876	3,068	162.5
Asia	5,520	14,909	1,257.3
Oceania	1,337	1,636	68.2
Unknown	1,271	1,040	15.7
Total, all areas	91,867	160,344	12,738.7

NOTE.—The value figures are rounded and will not necessarily add to the totals.

[1]Composed principally of three types of reports: (1) those relating only to types of assets with respect to which no values were required, namely, patents and contracts, (2) those relating to assets, primarily foreign securities, with respect to which no values were obtainable, and (3) those relating to nationals whose total reported assets were less than $1,000.

There is some, though not conclusive, evidence of a tendency for persons in several foreign countries to establish trusts in this country in order to evade taxation, avoid double taxation, or to reduce the possibility of seizure by their own and enemy governments. The percentage of trusts that were established between 1938 and 1941, inclusive, was very small in cases with Canadian beneficiaries, was somewhat larger when beneficiaries in the United Kingdom and Italy were involved, but was substantially higher in the cases with German, Dutch and Swiss beneficiaries.

Among the other assets, holdings of real estate, the cash value of insurance policies, and goods and merchandise were small. The latter reflected the low state of international trade. Debts and claims were very large, partly because some foreign government assets were included (see appendix II, table 3, p. 66). Included therein are accounts payable by American corporations (other than enterprises controlled by foreigners), which are a significant part of the total. An effort was made to exclude claims of very questionable value, perhaps without complete success.

The Principal Countries Involved

Two-thirds of the $12,739,000,000 of foreign-owned United States assets[4] as of June 14, 1941 belonged to 84,000 persons located in European

[4]Exclusive of gold held under earmark for foreign account by the Federal Reserve Bank of New York.

countries while about one-seventh belonged to 29,000 persons in Canada. The remainder was about equally divided between Latin America and Asia (see table II). The British Commonwealth of Nations as a whole accounted for $5,355,000,000 or 42 percent of the total foreign-owned assets in the United States.[5] A complete geographical breakdown of foreign-owned United States assets is given in appendix II, table 1.

TABLE III.—*Value of United States assets owned by persons in foreign countries by types of persons and by principal countries, as of June 14, 1941*

[In millions of dollars]

Country (of reported address)	Types of persons: Individuals and sole proprietorships	Corporations and other profit organizations	Governmental bodies [1]	Other persons [2]	Total
Argentina	41.5	186.2	5.2	0.6	233.4
Belgium	56.1	251.0	3.1	2.3	312.7
Brazil	34.3	80.5	18.8	0.4	134.1
Canada	227.5	1,195.7	264.5	21.5	1,709.2
China	38.0	283.7	27.1	7.6	356.4
Cuba	63.7	95.2	9.1	3.7	171.8
France	357.4	589.2	82.3	11.5	1,040.5
Germany	83.7	108.0	0.9	5.5	198.0
Hong Kong	25.8	57.5	0.7	0.4	84.3
Italy	91.0	15.9	1.4	21.3	129.6
Japan	16.7	138.5	4.6	.8	160.5
Mexico	70.4	76.3	5.3	7.8	159.8
Netherlands	82.8	794.8	96.0	3.1	976.7
Netherlands East Indies	4.2	153.7	0.6	0.2	158.7
Panama	4.8	154.7	10.6	(3)	170.1
Portugal	14.8	43.7	0.7	0.5	59.7
Spain	36.5	18.2	2.4	2.8	59.8
Sweden	24.6	310.8	29.5	1.3	366.2
Switzerland	245.1	955.3	4.3	5.9	1,210.6
United Kingdom	634.9	1,524.4	1,037.2	42.4	3,238.9
Total	2,153.8	7,033.4	1,604.4	139.8	10,930.7
All other countries	424.0	946.9	411.9	24.3	1,808.0
Total, all countries	2,577.8	7,980.3	2,016.3	164.1	12,738.7

NOTE.—The figures are rounded and will not necessarily add to the totals. They are based on data reported on Form TFR-300 without regard to supplementary information such as that presented in table VI, p. 21.

[1] Foreign central banks, whose dollar assets amount to about $800,000,000, are included with corporations and other profit organizations.

[2] Includes non-profit organizations, foreign estates and trust and persons not otherwise classifiable.

[3] Less than $50,000.

Five countries, the United Kingdom, Canada, Switzerland, France and the Netherlands, have 65 percent of the total foreign holdings (see table III). The United Kingdom holdings as of June 14, 1941, amounting to $3,239,000,000, far exceeded the assets of any other country. Second, among the individual countries, was Canada with holdings totaling $1,709,000,000. This total was probably less affected by the events leading up to and in the first war years than those of most countries. The United States assets owned in the other three countries were Switzerland, $1,210,000,000; France, $1,040,000,000; and the Netherlands, $977,000,000. The assets of each of these countries were built up considerably before the war.

[5] The country of ultimate beneficial ownership does not always correspond with that of the country of location of the nominal owner, particularly when a bank in a financial center is reported as the nominal owner.

In considering the British total of $3,239,000,000 as of June 14, 1941, the following factors should be taken into account: The total includes, for example, advance payments on munitions contracts amounting to about $850,000,000 which were eliminated soon thereafter by the delivery of the materials. It also includes assets amounting to about $940,000,000 which were offset by obligations on contracts in that amount. Furthermore, assets with an estimated value of about $700,000,000 were shortly afterwards pledged as collateral for a loan from the Reconstruction Finance Corporation. Although the British-owned United States assets not subject to these qualifications amounted as of the middle of 1941, to about three quarters of a billion dollars, a substantial part was not available to the Government.[6]

Enemy countries [7] owned United States securities and other types of assets in this country amounting to $519,000,000. Germany, Japan and Italy with $198,000,000, $160,000,000 and $130,000,000, respectively, composed most of that total (see appendix II, table 1, p. 61). Assets of a relatively liquid type—deposits and securities—accounted for only 40 percent of the total for the above-mentioned countries whereas for all parts of the world the corresponding figure was 55 percent. This is evidence of a considerable degree of success in the mobilization of liquid assets by Germany and Italy before the war started. The German policy, after the Nazi regime came to power, was to employ their industrial enterprises abroad as cells of influence and to safeguard production techniques. Those enterprises constitute the largest part of the German total assets in this country. Interests in estates and trusts, which were also quite large for both Germany, and Italy, were not subject to ready liquidation at the behest of the Government. A further factor is the relatively large part of the Italian total, particularly in the securities category, owned by United States citizens located in that country.

United States assets amounting to more than $3,000,000,000 were owned by persons in areas occupied by Germany and Japan at the height of their success. Sixty-five percent of these assets were in the form of deposits and domestic securities. It was important, therefore, that these assets should not fall into the hands of the enemy. The possession of $2,000,000,000 of liquid assets, plus about $1,000,000,000 of earmarked gold (see table XI, p. 34) would have been of marked assistance to the enemy. Treasury freezing control was the instrument by which enemy countries were prevented from benefiting by these assets.

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[6] A large part of these remaining British-owned dollar assets were not readily realizable. Most of the $400,000,000 of interests in estates and trusts were of such a nature that they were not subject to effectual seizure by the Government of Great Britain. It is probable, also, that some assets reported here as owned in the United Kingdom were actually held by British banks for residents of other countries. See ch. IV, "Changes in Foreign-Owned Dollar Assets and Gold in the United States."

[7] Based on the status as of the end of 1943—Bulgaria, Germany, Hungary, Italy, Rumania and Japan. Assets reported on TFR–300 as owned in non-enemy countries, but vested as enemy-owned by the Alien Property Custodian, are included in this report under the enemy ownership determined by the custodian.

Five countries—Argentina, Brazil, Cuba, Mexico and Panama—stood out among the Latin American nations. A substantial part of the Panamanian holdings, and perhaps of the Argentine, was ultimately owned in Europe. Deposits and securities comprised a large part of the total. Among the Asiatic countries, China, the Philippine Islands, Japan and the Netherlands East Indies were outstanding. Only in the case of Japan were interests in controlled enterprises very large. Deposits were large in relation to the totals in each case.

Corporate and Individual Holdings Discussed

Individuals in foreign countries owned directly, as of June 14, 1941, 21 percent of the foreign-owned United States assets, while corporations owned 63 percent and governmental bodies and other types of persons owned 16 percent (see table IV). The proportions were greatly affected by the war which caused foreign exchange assets to be concentrated in the hands of governments and central banks.[8] For example, the Government of the United Kingdom took over most of the marketable securities held by British subjects. That Government, as well as others, took over the dollar receipts of their subjects, such as interest and dividends, and when private remittances were required they were licensed to be paid out of the Government's supply of dollars.

Three types of assets predominated among the holdings of individuals; securities to the amount of $808,000,000, interests in estates and trusts, $799,000,000 and deposits, $505,000,000. Only in Italy were the assets of individuals more than half of the country's total and that was influenced greatly by the holdings of United States citizens living there.[9]

Corporate holdings were principally in the form of deposits, $2,852,000-000; interests in controlled enterprises, $2,096,000,000, and domestic securities, $1,812,000,000. Miscellaneous assets, mostly accounts receivable, notes, and other claims, were also large. There are wide variations in the proportions of these various types of assets among the principal countries. More than 40 percent of the holdings of British, Canadian and Netherlands corporations were interests in controlled enterprises in the United States, whereas only 14 percent of the French and Swiss assets were of that type. Two-thirds of the French corporate holdings and about 44 percent of those of the Swiss were deposits in United States banks. In both countries central bank deposits were quite large but the shift of Swiss funds from private account to that of the central bank, which took place in 1940 and 1941, had been offset by a shift from dollars to gold.

Three-fourths of the foreign-owned American securities, as of June 14, 1941, were held by persons in five countries—the United Kingdom,

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[8] Central bank accounts, amounting to about $800,000,000, were included with corporations in these statistics.

[9] The ultimate ownership of assets, especially securities, is often obscured by the intervening agency of a bank abroad in the form of a custody account. See section "Assets held in names other than the owner's," p. 22, ff.

Canada, Switzerland, the Netherlands and France (see table VIII, p. 24). The portfolios of these countries exhibited a marked similarity in the classes of securities of which they were composed, particularly the first three mentioned. With respect to those five countries, common stock comprised about 70 percent, preferred stocks about 12 percent, and

TABLE IV.—*Value of United States assets owned by persons in foreign countries, by detailed property types and by types of persons, as of June 14, 1941*

[In millions of dollars]

Property types	Types of persons					
	Individuals and sole proprietorships	Corporations and other profit organizations	Non-profit organizations	Governmental bodies	Miscellaneous	Total
Bullion, currency and deposits:						
Bullion[1]	(2)	25.0	....	1.0	....	26.0
Currency	7.2	0.8	(2)	0.7	0.1	9.0
Demand deposits[3]	439.0	2,798.6	18.4	746.9	16.5	4,019.5
Time deposits	58.9	28.0	0.6	104.9	2.0	194.3
Total	505.1	2,852.4	19.0	853.5	18.6	4,248.8
Stocks and bonds:[4]						
U.S. Government obligations	61.3	146.4	2.8	0.1	3.1	213.7
State and municipal obligations	74.6	15.0	1.6	0.4	1.1	92.7
Corporate bonds	82.0	124.9	7.6	0.2	4.7	219.4
Common stocks	491.1	1,308.6	14.2	2.2	26.5	1,842.6
Preferred stocks	92.6	200.3	6.2	(2)	6.9	306.1
Other securities	6.6	17.3	(2)	0.4	0.2	24.5
Total	808.2	1,812.5	32.4	3.3	42.5	2,699.1
Real property:						
Real estate	65.2	14.6	0.8	0.1	5.4	86.2
Real estate mortgages	21.5	9.9	0.7	5.6	1.0	38.6
Total	86.7	24.5	1.5	5.7	6.4	124.8
Interests in estates and trusts:						
Estates	55.7	0.6	0.6	0.4	3.9	61.2
Trusts	743.5	52.5	6.5	0.7	2.9	806.1
Total	799.2	53.1	7.1	1.1	6.8	867.3
Interests in controlled enterprises:[5]						
Branches	5.0	501.7	0.6	(2)	(2)	507.3
Corporations and other organizations	143.1	1,594.2	2.0	53.1	13.0	1,805.3
Total	148.1	2,095.9	2.6	53.1	13.0	2,312.6
Other assets:						
Checks, notes, acceptances	20.6	293.1	0.3	2.9	.4	317.2
Goods and merchandise	25.2	250.2	1.6	58.3	3.8	339.1
Insurance policies and annuities	93.1	3.2	(2)	(2)	0.2	96.6
Debts and claims	91.6	595.4	5.7	1,038.4	2.2	1,733.2
Total	230.5	1,141.9	7.6	1,099.6	6.6	2,486.1
Total	2,577.8	7,980.3	70.2	2,016.3	93.9	12,738.7

NOTE.—The figures are rounded and will not necessarily add to the totals.

[1]Excluding gold held under earmark for foreign account by the Federal Reserve Bank of New York, amounting to $1,916,000,000. See p. 34 for further details.

[2]Less than $50,000.

[3]Including balances in securities accounts with brokers amounting to $55,700,000 and amounts due to the head office by the United States branches of foreign banks.

[4]Bearer securities, primarily bonds, were in general only reported when held by U.S. custodians and nominees. See section on "Foreign Holdings of Corporate Bonds," pp. 20-22.

[5]For statistical purposes only, control was determined on the basis of the ownership of 25 percent or more of the voting stock of corporations and analogous interests in partnreships and other organizations.

corporate bonds about 8 percent of the total. The French holdings were somewhat more concentrated in bonds, particularly national, state and municipal obligations.[10]

TABLE V.—*Value of bullion[1], currency and deposits owned by foreign persons, by geographic areas (on basis of reported address), as of June 14, 1941*

[In millions of dollars]

Geographic areas (of reported address)	Bullion[1]	Currency and coin[2]	Deposits		Cash balances in securities accounts[4]	Total
			Demand[3]	Time		
Canada and Newfoundland	....	0.2	419.5	5.3	4.9	429.9
South America	0.1	0.6	283.7	6.4	13.9	304.7
Central America and Mexico	0.5	0.6	140.7	9.6	2.1	153.4
West Indies	(5)	1.2	81.5	7.4	2.9	93.0
Europe	3.2	5.9	2,173.5	47.5	112.7	2,342.8
Africa	(5)	0.1	61.3	3.0	1.1	65.4
Asia	22.2	0.4	683.8	114.3	3.7	824.5
Oceania	(5)	(5)	33.0	0.8	0.2	34.0
Unknown	....	(5)	0.6	0.2	0.3	1.1
Total, all areas	26.0	9.0	3,877.6	194.3	141.8	4,248.8

NOTE.—The figures are rounded and will not necessarily add to the totals.
[1]Excluding gold held under earmark by the Federal Reserve Bank of New York for foreign account amounting to $1,915,800,000. See also table XI, page 34.
[2]Excluding gold coin held under earmark.
[3]Including amounts due to the foreign head office by the United States branches of foreign banks.
[4]Reported on Series F and G.
[5]Less than $50,000.

There was also a considerable uniformity in the types of persons who owned these securities. In general about 30 percent of each class of security belonged to individuals and 65 percent to corporations. The principal exception was the French holdings in which the reverse situation existed. The French, to a greater proportionate extent than any other country, had organized investment companies in the United States to hold their portfolio. Such holdings would appear in the "interests in controlled enterprises" rather than in the securities portfolio. Other peoples, notably the Swiss, had organized investment companies in this country. However, the Swiss still held the major part of their portfolio in bank custody accounts and, to a considerable extent, the Swiss branch banks acted as custodians. The concentration of securities in the portfolios of corporations is partly the result of a system of holding such assets through the omnibus and numbered accounts of foreign banks. This practice, which prevents the identification of the owner of the securities in the accounts, has been used extensively by nationals in many countries, notably through Swiss banks.[11]

Corporations owned only 50 percent of the enemy-owned assets in the United States as against 63 percent for all foreign-owned assets (see table III, page 15). To a considerable extent this is accounted for by the transfer to this country of large parts of the reserves of the central

[10]Data based solely on TFR-300 reports indicated a high degree of concentration in common stocks by the Netherlands but the material shown in table VI makes it appear that instead the large percentage of corporate bonds to the total was the most unusual feature of the Netherlands holdings.

[11]This subject is discussed in greater detail later in this chapter.

banks of neutral and enemy-occupied countries during 1939 and 1940. Although the enemy countries took over the marketable dollar assets of their peoples before the war, interests in estates and trusts and the holdings of United States citizens, both of which were large in Germany and Italy, left substantial assets owned by individuals. Considerably more than 80 percent of the Japanese holdings was in the hands of corporations.

Small holdings of less than $5,000 accounted for about 4 percent of the total enemy-owned United States assets and 58 percent of the number of persons. Close to 90 percent of these small holders were individuals (see appendix II, table 5, p. 67). The number of persons decreased rapidly as the value of their holdings increased so that 3.5 percent owned 74 percent of the total assets. In the higher brackets the corporations became of greater relative importance in number and value of assets. As shown in table 4, appendix II, the number and value of enemy-owned assets in the lower ranges were higher in proportion to the total than was the case when all countries were combined. However, institutional holdings on behalf of foreign individuals probably account for the greater degree of concentration in large accounts in the case of certain non-enemy European countries.

Foreign Holdings of Corporate Bonds

Those United States bearer securities that were located in foreign countries, as of June 14, 1941, principally corporate bonds,[12] were not, generally speaking, reported on Form TFR-300. No more reliable data about the identity of the owners were available to persons who would be liable to report than information already reported to the Bureau of Internal Revenue on the ownership certificates (Form 1001), which were filed when interest coupons were cashed. When no other evidence than that contained on the ownership certificate was available reports on Form TFR-300 were not required.

It is possible, however, to estimate and distribute by countries the value of the corporate bearer bonds located abroad with reasonable accuracy. The International Economics and Statistics Unit of the Department of Commerce tabulated the interest data on the ownership certificates (Internal Revenue Form 1001) for the year 1940. The occupation of several important countries by German-owned forces during that year caused the adoption of the freezing controls by the Government of the United States. A considerable reduction in the interest coupons turned in for collection during that year was the result. Therefore, estimates based on the data obtained were less reliable than was hoped for when the study was started. They still are the best figures available.[13]

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[12]Available evidence indicates that the United States Government securities owned by foreigners are predominately short-term and are almost all held in custody accounts in this country. Furthermore, foreign holdings of state and municipal obligations physically located abroad appear to be very small in volume (see table VII, p. 22 for estimated totals involved).

[13]These previously unpublished data were made available to this Department in order that the information given herein could be as complete as possible.

The total par value of the foreign holdings of United States corporate bonds as calculated by the Department of Commerce was $532,000,000.[14] The market value was $387,000,000 at prices prevailing at the end of 1940 which corresponded very closely with those as of the date of the census. The market value of the bonds located abroad may be roughly estimated as the difference between the above data and the TFR-300 figure of $219,000,000, or about $168,000,000[15] (see table VI).

TABLE VI.—*Foreign holdings of United States corporate bonds—comparison of TFR-300 data and those prepared by the Commerce Department*

[In millions of dollars]

Country and area	TFR-300 data	Commerc data[1]	Indicated addition to (+) or deduction from (—) TFR-300 data
Canada and Newfoundland	43.0	44.0	+ 1.0
South America	8.2	5.0	— 3.2
Central America and Mexico	6.8	4.0	— 2.8
West Indies and Bermuda	12.0	6.5	— 5.5
Europe:			
Belgium	2.3	9.0	+ 6.7
France	18.3	27.0	+ 8.7
Netherlands	15.1	154.1	+139.0
Switzerland	42.6	47.0	+ 4.5
United Kingdom	41.5	62.3	+ 20.8
Other Europe	13.1	18.1	+ 5.0
Total, Europe	132.9	317.5	+184.6
Africa	1.2	1.6	+ 0.4
Asia	14.4	8.0	— 6.4
Oceania	0.7	0.4	— 0.3
Unknown	0.3	....	— 0.3
Total, all areas	219.4	387.0	+167.6

NOTE.—The figures are rounded and will not necessarily add to the totals.

[1]Based on previously unpublished data prepared by the International Economics and Statistics Unit of the Department of Commerce. The amounts were converted to market values at the average rate of 73 percent of par, a rate indicated by the Commerce Department data.

Most of this additional foreign investment, or $139,000,000, was owned in the Netherlands. This was to be expected in view of the practice in the Netherlands of holding securities in that country, as is shown in table VIII. The amounts to be added to the other European countries are much smaller in absolute and percentage terms.

Before the war Latin America and even Asiatic investors held United States and other securities and transacted their investment business through accounts in English and Continental banks. With political conditions as they were, accompanied by the destruction of records and property, some of these securities were probably transferred to New York before June 14, 1941, the date of the census. The effect of such shifts

[14]The interest reported on the ownership certificate was in general capitalized on the basis of the rate of interest paid. Because many of the coupons could not be presented for collection, the assumption was made that the total interest due was approximately the same as in 1939, for which the total was known but no details by countries had been tabulated. The difference between the 1939 and the actual 1940 interest payments was allocated to the countries of occupied Europe in the proportions actually tabulated as paid to each of those countries. An attempt was made to include defaulted bonds in the total.

[15]Because of political conditions in Europe, it is probable that substantial amounts of the European holdings were shipped to the United States during 1940 and early 1941 to be placed in custody accounts. Therefore, as of 1940, the amounts actually in Europe may have been larger than $168,000,000.

would be the reduction of the amounts shown in the table opposite Europe and the increase in amounts opposite Latin America and Asiatic countries. The same conditions caused individuals to move from Europe to Latin America. The statistical results of such a migration would be the same whether or not the securities were taken out of custody accounts in Europe and moved physically to Latin America or were held in custody accounts in New York but the address of the owner transferred to Latin America. More important, perhaps, is the fact that ownership certificates do not need to be filed with respect to bonds of companies which derive 80 percent or more of their income from abroad. Several American companies operating in Latin America and Asia, with bonds outstanding, fall in this group. For these reasons it is not thought that deductions need to be made from the TFR-300 results for any area, and that the additions to the European country totals shown in table VI should be made.

TABLE VII.—*Value of United States securities*[1] *owned by foreign persons, by geographic areas (on basis of reported address), as of June 14, 1941*

[In millions of dollars]

Geographic areas (of reported address)	Class of securities						
	Government obligations		Corporate bonds	Common stocks	Preferred stocks	Other	Total
	National	State and municipal					
Canada and Newfoundland	32.2	4.9	43.0	388.9	66.9	6.9	542.9
South America	9.0	1.7	8.2	70.7	10.0	0.4	100.1
Central America and Mexico	5.1	1.2	6.8	66.4	10.3	0.2	89.9
West Indies	21.8	5.6	12.0	55.7	7.3	0.2	102.5
Europe	116.0	76.9	132.9	1,159.3	196.1	15.9	1,697.1
Africa	0.7	0.2	1.2	12.9	1.2	(2)	16.3
Asia	27.4	2.2	14.4	82.9	13.1	0.8	140.8
Oceania	1.2	0.1	0.7	4.8	0.9	0.1	7.8
Unknown	0.2	0.1	0.3	1.1	0.1	(2)	1.8
Total, all areas	213.7	92.7	219.4	1,842.6	306.1	24.5	2,699.1

NOTE.—The figures are rounded and will not necessarily add to the totals.

[1]Bearer securities, primarily bonds, were in general only reported when held by United States custodians and nominees. See section on "Corporate Bonds," ch. IV and table VI.

[2]Less than $50,000.

Assets Held in Names Other Than the Owner's

The practice of holding assets in names other than those of the beneficial owners is widespread. Although the technique frequently serves strictly business purposes, assets are often held in that manner to conceal the identity of the owner. In times of peace concealment of ownership is practiced because it enables persons to evade taxes, to avoid double taxation, or to obtain the benefit of more favorable national character. Sometimes it is used to conceal the nationality of the owner in case war should occur.

This practice takes several forms. First, the use of custodians and nominees to hold title to assets at the point of the principal market for such assets is well known in the securities business. Delivery in accordance with the customs and rules of the market is greatly facilitated. Second, the normal channels of business often cause custodial relationships to run through at least two countries. For example, people in the Balkans are very likely to deal in United States securities through Swiss banks because those banks maintain close contact with the New York market and Balkan banks do not. London banks and brokers also do a large international business in United States securities and frequently hold the assets of investors in continental Europe as well as more distant places. Third, corporations are set up in this country to hold United States assets, or in foreign countries to hold control over American corporations or other assets. A multiplicity of subsidiaries is common in the United States and in foreign countries. It is sometimes justified on administrative grounds. However, as frequently happens, the device is also used for other reasons, such as to facilitate the concealment of beneficial ownership.

The extent to which custodian and nominee relationships have been set up by foreigners in the United States is shown in table VIII. Of the $2,699,000,000 of United States securities held by foreigners as of June 14, 1941, $1,860,000,000 were held by United States banks in a custodian or nominee capacity, or by brokers and others in similar capacity or as agents.

The system of holding securities through nominees or in custody accounts is not exclusively for the benefit of either individuals or corporations, it serves both. Furthermore, its use is not entirely dependent upon distance. The Netherlands and Switzerland are comparable in the matter of distance and both are financial centers. Still they differ in the use of the system. Only 34 percent of the Netherlands holdings was held through custodians and nominees while 95 percent of the Swiss holdings was of that type. The reason appears to be one primarily of business customs and practices. In the Netherlands, United States securities become liquid or readily marketable by reason of the issuance of Dutch certificates representing the ownership of the American security. Administrative trusts have been organized to hold immediate title to the securities and to issue receipts which are marketable on the Netherlands stock exchanges. Switzerland, on the other hand, operates through bank custodian and nominee accounts, thereby keeping the securities close to the market in the United States.

The "nominee" system, which in its most unsavory manifestations is referred to as "cloaking," has been subject to scrutiny by Foreign Funds Control for several years. General Ruling No. 17, issued October 20, 1943, was one of the measures adopted in the attempt to uncover the actual ownership of securities held in the names of banks and financial institutions in blocked countries. Under General Ruling No. 17, there may not be any sales or purchases of securities, or receipt of income on securities, held in the account of a financial institution within a blocked country, unless the person in the United States holding the securities receives from the foreign financial institution: (1) identification as to the name, address and nationality of each person having an interest in the securities since April 8, 1940, or (2) a certification to the effect that no person who is a national of a blocked country other than the country in which the foreign financial institution is located has had an interest in the securities since the date mentioned.

TABLE VIII.—*Value of United States securities owned by foreign persons, by principal countries and areas (on basis of reported address), and by manner in which held, as of June 14, 1941*

[In millions of dollars]

Countries and areas	Manner in which securities are held[1]				
	Registered under foreign address[2]	In custody or nominee accounts with banks[3]	In custody or nominee accounts with brokers[4]	By nominees or custodians other than banks and brokers[5]	Total
Canada and Newfoundland	394.9	82.3	24.7	41.0	542.9
Latin America:					
Argentina	2.4	19.9	16.7	12.5	51.4
Brazil	1.2	8.2	2.5	1.7	13.6
Cuba	6.5	23.1	6.6	30.0	66.2
Mexico	3.1	15.3	4.4	4.8	27.6
Panama	0.7	10.4	3.6	38.6	53.3
Other Latin America	12.0	39.4	11.1	17.8	80.3
Total, Latin America	25.9	116.3	44.9	105.3	292.5
Europe:					
Belgium	4.9	18.7	4.6	6.7	34.9
France	20.6	60.3	28.0	77.5	186.4
Germany	1.6	4.5	0.6	5.7	12.4
Italy	1.3	9.4	1.3	21.1	33.0
Netherlands	211.3	70.7	19.8	18.0	319.8
Portugal	0.9	5.2	0.3	1.0	7.4
Spain	1.0	9.4	1.8	3.1	15.4
Sweden	14.5	8.7	2.1	10.6	35.9
Switzerland	22.1	267.8	78.7	48.6	417.2
United Kingdom	148.9	333.8	24.5	80.4	587.5
Other Europe	7.7	17.2	8.5	13.7	47.1
Total, Europe	434.9	805.8	170.1	286.3	1,697.1
Africa:	1.6	7.1	1.3	6.3	16.3
Asia:					
China	2.8	38.3	7.2	5.5	53.7
Hong Kong	0.4	16.6	0.7	2.3	19.9
Japan	0.8	9.0	0.2	1.7	11.7
Netherlands East Indies	0.8	5.3	0.2	3.5	9.9
Other Asia	6.1	20.1	2.8	16.6	45.6
Total, Asia	10.9	89.3	11.1	29.5	140.8
Oceania	1.1	4.2	0.7	1.9	7.8
Unknown	0.5	0.3	0.6	0.4	1.8
Total, all areas	869.7	1,105.3	253.3	470.7	2,699.1

NOTE.—The figures are rounded and will not necessarily add to the totals.

[1]Bearer securities, primarily bonds, were in general only reported when held by United States custodians and nominees. See section on "Corporate Bonds," ch. IV.

[2]Reported on Series C.

[3]Reported on Series F.

[4]Reported on Series G.

[5]Reported on Series A and B.

As of August 1944, about $200,000,000 of the United States securities, or two-thirds of those in the names of financial institutions in neutral European countries, had been certified or identified. Of those about 85 percent was certified or identified as being owned by persons who were citizens of, and located in, the country of the foreign financial institution involved.[16] At least half of the other 15 percent was asserted to be owned by persons of various nationalities located in Switzerland, principally French and Dutch. Holdings by persons located in Germany and other enemy countries were insignificant, while those of German citizens located in non-enemy countries amounted to about $2,000,000 or 1 percent of the total certified and identified under General Ruling No. 17. It is possible that some of the other one-third ($100,000,000), with respect to which no information had been received under General Ruling No. 17 as of August, was enemy-owned, although identifications since that time have failed to uncover any substantial holdings.[17]

The ownership of assets by individuals and corporations through holding companies is a common practice in domestic as well as international investments. Many foreign corporations have been organized by citizens and residents of the United States to hold domestic assets. As shown by table II, appendix II, the United States assets held by American-owned enterprises in foreign countries as of June 14, 1941, totalled about $697,000,000.[18] A substantial part of these assets developed out of the normal parent-subsidiary or branch relationships of corporations devoted to industrial activities while other parts were the portfolios of personal holding companies and the assets of financial enterprises.

Of primary interest, however, are the corporations which have been organized in many countries, such as in Argentina, Panama, and Switzerland, by citizens of other foreign countries, to hold United States assets. The TFR-300 reports of 110 Panamanian corporations were studied and it was found that 43 were owned in Switzerland, 20 in the United States, and the other 47 in 23 other countries. Only 9 of the 47 could not be traced beyond Panama. There is no assurance that any of the reports of holding companies gave the country of ultimate ownership.

Most of the Swiss and other foreign-owned Panamanian corporations, in terms of volume of assets, were represented in the United States by agents or by persons having powers of attorney. Others, important in volume of assets, were represented by officers or directors. More numerous, but with far less assets, were the corporations whose assets were reported only by banks and brokers in this country.[19]

A similar analysis was made of the reports of 6 Bermudian and 29 Bahamian corporations holding United States assets and foreign securities

[16] Based on reports filed under General Ruling No. 17, 8 F. R. 14341, by the larger New York banks that hold accounts affected by the ruling.

[17] General Ruling No. 17 did not cover nonblocked countries and, therefore, there is no means of ascertaining the volume of assets held by Argentine and other Latin American banks and financial institutions for persons located in other countries. Morover, since the accounts of institutions in occupied countries were exempted from the ruling during the period of occupation, no information is yet available regarding such countries as France and the Netherlands.

[18] This is undoubtedly an underestimate because, in general, there was no provision which required that American ownership should be reported. Frequently such ownership was, in fact, reported. Other available data were also used.

[19] These 110 Panamanian corporations had United States assets and foreign securities amounting to $114,000,000, of which $66,000,000 belonged to the corporations owned in Switzerland, and $12,500,000 to those owned in the United States. Examinations were made of 13 other reports of enterprises incorporated in Panama but owned and operating outside of that country. These controlled assets amount to $44,000,000. Three, with $37,000,000 of assets, were apparently owned in Switzerland but had their head offices in the United States.

aggregating $23,000,000 and $147,000,000, respectively. The reported ownership of these corporations was almost exclusively in the British Empire. Reports were examined relating to 57 Canadian corporations, known to be of non-Canadian ownership. The largest number were found to be owned in the United States, followed by France.

Partly as a result of wartime measures, it has been ascertained that 43 United States enterprises were controlled in Germany through holding companies and "cloaks" in other countries. The net worth of the German interest in these enterprises was $88,000,000, the nominal ownership of which was held by 53 foreign corporations or individuals, of which 19 were in Switzerland, 19 were in the Netherlands, and 15 in 6 other countries. The value of the interests held for German accounts by the Swiss was $39,000,000, by the Dutch, $36,000,000, and by the other nationalities, $13,000,000. The significance of this record is emphasized because, by contrast, interests in United States enterprises, the ownership of which was held directly in Germany, were valued at only $16,000,000. Furthermore, no activities of similar nature have been uncovered relating to enterprises owned in the other countries.

Foreign-Controlled United States Enterprises

A total of 2,815[20] United States enterprises were shown by the reports on Form TFR-300 to be controlled[21] by persons in foreign countries. As of June 14, 1941, the foreign interest in these enterprises, frequently called "direct investments," was valued at $2,312,000,000.[22] More than four-fifths of these enterprises were organized in the United States in the form of corporations and partnerships. The remainder operated as direct branches of foreign companies. Eighty-eight percent of the value of the foreign interests in controlled enterprises was held by foreign corporations and other profit organizations, about eight percent by individuals, and remainder by other types of persons.

Judging by the Federal Reserve districts in which the reports were filed, about 60 percent of the foreign interests in controlled enterprises were in enterprises located or having their head offices in the New York district. This indicates a lesser degree of geographic concentration than was noted with respect to financial interests, such as deposits and securities. The Chicago, Boston, and San Francisco districts follow, in importance, in that order (see ch. II, p. 10).

These enterprises, as shown in table IX, enter into all major segments of the American economy and are ordinarily not distinguishable from domestically owned enterprises. They manufacture here, primarily for the domestic market; they participate in our financial system in the form of

[20]Excluding the number of United States enterprises which are held through holding companies in this country. The value of those enterprises is reflected in the figures only to the extent that they enter into the value of the holding company.

[21]For statistical purposes only, control was determined on the basis of the ownership of 25 percent of more of the voting stock of corporations and analogous interests in partnerships and other organizations. (See definitions in appendix I, p. 54.)

[22]See discussion of method of valuation in appendix I, p. 56.

branch banks, insurance and investment companies; they import foreign produce; and they export American produce. Foreign countries participate in our economy on a broad scale. In a few fields, special circumstances seem to have resulted in the concentration of interests in one or two countries only. For example, the direct foreign interest in the railroads of this country is found almost exclusively in the branch lines of the two large Canadian systems. These branch lines run through the northern part of the United States to Chicago and to the Atlantic seaboard.

TABLE IX.—*Number of United States enterprises controlled[1] by foreign persons and the foreign investment therein, by type of business and by type of organization, as of June 14, 1941*

[Values in millions of dollars]

Type of business	Type of organization					
	Branches and sole proprietorships[2]		Corporations and other organizations		Total	
	Number	Value	Number	Value	Number	Value
Agriculture	10	7.6	23	9.7	32	17.3
Mining	6	2.6	24	30.1	30	32.7
Petroleum, coal and natural gas	4	3.3	51	218.8	55	222.1
Manufacturing:						
Edible products	14	39.0	100	111.2	114	150.2
Textiles and apparel	10	9.0	89	142.5	99	151.5
Wood products	6	5.6	37	27.9	43	33.5
Chemicals	4	.2	152	228.8	156	229.0
Metal products and machinery	7	3.9	164	80.8	171	84.7
Other manufacturing	7	0.1	84	65.0	91	65.1
Total, manufacturing	48	57.8	626	656.1	674	714.0
Finance:						
Banking and brokerage	52	[3]50.6	63	39.4	115	90.0
Insurance	86	225.1	77	84.2	163	309.3
Other finance	22	35.2	121	87.1	143	122.3
Total, finance	160	310.9	261	210.7	421	521.6
Trade	125	33.4	664	172.8	789	206.2
Rail transportation	3	20.5	24	298.4	27	318.9
Public utilities	46	62.9	85	56.8	131	119.7
Miscellaneous	102	8.3	[4]555	151.7	[4]657	160.0
Total	504	[3]507.3	[4]2,312	1,805.3	[4]2,816	2,312.6

NOTE.—The figures are rounded and will not necessarily add to the totals.

[1]For statistical purposes only, control was determined on the basis of the ownership of 25 percent or more of the voting stock of corporations and similar interests in partnerships and other organizations.

[2]Interests in sole proprietorships amounted to about $1,250,000.

[3]The deposit liabilities of the United States branches of foreign banks were not included in the investments in controlled enterprises even though they were amounts due to the head office. Instead they were included with demand deposits (see table IV, p. 18).

[4]Includes 39 nonprofit organizations in which the aggregate foreign interest amounted to $2,600,000.

Foreign-controlled American enterprises do not dominate any large part of industry in this country. They are very important in certain lines but usually they supplement the production of enterprises controlled here. In 1937, more than half of the United States production of potash, borax and rayon was in the hands of foreign-controlled enterprises. British and German-controlled enterprises were particularly involved but the sale by the British in the spring of 1941 of American Viscose Co.—the largest producing unit in the industry—gave American capital control of most of the rayon manufacturing capacity in this country.

After our entry into the war, the Alien Property Custodian vested the controlling interest in one of the largest potash and borax producers in the United States. From 35 to 50 percent of the production of distilled liquors in this country in 1937 was in the plants of Canadian-owned companies. American capital was invested heavily in the Canadian parent companies, however. In certain branches of the chemical industry—dyestuffs, cosmetics and specialized pharmaceuticals—foreign-controlled enterprises were very important.[23] Some of the larger and stronger of those units have been vested as German-owned since this country entered the war.

Production in the United States is frequently as effectively controlled by means of patents as through the actual establishment of foreign-owned enterprises. Patent control is not reflected in statistics of capital invested in this country, nor in number of controlled enterprises, and is not identifiable in the ordinary statistics of production. Without a licensing agreement, a foreign-owned United States patent cannot normally be used by American industry. Frequently the license agreements themselves (1) limit the volume of production and the conditions of sale of goods manufactured under the licenses, including price-fixing and the restriction of exports, (2) provide for the license or assignment of future patents obtained by the licensee, which tends to discourage research, and (3) define narrowly the field in which the patent may be used. These types of control have affected particularly the production of drugs and pharmaceuticals, synthetic rubber, magnesium, and beryllium and the plastics.

More than 60,000 patents and cross-licensing and other patent agreements were reported on TFR-300[24]. Approximately 40 percent was reported as enemy-owned, almost entirely by German nationals. The other principal countries involved were the United Kingdom (15 percent), the Netherlands (12 percent), and Switzerland (8 percent).[25] It is impossible to state in any quantitative terms the value or the economic significance of these patents but they are known to cover all major fields of industrial activity. They include many highly strategic processes and products.

Interests Concentrated in Three Countries

Three countries—the United Kingdom, Canada and the Netherlands—had 70 percent of the foreign interest in controlled enterprises (see table X).[26] The British interests are in part the result of early participation in the development of American industry and partly the result of British preeminence in certain lines of business activity. British insurance

[23]The statements in this paragraph relating to production are primarily based on Monograph No. 6, Temporary National Economic Committee, Part III, *Direct Foreign Investments in American Industry, 1937*, pp. 95-110.

[24]TFR-300 data only roughly indicate the number and distribution of patents because license agreements, which frequently cover more than one patent, were reportable without detail as to the patents involved.

[25]The Alien Property Custodian has vested about 29,000 enemy-owned patents and 4,000 patent applications. See a publication by the Office of the Alien Property Custodian entitled *Patents at Work*, and the annual reports of the Alien Property Custodian for further details.

[26]See appendix II, table 2, p. 64, for a by-country, by-industry break-down of interests in controlled enterprises.

companies, particularly in the fire, marine and casualty group, are well known throughout the world. Their branches and subsidiaries comprised about 73 percent of the foreign-controlled interests in insurance enterprises in the United States as of June 14, 1941. In several manufacturing lines, such as cotton textiles, the British were equally predominant among the foreign-controlled enterprises. In all there were more than 600 United States branches and subsidiaries of companies in the United Kingdom and the total value of these interests was $712,000,000.

Although a large proportion of the value of the Canadian interests was in the railroad branch lines, the remainder was spread throughout the whole industrial range. In two other industrial groups the Canadian interests were of special importance, "foods, beverages and tobacco," and life insurance. In the former group they had 47 percent of the total foreign investment, as a result of the large holdings in the liquor industry. There were 238 branches and subsidiaries of Canadian owners valued at $518,000,000.

TABLE X.—*Number of United States enterprises controlled[1] by foreign persons and foreign investment therein by principal countries and areas, and by types of organization in the United States, as of June 14, 1941*

[Values in millions of dollars]

Country or area	Type of organization					
	Branches and sole proprietorships[2]		Corporations and other organizations		Total	
	Number	Value	Number	Value	Number	Value
Canada and Newfoundland	52	41.6	189	488.2	241	529.8
South America	5	1.6	36	59.8	41	61.4
Central America and Mexico	8	2.9	28	36.2	36	39.1
West Indies and Bermuda	6	(2)	35	22.3	41	22.3
Europe:						
Belgium	15	15.7	44	67.2	59	82.9
France	30	38.8	220	60.8	250	99.6
Germany	12	8.6	159	96.5	171	105.1
Netherlands	13	27.0	166	309.0	179	336.0
Switzerland	22	74.3	223	63.5	245	137.8
United Kingdom	129	229.2	494	482.3	623	711.5
Other Europe	51	23.4	407	73.1	458	96.5
Total, Europe	272	417.0	1,713	1,152.4	1,985	1,569.4
Africa	4	1.6	15	7.8	19	9.4
Asia:						
China	14	2.4	33	14.3	47	16.7
Japan	114	26.0	246	9.1	360	35.1
Other Asia	24	9.8	13	12.6	37	22.4
Total, Asia	152	38.2	292	36.0	444	74.2
Oceania	5	4.2	4	1.1	9	5.3
Unknown	.....	.....	.....	1.7	.....	1.7
Total, all areas	504	507.3	[3]2,312	[3]1,805.3	2,816	2,312.6

NOTE.—Because interests in these enterprises which are not actually associated with the controlling persons are included in this table, it sometimes happens that substantial investments are reported in countries where control does not exist. This does not affect the number of enterprises which was arrived at independently of the values.

The figures are rounded and will not necessarily add to the totals.

[1]For statistical purposes only, control was determined on the basis of the ownership of 25 percent or more of the voting stock of corporations and analogous interests in partnerships and other organizations.

[2]Less than $50,000.

[3]Including 39 nonprofit organizations in which the aggregate foreign interest amounted to about $2,600,000.

The interests of the Netherlands are predominantly in the petroleum and manufacturing fields. In both of these industries large parts of the interests are joint Dutch-British ventures, title being held directly or indirectly by holding companies organized in the Netherlands. A number of Dutch companies took advantage of the decrees of their Government before the invasion by Germany and transferred their head offices to the Dutch West Indies, and occasionally to other countries. These are shown in the tables as owned in the Netherlands. The total number of enterprises recorded as controlled in that country was 179 with a value of $336,000,000.

Other countries with large interests in American enterprises are Switzerland, with large branches and subsidiaries in the financial field; Germany, with its well-known subsidiaries in the chemical industry; and France, among whose holdings interests in investment companies were substantial.

The German practice of holding the ownership of their important industrial properties through individuals and corporations in third countries has been mentioned elsewhere. This practice has recognized business uses, but is capable of being used for other purposes. A comparison of TFR-300 data with the vesting orders of the Alien Property Custodian shows that of the 171 enterprises tabulated here as owned by Germans with a total value of $105,000,000, 43 with a value of $88,000,000 were reported as held by persons, usually corporations, in Switzerland, the Netherlands, and other non-enemy countries. Title was sometimes distributed among several persons—individuals as well as corporations—and in more than one country.

Foreign-Owned Insurance Enterprises

The United States branches of foreign insurance companies were valued, as nearly as possible, at the book surplus of the branches, that is, by deducting the general liabilities in the United States and the reserves set up by the branches to cover their liabilities under policies, from the total assets in the United States. The foreign interest in these insurance branches, calculated in this way, amounted to $225,000,000. Foreign-controlled insurance companies incorporated in the United States were valued on the basis of the market value of the foreign-owned stock, or the book value of the stock and surplus, plus obligations due to foreigners. According to the TFR-300 reports interests in these enterprises were valued at $84,000,000.[27]

Because of conservative accounting, particularly in the size of reserves, values arrived at by the above-mentioned methods may considerably underestimate the foreign interest. For purposes of illustration, calculations were made on the assumption that 40 percent of the reserve for

[27] On the book value basis, which prevailed, because most such subsidiaries were 100 percent owned and market values for such subsidiary stocks were not available, the valuation of branches and subsidiaries corresponded fairly well. These figures do not provide a full measure of the foreign interest in the insurance business in this country. For example, British, Swiss and other foreign companies do a reinsurance business with American companies without maintaining branches here.

the unearned premiums of fire, marine and casualty branches and corporations and 20 percent of the general reserves of life insurance branches and corporations should be considered part of net investment. Those calculations indicated that $136,000,000 could be added to the value of insurance branches and $35,000,000 to the value of corporations. With these additions the foreign interest in United States insurance enterprises would be raised 55 percent to $480,000,000.[28]

Without such additions the value of life insurance branches is strikingly low. The Canadian insurance interests, which are almost exclusively in this branch of the field, are increased more than $80,000,000 by the inclusion of 20 percent of the general reserve.[29] The percent of increase in the value of fire, marine and casualty enterprises is considerably smaller. Nevertheless, the amount which might be added to the British insurance interests, which are engaged in both fields, amounted to $75,000,000, or a 33 percent increase. The remaining amount of the possible adjustment to the value of insurance enterprises, close to $15,000,000, applied primarily to the Swiss total and to the totals of seven other countries.

Business of Foreign Banks in the United States

United States branches and subsidiaries of foreign companies, primarily banks, reported approximately $1,250,000,000 of United States assets and $250,000,000 of foreign securities on behalf of their parent concerns and others in foreign countries.[30] More than $300,000,000 of the deposits reported were due to the head offices of the United States enterprises and to foreign branches of the head offices. Slightly more than one-sixth of the foreign deposits in the United States, or about $650,000,000 was held with the branches and subsidiaries of foreign banks. A much larger proportion of the total Japanese and Chinese deposits was held by branch banks in this country while smaller proportions of the Dutch, British and Swedish deposits were so held.

Approximately one-seventh of the security holdings of foreign countries were in the custody of the American branches and subsidiaries of foreign companies. Holdings in this manner by the Belgian, British and Swiss exceeded the average, while Canadian-owned securities and deposits were held through the United States branches of the Canadian banks in about the average amount, that is, about one-seventh.

Unquestionably a large volume of business in the United States and the existence of branches here inter-act upon each other. At the same time the establishment of United States branches by banks in countries like Switzerland is part of the business system, the services of which foreign

[28]These adjustments have not been made in the tables.

[29]The valuation of the Canadian life insurance branches in the United States was particularly difficult. The branch assets, as well as the United States assets of each head office, were filed on a single report by the head office. Although it is believed that a reasonable division was made between branch and head office assets, errors may have been made. In any case the assets are included among Canada's total assets in this country in the general tables.

[30]Exclusive of assets title to which was held by the United States enterprise itself.

capitalists find helpful in many ways. Although the business of these branch organizations was mainly devoted to serving nationals of their own countries in the fields of investment and foreign trade, they also served many clients from other foreign countries. For the most part, the clients deal with the head office or parent company abroad, not with the United States enterprises. Therefore, the assets held here are reported as in accounts due to the head office, not to the beneficial owner.[31]

[31] This subject is discussed further in the section on "Assets held in names other than the owner's," p. 22.

CHAPTER IV

Changes in Foreign-Owned Dollars and Gold in the United States, 1941 to 1944

The total of foreign-owned dollar assets, exclusive of gold earmarked for foreign account, has increased from $12,739,000,000 to approximately $14,000,000,000, between the date of the census on Form TFR-300 and December 31, 1944.[1] Earmarked gold in the United States more than doubled during that period from $1,916,000,000 to $3,937,000,000[2] (see table XI, p. 34). No account has been taken of claims against the Government of this country that have arisen since the date of this census.

Foreign deposits in United States banks rose by $373,000,000 and on December 31, 1944, stood at $4,031,000,000. In addition, foreign countries purchased more than $1,250,000,000 of United States Government short-term obligations between 1941 and December 1944. Throughout the period under review, the principal changes in short-term dollar assets have been the result of government transactions and policies.[3] In belligerent countries dollar assets were either taken over by the governments or placed under strict control. Furthermore, when countries are at war the predominance of government transactions is a necessary one. Among nonbelligerents, because of the limitations on private trade which accompanied the war, including foreign exchange controls, dollar balances gravitated generally to the accounts of central banks. The latter often saw fit to convert the balances into holdings of gold or short-term government obligations.

Changes in foreign holdings of long-term assets cannot be determined as accurately, nor in as great detail, as the changes in short-term assets. The only statistical data collected currently throughout the period are those relating to transactions in long-term domestic securities through the agency of banks and brokers. These data indicate net foreign purchases of about $120,000,000 during the 3½ years following the date of the census.

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[1]Based in large part on data collected currently by the Federal Reserve banks for the Treasury Department. These figures have not been adjusted to take into account the differences in total noted and discussed in the section, "Foreign Holdings of Corporate Bonds," ch. III, p. 20, nor in the section, "Differences Between TFR-300 Data and Estimates Made on Other Basis," ch. V, p. A. They are exclusive of transactions in foreign securities, principally dollar bonds. Current data regarding transactions in such issues indicate minor changes except for some net sales to Canada and South America.

[2]The total gold resources of foreign countries as of September 1944, have been estimated at $14,385,000,000. Five billion dollars of this were acquired after 1940, partly in this country and partly abroad. See, *Federal Reserve Bulletin*, November 1944, p. 1044.

[3]Official balances, including deposits and other short-term assets, increased about $1,000,000,000 out of a total increase (official and private) of approximately $1,400,000,000.

A more significant change in the value of foreign holdings of United States corporate securities arises out of market price fluctuations. Prices have risen substantially, particularly the prices of common stocks which comprise a large part of total foreign-owned domestic securities.[4] The aggregate increase in market value, figured on the basis of the holdings shown in this report, amounts to more than $600,000,000.[5] Because of their large holdings, the British Empire, enemy-occupied Europe and neutral Europe benefit most by this increase.

Other types of long-term assets, such as real estate and interests in estates and trusts, are in general not susceptible to large scale or rapid transfers and they comprise a relatively small part of the total assets held as of June 14, 1941. Interests in controlled enterprises in the United States probably increased somewhat in book value through the reinvestment of earnings. Reductions of foreign-owned assets took the form of the liquidation of British advance payments on war contracts and the repatriation of United States citizens from Europe.

TABLE XI.—*Changes in gold held under earmark for foreign account by the Federal Reserve system and foreign deposits in United States banks, from June 11, 1941 to December 31, 1944[1] by groups of countries*

[In millions of dollars]

Groups of countries	June 11, 1941		December 31, 1942		December 31, 1943		December 31, 1944		Changes (cumulative)	
	Ear-marked gold	De-posits	Ear-marked gold	De-posits	Ear-marked gold	De-posits	Ear-marked gold	De-posits	Ear-marked gold	De-posits
Enemy countries	(2)	88	(2)	35	(2)	32	(2)	48	+8	—40
Enemy-occupied Europe	1,147	936	1,131	959	1,127	874	1,169	842	+22	—94
Enemy-occupied Asia	(2)	265	(2)	200	(2)	125	(2)	106	+31	—159
Neutral Europe	402	751	879	286	945	318	1,087	378	+685	—373
British Commonwealth[3]	(2)	873	(2)	868	(2)	1,343	(2)	1,252	+39	+379
Latin American Republics	213	460	440	549	1,079	611	1,289	808	+1,076	+348
All other	19	285	54	408	103	610	179	597	+160	+312
Total, all countries	1,916	3,658	2,674	3,305	3,477	3,913	3,937	4,031	+2,021	+373

[1]The data most comparable to the TFR-300 information were those collected by the Federal Reserve Banks on Foreign Exchange Forms B-1 and B-1-G on behalf of the Treasury Department, under the authority granted by Executive Order No. 6560 ,of January 15, 1934, 31 C.F.R. 127.0. Those data were as of June 11, 1941 while the TFR-300 data were of June 14, 1941. Information as of July 2, 1941, was used to supplement the June 11, 1941, data with respect to some of the countries with relatively small deposit balances. This necessitated some arbitrary adjustments of small amounts. Similar data as of October 31, 1943, were used to supplement the December 31, 1942, and December 31, 1943, data. Arbitrary adjustments of small amounts were required in this instance, also. Foreign holdings of short-term United States Government obligations were not available in sufficient detail to permit their inclusion in this table although data relating to them have been used in the text in some instances.

The data relating to earmarked gold are those prepared by the Federal Reserve Bank of New York.

[2]Included in the total.

[3]This, of course, includes Canada which is not part of the sterling area.

[4]Standard-Poors indexes:

Type of securities	*June 1941*	*Dec. 1944*	*Percent increase*
Bonds—high grade (15 issues)	117.7	121.4	3.1
Bonds—medium and low grade (50 issues)	99.2	116.9	17.8
Stocks—preferred (15 issues)	168.9	180.9	7.1
Stocks—common (402 issues)	79.5	105.0	32.1

[5]Assuming that foreign holdings of bonds are equally divided between high-grade and medium- and low-grade.

Analysis by Groups of Countries

Because of the confidential nature of much of the basic data, and the necessity for approximations in some instances, these changes, and the forces involved, are discussed by groups of countries instead of by individual countries.

Enemy Countries[6]

There was, between June 14, 1941, and December 31, 1944, a very small change, in absolute terms, in the value of enemy-owned assets in the United States, except as they were affected by vesting under the "Trading with the Enemy Act."

The decline of $40,000,000 in deposits, as shown in table XI, was the result of technical factors, not of an actual withdrawal of capital from this country.[7] Strict control over the assets of enemy countries has been maintained ever since they were frozen by this Government,[8] about six months before the Japanese attack on Pearl Harbor. Withdrawals from deposit accounts and purchases and sales of securities were insignificant in volume because of the freezing controls. However, about $55,000,000 of the reported enemy-owned assets in the United States were actually the property of more than 1,000 citizens of this country who resided in enemy countries as of June 14, 1941. Many of these citizens have returned to this country, thereby reducing the total of dollar assets presently owned in enemy countries.

After Pearl Harbor, substantial enemy interests in United States enterprises, enemy interests in estates and trusts and certain other less important enemy assets were vested by the Alien Property Custodian. Some of these assets have been liquidated and the proceeds deposited in special accounts in the Treasury. The value of vested enemy-owned assets, as of June 30, 1944, was about $212,000,000.[9] This included about $15,000,000 appreciation in and income from the vested properties. Vested interests in business enterprises amounted to about $146,000,000, interests in estates and trusts to $26,000,000 and cash and miscellaneous vested assets accounted for the remaining $40,000,000.

Enemy-Occupied Countries

Such changes as occurred in the assets of enemy-occupied countries, which could be effected only under Treasury license, affected most substantially the official accounts. The forces at work have been varied. Several governments-in-exile with large dollar deposits, on which they received no interest, acquired securities from which income could be obtained. Some drew upon their balances to help finance their activities in

6Here, as elsewhere, groupings were based on the status as of the end of 1943.
7When the Alien Property Custodian took over the Japanese banks in this country, the reports of Japanese deposits in them were discontinued.
8The dates of freezing were: Rumania, October 9, 1940; Bulgaria, March 4, 1941; Hungary, March 13, 1941; Germany and Italy, June 14, 1941; and Japan, July 26, 1941.
9*Annual Report of the Alien Property Custodian, Fiscal Year Ending June, 1944*, table 1, p. 17, and table 2, p. 19.

the war against the Axis, or to pay interest on a substantial volume of dollar bonds outstanding in this country. Other governments with considerable current income in dollars, for example from shipping services, increased their deposits and their holdings of gold and United States government obligations.

Although the freezing regulations were intended to conserve foreign-owned assets in the United States, private accounts were subject to changes of various kinds, and for many reasons, under Treasury licenses. For example, living expenses of United States citizens and others in blocked countries, could, under certain circumstances, be paid out of their accounts in this country. In general the terms were such as to cause a corresponding increase in some other blocked account in the United States. Transactions in domestic securities for the accounts of persons in enemy-occupied countries resulted in very small net purchases.

Changes of another kind, that is of a more technical nature, occurred when persons escaped from occupied areas to other countries. In such cases their deposits would be reported opposite the new country even though they were still blocked. If such persons came to the United States their deposits would no longer be reported as foreign. Of the same general character were the changes resulting from the repatriation of United States citizens from abroad. Close to $250,000,000 of the assets shown here as owned in the occupied areas belonged to approximately 3,000 United States citizens, many of whom are no longer in those areas.

A decrease in the deposit balances of the occupied countries of Europe of about $94,000,000 was more than offset by the increase in holdings of United States Government obligations and a rise in the market value of the corporate securities in their portfolios. Therefore, as of December 31, 1944, the enemy-occupied countries of Europe had a somewhat larger volume of dollar assets than they had as of June 14, 1941, notwithstanding some changes in the type of asset held and in the identity of the owner. The enemy-occupied countries of Asia, as a result of similar changes, had somewhat smaller dollar assets at the end of 1944.[10] There was a small net increase in gold earmarked in the United States for the accounts of both groups of countries, as is shown by table XI.

Neutral Europe

In 1940 there was a large flight of capital from the neutral countries of Europe to the United States. After the Franco-German armistice, private Swiss balances in this country were withdrawn in large volume, the National Bank taking them over and supplying the francs. As early as 1941 the central banks of some of the neutral countries began to reduce their dollar deposit balances by purchases of gold and United States short-term Government obligations. The gold was held under earmark

[10] Philippine Government accounts with the Treasury Department, excluded from table XI, increased about $130,000,000.

for foreign account at the Federal Reserve Bank of New York. Stocks and bonds of United States corporations were also purchased in large amounts, probably for private account.

These neutral countries were, during practically all of the period under review, receiving dollars in excess of those expended. There were several reasons for this. First, their dollar assets were blocked (frozen) on June 14, 1941, along with those of the rest of continental Europe and were only partially unfrozen under general licenses. These general licenses placed upon the central banks, or a government agency, of each country the responsibility for determining that no funds were utilized in which persons who were nationals of any other country had an interest. Second, merchandise imports from those countries exceeded exports to them, partly because of the preclusive buying carried out for the Government by the United States Commercial Corporation and partly because exports were limited by the shortage of shipping, the shortage of export merchandise, and by restrictions imposed to strengthen the blockade of Germany. Third, relief activities and diplomatic representation in enemy-occupied areas were handled through Swiss facilities which meant, if gold was not exported or earmarked, the accumulation of dollar balances in return for Swiss francs made available for those purposes.

During the period as a whole the deposit balances of the neutral countries of Europe were reduced by $373,000,000 (see table XI). By net purchases in the market, they added about $100,000,000 to their already large portfolio of $475,000,000 of securities and were, in addition, the beneficiaries of a substantial appreciation in stock values. Notwithstanding net purchases of government obligations, the dollar assets of these countries declined somewhat. Gold earmarked in this country, however, increased about $665,000,000.

British Commonwealth

Notwithstanding the passage of the Lend-Lease Act early in 1941, the British Government still had substantial needs for dollars. There were many purchases in this country which had to be made and settled for outside the lend-lease arrangements. Of greater immediate importance, however, were the payments which still had to be made on delivery of materials for which contracts had been signed and which were not, with certain exceptions, brought within the scope of lend-lease. As late as September 1, 1941, the amounts outstanding under this head were $940,000,000.[11] Some funds for this purpose were provided by means of (1) a collateral credit of $425,000,000 from the Reconstruction Finance Corporation negotiated by the British in July 1941,[12] and (2), the

[11] Hearings before the Subcommittee of the Committee on Appropriations, House of Representatives, 77th Cong., 1st sess., on the *Second Supplemental National Defense Appropriation Bill for 1942*, pt. 1, p. 415.

[12] The highest total of advances under this credit amounted to $390,000,000. As of December 31, 1944, about $287,000,000 was still outstanding.

return of some of the earlier British capital assistance to producers of munitions in this country. Some of the contracts were taken over under lend-lease, while sales of gold and securities provided most of the remainder of the funds needed. The British Government had also made advance payments, amounting to $850,000,000 on some of these contracts, which were mainly for munitions of war. These advances were considered as United Kingdom assets in the tables in this report, but, on the other hand, no similar account could be taken of certain outstanding liabilities. Delivery of the material called for in the contracts eliminated most of these advance payments by early 1942.

By the middle of 1942 most of these prior contract commitments were liquidated and the largest part of Britain's material needs were being supplied under lend-lease arrangements. About the same time the armed forces of the United States in the United Kingdom were increasing rapidly in numbers. The salaries, maintenance and other expenditures connected with such a force, but not covered under reciprocal aid, and later on the similar expenditure on the American forces in Australia and India, provided the sterling area members of the British Commonwealth with a new and increasingly important source of dollars. The sterling area has of course had to continue to meet out of its resources substantial cash dollar payments for essential needs not covered by lend-lease.[13]

The United States dollar position of Canada, which is not in the sterling area, was also strengthened by the expansion of United States purchases in Canada.[14] These began with the preparedness programs, but active participation in the war and the stepped-up production schedules added greatly to the need for certain Canadian materials, such as nickel.

Between June 14, 1941 and December 31, 1944, the deposits of the British Commonwealth of Nations, as shown in table XI, increased $379,000,000, which may, however, be partly accounted for by the conversion of some of the miscellaneous assets held at the earlier date. Net purchases of more than $600,000,000 of United States Government short-term obligations, almost entirely for Canadian account, and increases of $200,000,000 to $300,000,000 in the value of securities held, resulting from the rise in security prices in the United States, have tended to add to the total dollar assets of those countries. On the other side, the assets of the sterling area members of the Commonwealth tended to decline because of net sales of domestic securities by the United Kingdom and the delivery of merchandise against the advance payments outstanding on June 14, 1941. As a result, the British Commonwealth as a whole had, as of the end of December 1944, dollar assets of approximately the same value as those possessed as of June 14, 1941, but the distribution between the various member countries, and particularly between the

[13]The United Kingdom Chancellor of the Exchequer, in his budget statement before the House of Commons on April 24, 1945, referred to cash dollar payments to the United States and other countries of the order of $1,000,000,000 for the year 1944.

[14]Although eligible, Canada has not received lend-lease aid.

sterling area countries on the one hand and Canada on the other, was very different.

Latin America

During the last half of 1941, there was a substantial drain upon the dollar assets of those countries. Their trade with Europe was cut off by the blockade and United States imports from Latin America had not yet increased sufficiently to offset exports to Latin America. Early in 1942, however, purchases of materials needed in our war production programs began to reach large proportions while exports from this country to Latin America were severely restricted by the lack of shipping and by shortages of civilian goods. The result was the piling up of balances in United States banks. The accumulation of balances was further stimulated by the Army and Navy expenditures on bases and installations in several Latin American countries and by expenditures for the development of productive facilities, such as rubber in Brazil and abaca and cinchona in Central America.

Excess receipts of dollars, which were large in 1942, increased still more rapidly in 1943. Latin American countries which had lost a large part of their gold reserves during the 30's recouped those losses. The gold acquired for earmarking between June 11, 1941 and December 31, 1943, exceeded the total reserves of those countries as of the earlier date.[15] Additional amounts were acquired for earmarking in 1944 and some was shipped out of the United States. Notwithstanding these large purchases of gold, nearly $350,000,000 was added to the deposit balances of those countries, while large net purchases of securities, principally foreign, were consummated in the United States each year. The final result was that Latin American gold and dollar holdings, long- and short-term combined, doubled after June 1941.

All Other Countries

"All Other Countries," including the non-occupied colonial empires of continental European countries, added $470,000,000 to their gold and dollar deposits and also purchased United States Government obligations. The reasons for these increases were varied as would be expected in view of the many and widely separated areas involved. Chinese balances benefited by sums made available out of the $500,000,000 aid authorized by Congress in March 1942, while lend-lease permitted the acquisition of supplies without cash payment. At the same time the construction of military bases and the maintenance of American expeditionary forces provided dollars to China and to several other areas, including North Africa and the Near Eastern countries.

[15]Federal Reserve Bank of New York, *Monthly Review of Credit and Business Conditions*, June 1, 1944, pp. 43-45. Substantial net exports of gold from the United States should be considered in this connection.

CHAPTER V

Analyses of Special Topics

A. Differences Between TFR-300 Data and Estimates Made on Other Bases

Foreign investments in the United States in various periods have been significant for different reasons. There were times when a substantial part of our state and national debts were owned abroad, when our railroads depended upon England for long- and even short-term financing, when foreign funds were partly responsible for speculative excesses in our securities markets and, more recently, when foreign funds seeking refuge and safety induced an embarrassing inflow of gold into this country. Each of these, and other conditions, stimulated researches which have been of the greatest assistance to later students of our national development.

After World War I, however, the task was of such magnitude and difficulty as to need institutional support and guidance. At that time the Government took over the basic research, originally as a supplement to the studies relating to the balance of international payments of the United States. The Treasury Department, operating under Executive Order No. 6560 of January 15, 1934, and Treasury regulations of November 12, 1934, has since that latter date been the sole source of comprehensive, current data with respect to short-term foreign assets and liabilities.[1] These figures were reported monthly by the Treasury in the "Bulletin of the Treasury Department" through 1941 when their publication was stopped because of the war. The Commerce Department has been the only official source of comprehensive estimates with respect to foreign long-term assets in the United States. Its first detailed study on the subject, made possible through the cooperation of hundreds of banks and corporations, was published in 1937 and related to the status as of the end of 1934.

Some types of foreign-owned assets could not be estimated satisfactorily without information which could be obtained only with legislative sanction. The comprehensive information collected on Form TFR-300

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[1]Some data had been collected by the Department of Commerce and the Federal Reserve Bank of New York independently for several years before 1935. Data available since 1935 were collected by the Federal Reserve banks on behalf of the Treasury Department. Reports filed under the authority of the Executive Order No. 6560, of January 15, 1934, 31 C. F. R. 127.0, are hereafter referred to as "foreign exchange reports," and the forms as "foreign exchange forms."

makes it possible for those interested in the subject to ascertain the magnitude of the types of holdings that could not previously be estimated satisfactorily. It also permits a determination of the accuracy of those estimates which had previously been thought to be relatively well based.

TABLE XII.—*Comparison of TFR-300 data with estimates of foreign-owned United States assets made on other bases*

[Millions of dollars]

Property type	Estimates	Estimates adjusted[1]	TFR-300 data	Sources and date of estimates
Short-term:				
Bank deposits	3,657.9	3,657.9	3,962.4	*Bulletin of Treasury Department*, data as of June 11, 1941.
Broker's credit balances	44.6	44.6	55.7	
Other assets	195.2	334.9	521.9	
Total, short-term	3,897.7	4,037.4	4,540.0	
Long-term:				
Common and preferred stocks and securities n.e.s.	2,377.0	2,028.0	2,173.2	Department of Commerce, data, as of end of 1940, found in summary form in *Banking and Monetary Statistics* p. 637, Board of Governors of the Federal Reserve System.
Corporate bonds	387.0	350.0	219.4	
Government obligations	100.0	156.0	306.4	
Foreign-controlled United States enterprises[2]	2,004.0	1,866.0	2,312.6	
Interests in estates and trusts	492.0	492.0	867.3	
Other assets[3]	159.0	1,009.0	2,319.7	
Total, long-term	5,519.0	5,901.0	8,198.7	
Total, long- and short-term	9,416.7	9,938.4	12,738.7	

[1]These adjustments were made to put the two sets of data on a reasonably comparable basis. See the text for a discussion of each item.
[2]Often called "direct investments."
[3]Both sets of data include real estate and real estate mortgages, interest bearing obligations other than bonds, annuities, oil and gas royalties. In addition, the TFR-300 data include accounts receivable, advance payments under contracts, debts and claims, gold bullion not earmarked, personal property and the cash surrender value of insurance policies.

In the future, as in the past, it will probably be desirable to make estimates from sample data and from information collected for other Governmental purposes, such as tax administration. This comparison between such estimates and the TFR-300 data is made in order that those future estimates may be more soundly based and more thoroughly understood. TFR-300 provides basic information with which later estimates may be compared and their completeness evaluated.

Short-Term Assets

Foreign-owned short-term assets reported on Form TFR-300 as of June 14, 1941, exceeded by about 11 percent those reported to the Treasury Department on the foreign exchange forms as of June 11, 1941. The difference of 3 days is not significant inasmuch as the subsequent weekly report indicated an increase of only $22,000,000. By definition the two figures are reasonably comparable with respect to deposits. The difference probably arises primarily out of the greater completeness of TFR-300 data. For example, the smaller banks tend to become lax in reporting their deposit accounts on a regular weekly or monthly basis. Then, too, each account amounting to $1,000 or more was reportable on

TFR-300, while banks holding less than $5,000 of total foreign balances were not required to report on the foreign exchange forms. This factor is quite likely to be important in the border states and in the immigrant centers. Another factor is the inclusion in the TFR-300 deposit data of the head office accounts of United States branches of foreign banks, and the exclusion of part of those accounts from the foreign exchange form totals.

Deposit accounts reported on TFR-300 were about 8.3 percent higher than the regularly reported Treasury data. Other short-term assets, including checks, drafts, acceptances, notes and collection items, were about 56 percent higher than the foreign exchange form data, although, compared with other items in the total, the absolute amounts were not large. Some items, such as the notes included in the figure of $522,000,000, were reported in part by nonbanking institutions and to that extent the two figures were not comparable in content. However, if such items were not included in this category they would add to the discrepancy between other figures, particularly those relating to "other assets."[2]

Government and Corporate Securities

Data available with respect to foreign holdings of United States national, state and municipal bonds have never been complete nor reliable. The bonds are almost all of the nonregistered type and, up to the date of the census, there had not been any provision requiring that ownership certificates be prepared when interest was received from noncorporate bonds. The only statistical information at hand until TFR-300 data were received was the foreign holdings of United States Government obligations of less than 1 year maturity reported on the foreign exchange forms as part of the short-term assets. As of June 11, 1941, such holdings amounted to $56,000,000. The discrepancy, therefore, between the previous estimates and the TFR-300 data (the latter intermingles the long- and the short-term obligations) is that between $156,000,000 and $306,000,000 (see table XII).

The basis of the Department of Commerce estimates of common and preferred stock held abroad was the witholding tax returns, on Internal Revenue Form 1042, which reported the tax withheld from foreign recipients of dividends. These data were more suitable for such uses than the information available with respect to other types of assets. Supplemental information was obtained from hundreds of United States corporations, based on records of the registrars of their securities, concerning foreign holdings. One of the difficulties with the tax data was that the holdings of United States citizens residing abroad were often omitted. If their holdings were omitted entirely as much as $250,000,000 should be added to the Commerce estimates.

[2]The deposit accounts held in the Treasury Department for the Philippine Government have been included with the other short-term items in this discussion so as to facilitate the comparison of reported bank deposits.

Two factors of difference between the two sets of data are known; first, the differences in the levels of security prices on which each was based, and second, the reported transactions in securities. According to Standard and Poor's indexes, there was a small increase in the prices of bonds and a 6.5 percent drop in the price of common stocks between January 1 and June 11, 1941. The securities movement data indicated that there were net sales of about $215,000,000 of the stocks of United States corporations, and $40,000,000 of bonds. These two factors are applied to the Commerce estimates below:

	Stocks	Bonds
Commerce estimate as of 12-31-40	2,377,000,000	384,000,000
Net sales 1-1 to 6-11-41	*215,000,000	40,000,000
	2,162,000,000	344,000,000
Reduction in (—), or addition to, (+), value due to change in price levels	— 134,000,000	+ 6,000,000
Commerce estimate adjusted to 6-11-41	2,028,000,000	350,000,000

*This reduction might be somewhat higher if account were taken of the change in price levels at which the sales took place from week to week.

It appears, therefore, that the TFR-300 data were either slightly more than or less than[3] the adjusted Commerce estimates of stock holdings, depending upon the extent of the adjustment necessary for the holdings of United States citizens located abroad. In either case the degree of agreement is striking.

The Commerce estimate of foreign holdings of corporate bonds is substantially higher than the TFR-300 data, which are known to be incomplete. Because of the availability within the Government of the ownership certificates (Internal Revenue Form 1001), which are filed when interest coupons are cashed, and the difficulty of getting more accurate information, potential reporters were excused from reporting the foreign ownership of United States bearer bonds unless their information with respect to the fact of foreign ownership was based on a source other than the ownership certificates. The result was that the TFR-300 data reflected primarily custodian holdings. The Commerce estimate, therefore, remains the best available.[4]

Interests in Controlled Enterprises

Between the end of 1940 and June 14, 1941, two important transactions were consummated affecting the investments in foreign-controlled United States enterprises. They were the sale by the British to an American banking syndicate of American Viscose Co., Inc., and the retirement of certain securities of Brown and Williamson Tobacco Corporation. The latter was in connection with a loan by the Reconstruction Finance Corporation. A reduction of the Commerce estimate by about $138,000,000 was required in order to make it comparable with the TFR-300 data.

[3]The maximum discrepancy was about 7 percent.
[4]See fuller discussion of foreign holdings of United States corporate bonds in ch. III.

The biggest points of difference between the TFR-300 data and the estimates relating to interests in controlled enterprises are in the trade (export-import) and the investment company groups. The former is a group of many relatively small enterprises which were formed to facilitate and increase the volume of trade, not to have earnings from which to declare dividends payable to their parent organizations. Because of this fact, data might not be available in the tax reports which comprised one of the basic sources of the Commerce list of controlled enterprises. Furthermore, many of the investment companies were established about 1938 or 1939 without publicity in order to hold assets in safety in this country, not to remit income. Accordingly, they had not previously been listed.

In the other groups, such as the transportation, petroleum, and chemical companies, differences exist which can be explained on the basis of the respective valuation methods. For example, the market value as of June 14, 1941, of foreign interest in General Aniline and Film Co. was about $10,000,000 less than its book value as of approximately the same date. The Commerce Department estimates were based on book values, whereas TFR-300 data were market values whenever available, otherwise book values. As stated in appendix I, market values in June 1941, were about 10-12 percent below the book values of a sample of 45 foreign-controlled United States enterprises. On a strictly comparable valuation basis, it is probable that the TFR-300 values would be one hundred to two hundred million dollars higher. Another type of difference appears in the insurance group. The Commerce estimate includes several trusts established in the United States by foreign insurance companies, whereas in this report they were classed as interests in estates and trusts.

The TFR-300 data included about 2,800 United States enterprises in this controlled-enterprise (direct investment) category, whereas the Commerce list contained 1,200 enterprises. Most of the enterprises added to the lists were relatively small in size. Nevertheless, the omission from the estimates of 1,600 companies and about $600,000,000 of investments,[5] points to the need for other means of obtaining information as to foreign-controlled United States enterprises.

Interests in Estates and Trusts

The Commerce Department estimate of foreign interests in United States estates and trusts was arrived at by multiplying by 27 the distributable income paid to foreigners as reported to the Bureau of Internal Revenue on Form 1042, the withholding tax return. The actuarial values used in TFR-300 data to represent the values of interests in the income from estates and trusts were much less than 27 times the annual income of those estates and trusts that paid income. On the other hand, the data available to the Commerce Department, being based on the tax records

[5] The $443,000,000 difference shown in table III, plus the items mentioned in the preceding paragraph

of income actually paid to foreigners during 1 year's time, did not provide an exact basis for estimating the total value, including the values of non-income-paying interests, the remainder interests in the principal of trusts, and legacies payable at some future date. Such values were included in the Commerce estimate only to the extent that the multiplier used was high enough to embrace the value of both the income and non-income-paying estates and trusts, which apparently it did not do. Factors of minor importance in explaining the differences between the two sets of data were (1) some evidence of an increasing tendency on the part of continental Europe to establish trusts after 1937 for the protection of their assets, and (2) the inclusion in TFR-300 of certain trusts which were classified by Commerce as interests in controlled enterprises.

Miscellaneous Assets

A major discrepancy between previous estimates and the TFR-300 data was in the "other assets" category. This is a miscellaneous group of many items. The Commerce estimate, again, was based on tax records of income paid to foreigners in 1937. This income was multiplied by 27, as in the case of estates and trusts, to arrive at a capital amount. The estimate suffered from the lack of information relative to non-income paying assets. Amounts of accounts payable due by American corporations to foreign persons,[6] reported on TFR-300 but not included in the Commerce estimates, would fall in this group.

The Commerce estimate did not include the advance payments and capital assistance by the British and French Governments in connection with their procurement activities in the United States in 1940 and 1941. Instead, such data were entered in the balance of payments as a "Miscellaneous Capital Movement" in an amount representing the change from year-end to year-end. Therefore, to make the two comparable, an adjustment of roughly $850,000,000 must be made. In addition, the TFR-300 data include some claims of questionable value. However, it is not thought that such claims account for any large part of the remaining difference between the two sets of data.

Accounts payable by American corporations to foreign persons, included in the TFR-300 figure of $2,320,000,000, amount to more than $500,000,000. Adequate data have never been obtained on this subject, although sample information has been collected on Treasury Foreign Exchange Form C-I. TFR-300 reports showed that real estate holdings amounted to about $125,000,000, whereas previous estimates totalled about $60,000,000. Life insurance, annuities and claims thereunder were reported on TFR-300 at about $97,000,000. No previous estimate had been made of all such assets, although annuities had been included at about $7,000,000. Goods and merchandise, machinery and equipment, objects of art, and warehouse receipts accounted for more than $300,000,-

[6]Exclusive of accounts payable to foreign-controlled United States enterprises by other enterprises in this country.

000 of these "other assets." They are not actually investments in the United States but are foreign-owned assets here. If such assets were sold the proceeds were probably included in the deposit figures, but if they were exported they disappeared from the picture. Other similar items may have taken their place, however.

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The conclusion is inescapable from this analysis that data and estimates currently available with respect to foreign deposit accounts and security holdings are reasonably accurate for general use and as the basis of policy decisions. More accurate data are needed, however, regarding accounts payable by United States enterprises, interests in estates and trusts, and interests in foreign-controlled United States enterprises.

B. *TFR-300 and the "Residual" in the Balance of International Payments of the United States*

The balance of international payments of the United States between 1930 and 1940, inclusive, as compiled by the Department of Commerce,[7] showed an excess of identifiable payments over identifiable receipts. In other words, there are many unrecorded international financial transactions of such elusive character that they cannot be estimated with complete accuracy. Furthermore, the recording of other transactions is imperfect, the net result being a discrepancy between receipts and payments. This discrepancy, the so-called "residual" or "unexplained items," would have been eliminated or reduced during the 1939-1940 period by such changes in the reported data as (1) a larger excess of merchandise exports, (2) greater net capital inflows, and (3) larger net receipts from the service items. Such a result would have been achieved by either increases in the receipts or decreases in the payments among those groups of items.

The problem raised by the "residual" in the balance of payments statistics seriously lessens their usefulness. From 1930 to 1940, inclusive, the "residual" aggregated $4,153,000,000.[8] The annual average was $377,000,000 even though, during the years 1932 and 1933, when conditions were conductive to a heavy flow of capital from this country, the reported "residuals" were very small.

Prior to 1930 and as far back as 1923, there had consistently been an excess of identifiable receipts in the balance of payments. In that period additional transactions opposite to those of the 1930-1940 period were needed to balance the statistical tables. There was only one clear difference between those two periods as shown by the reported balance of

[7]Department of Commerce, Economic Series No. 23, *The United States in the World Economy*, opposite p. 216, Washington, G.P.O. 1943. For the year 1940 see *Foreign Commerce Weekly*, March 10, 1945 p. 31.
[8]Ibid.

payments data. Each year during the period before 1930, the United States had made net foreign investments on long-term account, while during the subsequent period, except for 1930 alone, long-term funds had consistently flowed to this country. In other words, in each period it appears that a large part of each major movement—the outflow of funds before 1930, and the inflow in the following period—was not recorded or estimated accurately. These facts do not prove that the explanation of the "residual" is to be found wholly or even predominantly in the statistics of the long-term capital movements. They do, however, suggest that as a likely field for study.

TFR-300 Data Analyzed

The data obtained on Form TFR-300 provide some basis for an analysis directed toward the partial explanation of the "residual." That analysis will not be confined to long-term capital items. The usefulness of the TFR-300 data for this purpose is limited, however, because the dates as of which property was to be reported were only 1 year apart—June 1, 1940, and June 14, 1941. In addition, other factors, such as the difficulties experienced by reporters in reconstructing the data covering the earlier date, made their use less helpful. The principal fields for analysis seem to be: (1) The degree of correspondence between the data reported to the Treasury currently on the Foreign Exchange Forms (B-1 and S-4) and the TFR-300 data, and (2) the amount of certain types of foreign holdings of United States assets, types which seem likely avenues for unreported capital inflows.

Part of the "residual" is of a kind which cannot be explained by data such as TFR-300 might supply. For example, the influx into the United States of refugees from central Europe, and the transfer of the head offices of foreign corporations to this country, changed many deposit accounts from a foreign to a domestic classification. Because the short-term capital movement is calculated as the difference between the outstanding amounts in accounts with foreigners as of given dates, such changes of address affect the statistics as if they were outflows of funds, when actually no such outflows took place. An adjustment for balance of payments purposes is indicated. In 1939 when the residual in the balance of payments was estimated at $789,000,000, between $200,000,000 and $300,000,000 was probably accounted for in this manner.[9] Notwithstanding the evidence that this is important, it is difficult to believe that more than a fourth, or at the most a third, of the 1930-1940 "residual" is explained in this manner.

Foreign deposits in United States banks, as shown by TFR-300, were about 8.3 percent larger than those reported to the Treasury on a current basis. That is an indication that the latter figures were adequate, on the quantitative side, for balance of payments purposes, particularly inas-

[9] See discussion of the "Residual" in Department of Commerce, Economic Series No. 8, *The Balance of International Payments of the United States in 1939*, p. 36.

much as the difference between the two is probably explained by the reports of small banks with relatively small accounts which are not likely to be very active nor subject, in total, to wide fluctuations. Other factors mentioned in this chapter, part A, under "Short-term Assets," point to the same conclusion.

Domestic securities held by foreigners, as reported on TFR-300, were about $375,000,000 lower in 1941 than in 1940. Net sales of domestic securities, as shown by the current reports to the Treasury, amounted to $420,000,000. The 1940 TFR-300 data were valued at June 14, 1941 price levels, and those prices were about 6 percent below the average weekly prices at which the sales would be made. After adjustments are made for that factor, the difference between the TFR-300 figures for the 2 years is raised to about $395,000,000 and the discrepancy between that and the sales figure is only $25,000,000. This difference can be partly accounted for by net sales during the period by persons who, through acquiring residence in this country between June 1, 1940, and June 14, 1941, were not included in the TFR-300 data.

About $200,000,000 of domestic securities were reported on TFR-300 by persons who described themselves as agents of the foreign owner. It is likely that many of these agents, and some banks and brokers whose weekly transactions were quite small, did not report currently to the Treasury on the Foreign Exchange forms. On the other hand, it is probable that less than half of these securities were acquired after 1930, and that the volume so acquired in any one year was small. Therefore, one has some assurance that the securities movement data also are reasonably adequate for balance of payments purposes.

Foreign purchases and sales of real estate, goods and merchandise, including jewels, and insurance are not covered by any current statistics. It has often been suggested that such transactions were important elements of the balance of payments residual. However, as shown in table IV, p. 18, the total foreign holdings of such types of property amounted to only $560,000,000. Even if half of those holdings were purchased between 1930 and 1940, the residual would be reduced by only $280,000,000, a very small part of the total needed. Purchases of this type could be made by foreigners and the properties then sold within the period. While this would affect the "residual" of a given year, that for the period as a whole would not be influenced significantly.

Bank deposits are sometimes held by United States residents and corporations in their own names on behalf of foreign persons. In the TFR-300 data these amounts were shown as debts due to foreigners by the United States agent. Although it is known that such assets were substantial, it is not possible to identify them clearly, nor to estimate their total.

One other item that has sometimes been thought to be of significance is the contents of safe deposit boxes. More than 3,700 of these boxes were reported on Series D as being held in the names of foreign nationals. Another 1,000 safe deposit boxes were reported, to which foreign nationals had access. Agents who knew of the contents of or had access to the boxes were required to report the property in detail on other series of TFR-300. It is possible that substantial amounts of United States currency, jewels and bearer securities were held in these boxes. If, for example, such assets were acquired through the release of foreign-held deposits in banks in this country, they would constitute a part of the residual in the balance of payments. No body of experience as to the contents of safe deposit boxes is available to indicate their importance in connection with the problem of the residual in the balance of payments, but it is not thought to be great.

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It may be concluded that the balance of payments residual is partly explained by the following items.

1. Changes of domicile from foreign to domestic by persons with deposits in United States banks.

2. Foreign purchases of real estate and other assets not included in the current reporting mechanisms.

3. Foreign purchases of securities and holdings of cash balances by agents who are not included among those reporting currently.

4. Deposits held by non-reporting persons in the United States for for eignaccounts.

It is not possible on the basis of these data to assign numerical values to these items. It is certain, however, that much of the residual is still not explained.

C. Citizens of the United States Residing Abroad and American-Controlled Foreign Enterprises

About 14,000 citizens of the United States located abroad had property in this country as of June 14, 1941, valued at $630,000,000.[10] (see appendix II, table 10). In addition about 1,000 foreign enterprises which were controlled by persons located in the United States held $697,000,000 of United States assets[11] (see ch. III, p. 25, and appendix II, table 11). In short, about 10 percent of the assets reported herein as foreign-owned were, in the last analysis, owned by citizens of or enterprises in the United States.[12]

There were approximately 3,200 United States citizens in continental Europe, 1,100 in the United Kingdom, and about 1,800 in China, Japan and occupied Asia, whose assets in the United States were reported on

[10]Foreign securities held by custodians and nominees in the United States for the accounts of these persons amounted to $11,000,000.

[11]Foreign securities held by custodians and nominees in the United States for the accounts of these enterprises amounted to $159,000,000.

[12]Data with respect to the assets of United States citizens located abroad are probably less complete than those relative to foreign citizens, because of misunderstanding as to the necessity for reporting their assets.

Form TFR-300. The total value of the United States assets of those citizens in continental Europe was $290,000,000, in the United King, dom, $150,000,000, and in the enemy and enemy-occupied areas in Asia, $35,000,000. These totals would approximate the maximum of possible repatriations of citizens of the United States inasmuch as they were the areas primarily affected.

Seventy percent of the total was held by citizens of this country located in Europe, with an average value of $125,000. The French and Swiss holdings were of much higher average value. By comparison the average values of the holdings for other areas were very small; for example, for Canada, $18,000, and South America, $15,000, while the average for all countries was $45,000.

The assets held by American-controlled foreign enterprises were of greatly different character from the holdings by citizens. Not only domestic securities, but also deposits and miscellaneous assets, composed of notes and accounts receivable, were important. The geographical distribution also was noticeably different. The countries where American corporations have substantial "direct investments" were readily apparent; for example, Canada, the United Kingdom, and Cuba. China was prominent because of the holdings of the China Trade Act companies—companies incorporated under charter from the United States Government especially for operations in China.

D. *Foreign Securities Held by Custodians in the United States for Foreign Account*

Securities issued by foreign governments and corporations, and held by custodians in this country on behalf of foreigners, were reported on Form TFR-300 in the amount of $890,000,000 (see appendix II, table 12, p. 75).

Such securities are not basically a part of the American economy, that is, they do not depend for their value upon this country. Since they could, in the absence of controls, have been sold by the owners or by the Axis to provide dollars for various uses, they were the subject of some concern to the Government. Many foreign securities, principally dollar bonds, are quoted on the New York Stock Exchange. Their current market value is recorded there but the course of prices is determined by conditions, economic and political, in the issuing country.

These securities were held through custodians in this country for several reasons; for example, in order to be close to the market, or they had been purchased by the fiscal agents in this country for the account of the issuers and had not yet been retired. A further class of foreign issues were those representing control over certain enterprises belonging to foreign corporations. Occasionally they were placed in trusts in this country to insure that they could not be seized by an enemy government. Latin American public utility systems, and the control over large industrial undertakings outside of Europe, were not uncommon objects of these measures.

The geographic distribution of reported holdings of foreign securities differs from that of domestic securities (see table VIII and appendix II, table 12) in two main respects: First, the much larger proportion of the total held in Latin America, including the European colonies, (one-third as against one-ninth), and second, the larger proportion held by nominees or custodians other than banks and brokers (one-third as against about one-sixth). The first is a reflection of holdings by issuers of dollar bonds and by citizens of the issuing countries while the second is the result of setting up trusts and corporations to hold control of foreign corporations.

APPENDIX I

Definitions and Principles of Valuations

The Forms Described

Eight main series of TFR-300 forms were issued.[1] These are described briefly below

Series A was to be used for reports of all types of property owned by individuals not engaged in business, either by the individual himself or by any class of reporter with respect to property not reportable on Series C to H.

Series B was to be used for reports of all types of property owned by individuals engaged in business and by organizations, either by the owner himself or by any class of reporter with respect to property not reportable on Series C to H.

Series C was to be used by organizations, primarily corporations, to report foreign holdings of their financial securities. Form C-1 was a summary by countries of the information reported in detail on form C-2.

Series D was for use by banks and safe deposit companies, only to report safe deposit boxes which the national held or to which he had access as deputy, attorney or otherwise. No values were reportable on this form. Whenever the value or description of property in the boxes was known, another series of Form TFR-300 was to be filed.

Series E was devised for use by banks to report deposit accounts, collection items, cashiers and certified checks, bank acceptances and letters of credit.

Series F was for use by banks to report securities in their custody or held by them as collateral for nationals, or to report funds held in the custody department.

Series G was the special form for brokers. Like Series F it covered reports on securities and credit balances and, in addition, certain assets commonly reportable by commodity and other brokers, namely, warehouse receipts, bills of lading, and options and futures in commodities.

Series H was prepared for use by insurers to report insurance policies, annuities, pensions, and claims and indebtedness arising under insurance policies.

There were four other series of TFR-300 reports—I, J, K and L. Series I was required to be filed with respect to the assets of Chinese and Japanese nationals on July 26, 1941, the date when those assets were blocked. Series J was issued after the United States became a belligerent. It was one of the means by which information was obtained regarding nationals of Japan who were exempted from the requirements of the other series of TFR-300 because they had been located in the United States on and since June 17, 1940. Assets were to be reported as of June 1, 1940 and January 1, 1942. Series K, issued on February 7, 1942, was used to report the United States assets of nationals of the Philippine Islands as of June 1, 1940 and January 1, 1942.[2] Series L was issued on September 14, 1942 for use in several situations where one of the earlier series was not suitable, and to facilitate special reporting as of a current date.

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[1]Copies of the forms and instructions (Public Circular No. 4) have been supplied to leading research libraries throughout the country.

[2]See the discussion in ch. II, for the special use made in this report of the forms filed on this series.

The Term "National" Defined

The term "national," as used with respect to TFR-300, was defined as follows in Section 5 of Executive Order No. 8389, as amended on June 14, 1941:

"The term 'national' shall include,

"(i) Any person who has been domiciled in, or a subject, citizen or resident of a foreign country at any time on or since the effective date of this order,

"(ii) Any partnership, association, corporation or other organization, organized under the laws of, or which on or since the effective date of this Order had or has had its principal place of business in such foreign country, or which on or since such effective date was or has been controlled by, or a substantial part of the stock, shares, bonds, debentures, notes, drafts, or other securities or obligations of which, was or has been owned or controlled by, directly or indirectly, such foreign country and/or one or more nationals thereof as herein defined,

"(iii) Any person to the extent 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 national of such foreign country, and

"(iv) Any other person who there is reasonable cause to believe is a 'national' as herein defined.

"In any case in which by virtue of the foregoing definition a person is a national of more than one foreign country, such person shall be deemed to be a national of each such foreign country. In any case in which the combined interests of two or more foreign countries designated in this Order and/or nationals thereof are sufficient in the aggregate to constitute, within the meaning of the foregoing, control or 25 per centum or more of the stock, shares, bonds, debentures, notes, drafts, or other securities or obligations of a partnership, association, corporation or other organization, but such control or a substantial part of such stock, shares, bonds, debentures, notes, drafts, or other securities or obligations is not held by any one such foreign country and/or national thereof, such partnership, association, corporation or other organization shall be deemed to be a national of each of such foreign countries. The Secretary of the Treasury shall have full power to determine that any person is or shall be deemed to be a 'national' within the meaning of this definition, and the foreign country of which such person is or shall be deemed to be a national. Without limitation of the foregoing, the term 'national' shall also include any other person who is determined by the Secretary of the Treasury to be, or to have been, since such effective date, acting or purporting to act directly or indirectly for the benefit or under the direction of a foreign country designated in this Order or national thereof, as herein defined."

United States citizens residing abroad were treated as nationals of the foreign countries in which they resided.

The scope and implications of the definition of national are illustrated below:

1. An individual may be a national of several countries, for example, (*a*) of the United Kingdom because of being a British subject, (*b*) of France because of maintaining his residence there, and (*c*) of other countries because of special circumstances, such as acting as an agent for any national of a foreign country.

2. A corporation or other organization may also be a national of several countries, for example, (*a*) of Canada because it was organized under Canadian law, (*b*) of Mexico because its principal place of business was there, (*c*) of the United Kingdom because a substantial part of its securities or obligations were held by British subjects, or (*d*) of Italy because the owners were living in Italy. There are still other possibilities because control of the organization might be held by others than the securities holders, that is, through family relationships or patents and contract arrangements. Furthermore, when the combined interests of two or more foreign countries or nationals

thereof constitute control of the organization, such organization may be deemed a national of each foreign country.

The possibilities of being classified as a national under the terms of the definition, were numerous. However, the possibilities for statistical purposes, through mechanical tabulation, were restricted by the capacity of the cards and the importance of multiple nationalities as compared with other data which could be obtained from the reports filed. The card as finally prepared provided for classifying each national, concerning whose property a report was filed, according to nationality, citizenship and location. Tabulations by nationality were not made because that concept did not have any fixed meaning for statistical purposes.

Individuals entitled to the status of generally licensed nationals, that is, in general those who were domiciled in and resided only in the United States at all times on and since June 17, 1940, or the effective date of Executive Order No. 8389 whichever was earlier, were exempt from the requirements calling for Form TFR-300 reports.[3] Although the license governing such status was subsequently changed, reports were still required of all who could not meet the original provisions. For general statistical purposes, it was later decided that reports relating to property owned by nationals who were in the United States on June 14, 1941, would be segregated and not considered part of the foreign-owned assets in this country. General License No. 28 provided that no reports were required with respect to the property of United States citizens who returned to the United States before November 11, 1941.

The Philippine Islands were included in the definition of the United States when the census was originally announced. For that reason native-born Philippine citizens were not regarded as foreign "nationals." Because of factors discussed in Chapter II, the returns on Series K are used in this report, which has the effect of causing most residents in the Philippine Islands to be classified as foreign nationals. Citizens of the United States residing in the Islands as representatives or employees of the United States Government or the military or naval forces of the United States, the United States High Commissioner to the Philippine Islands or the Government of the Commonwealth of the Philippine Islands were not included in the scope of the Series K reports.

Other Definitions

The word "person" when used with reference to the foreign owners of property covers all types of owners, including individuals, sole proprietorships, partnerships, corporations, other profit organizations, non-profit organizations, governmental bodies and agencies, and estates and trusts.

The term "United States assets" is used throughout to distinguish assets which constitute a part of the economy of the United States from securities issued by foreign countries and held for foreign owners by custodians and nominees in this country. Gold held under earmark for foreign accounts is also not included in the term.

"Interests in estates and trusts" are confined to foreign interests in the assets of or income from estates and trusts created in the United States.

"Interests in foreign-controlled enterprises," sometimes called direct investments, include all foreign holdings of the stocks, bonds and other obligations of enterprises incorporated or operating in the United States, when 25 percent or more of the voting stock of such enterprises, if corporations, or analogous interests, if partnerships or other organizations, were owned by persons or organizations in foreign countries. Twenty-five percent was adopted as lower limit because it had been similarly used in earlier studies on this subject. Its use here is of statistical significance only.

"Branches" (part of the "interests in foreign-controlled enterprises") are all of those foreign-owned enterprises in the United States which were operating under the

[3]General License No. 42, 6 F. R. 2907. Persons with general licensed status under General License No. 68, 6 F. R. 3726, relating to Chinese and Japanese nationals resident in the United States were granted the same exemption.

name of the foreign parent organization without being incorporated or otherwise formally organized in this country.

Property to be Reported

Reports were required with respect to all property subject to the jurisdiction of the United States in which "nationals" of foreign countries had an interest on June 1, 1940, or on June 14, 1941. Property in the territories and possessions of the United States, including the Philippine Islands,[4] was considered within the United States for purposes of reporting. The shares or other securities of corporations organized in this country were considered as property subject to the jurisdiction of the United States notwithstanding the fact that all or part of the company's assets was in foreign countries.

No report was required if the total value of all property of any national which any one person would otherwise be required to report was, on both dates specified above, less than $1,000 in value. This exemption did not apply to leases of safe-deposit boxes, to patents, trademarks, copyrights, and franchises, to interests in partnerships nor to property the value of which could not be readily ascertained. There is no way of estimating the value of property exempted from reporting by this provision. Its effect was, without much doubt, substantial in absolute terms, but was very small in relation to the totals reported, particularly with respect to security holdings reported on Series C-2 by corporations. Securities held in accounts with banks or brokers were less apt to be exempt because the total value of all securities in an account generally exceeds $1,000. A further exemption was made eliminating the reporting of bearer securities when the only evidence with respect to the foreign ownership was that contained on the ownership certificates filed with the Bureau of Internal Revenue.

The property to be reported was divided into 10 classes and subdivided into 30 property types, as shown below. The property types were defined in Public Circular No. 4, Section III, in very broad language so that the reporting of all property, and rights thereto, was required.

The property classes and types into which assets reportable on TFR-300 were classified were as follows[5]:

Type number	*Property type*
CLASS A.: BULLION, CURRENCY, AND DEPOSITS—	
1.	Bullion
2.	Currency and coin
3.	Demand deposits payable in the United States
4.	Other deposits payable in the United States
CLASS B: FINANCIAL SECURITIES—	
5.	United States Government obligations
6.	State, municipal, and other local government obligations
7.	Bonds of domestic corporations
8.	Common stocks of domestic corporations
9.	Preferred stocks of domestic corporations
10.	Foreign securities held in the United States
11.	Warrants, scrip, rights, and options; other securities
CLASS C: NOTES AND DRAFTS; DEBTS TO AND CLAIMS BY NATIONAL—	
12.	Checks, drafts, acceptances, and notes
13.	Letters of credit
14.	Debts, claims, demands, and contracts

[4]Actually, as explained in ch. II, p. 9, properties in the Philippine Islands are excluded from these data.

[5]Assets were grouped as shown in this list, but in addition each item having a value of $1,000 or more was required to be described on the reverse of the form. To facilitate analysis, some of these property types were subdivided during the course of the editing, as follows: Property Class C, type 14, "*Debts, claims, demands and contracts*," was divided into (1) debts of known value, (2) foreign exchange futures of known value, (3) contracts of unknown value, (4) guarantees of loans and (5) claims of unknown value. Property Class C, type 27, "Interests in estates and trusts," was divided into (1) estates, (2) irrevocable trusts and (3) revocable trusts.

Type Number	Property type
	CLASS D: MISCELLANEOUS PERSONAL PROPERTY; PERSONAL PROPERTY LIENS—
15.	Warehouse receipts, bills of lading
16.	Options and futures in commodities
17.	Goods and merchandise for business use, except jewelry, etc.
18.	Jewelry, precious stones, and precious metals
19.	Machinery, equipment, and livestock, for business use
20.	Objects of art and furnishings for personal use
21.	Liens on and claims to personal property, not otherwise classified
	CLASS E: REAL PROPERTY; MORTGAGES; OTHER RIGHTS TO LAND—
22.	Lands and buildings for personal use
23.	Lands and buildings other than for personal use
24.	Mortgages on real property; other rights to land
	CLASS F: PATENTS, TRADE-MARKS, COPYRIGHTS; FRANCHISES—
25.	Patents, trade-marks, copyrights, and inventions
26.	Franchises, concessions, licenses, and permits
	CLASS G: ESTATES AND TRUSTS—
27.	Interests in estates and trusts
	CLASS H: PARTNERSHIP AND PROFIT-SHARING AGREEMENTS—
28.	Interests under partnership and profit-sharing agreements
	CLASS I: INSURANCE POLICIES; ANNUITIES—
29.	Surrender value of insurance policies; present value of annuities
	CLASS J: OTHER PROPERTY—
30.	Other property, not classifiable under types 1 to 29

The property classifications were limited in number in order to facilitate reporting and to speed tabulations. It is, therefore, not possible to make some detailed economic distinctions. For example, property type 17 includes both durable and non-durable goods, and property type 23 includes urban and agricultural property, as well as mineral rights. These types are, however, of small quantitative significance. It is impossible also to distinguish between income-producing and non-income producing assets, except as the general property classes indicate those which might under proper conditions yield income. Of greater significance was the lack of a distinctive method of reporting those investments through which United States enterprises were controlled. For example, the foreign ownership of shares or other securities of American organizations was reportable in property types 7, 8 and 9, regardless of the fact that in one case 100 percent of the issue was owned abroad and in the other case only 1 percent. A distinctive method of reporting would have been helpful in identifying interests in foreign-controlled United States enterprises. It would also have assisted in giving them a uniform valuation since market values are not available with respect to most of such interests.

Questions on the form were intended to reveal foreign control either by direct answer or by reference to other forms filed with Foreign Funds Control. These and other sources of information were used and care was taken to insure that all reports on Form TFR-300 filed by enterprises which were controlled by foreign nationals were coded in a manner which would permit the tabulation, (1) of all financial securities held by foreign nationals, and (2) of all amounts due to foreign nationals, such as accounts payable. Even so, it still is not possible to segregate those interests associated with the control of the enterprise from those not so related.

Valuation Principles

The principles of valuation adopted with respect to the reporting of property on Form TFR-300 were directed primarily at obtaining a present value in dollars. This present value differed somewhat as applied to the various property types but, in general, market price, when available, was required. Unit values as of June 14, 1941 were the basis of values for June 30, 1940. Whenever the required value was not available, reporters were instructed to supply an estimated or book value. The estimated value was to be based on the last sale price or bid if reasonably close to June 14, 1941.

The general rules of valuation, and sometimes special applications of them, were stated in Public Circular No. 4. Special rules were occasionally stated in the "questions and answers."[6] All the rules are summarized below:

Summary of valuation principles

Property type	*Principle*
Bullion	Official price per ounce.
Currency and coin	Face value.
Deposits and cash balances	Balance of the account.
Securities	Market or estimated value.
Checks, drafts, acceptances and notes	Face or estimated value.
Letters of credit	Unexpended, unused and then available amount.
Debts, claims and demands	Face or estimated value.
Miscellaneous contracts	Value unknown.
Foreign exchange futures	Difference between market price of contract and price specified in contract.
Goods and merchandise and other personal property	Market or estimated value.
Land, buildings and mortgages on real estate	Market or estimated value.
Royalties, gas and oil	Normal monthly payment times 100.
Patents, trademarks, copyrights	Value unknown.
Franchises and concessions	Value unknown.
Interests in estates and trusts	(See subsequent textual discussion.)
Insurance policies:	
annuity policies	Present value of future payment.
life policies	Cash surrender or paid-up value.
pension contracts	Present value of future payment.
policies having no immediate value (fire, etc.)	Not reportable.
Interests in foreign-controlled enterprises	(See subsequent textual discussion.)

Interests in estates and trusts

Beneficial interests in estates and trusts are varied in character and, therefore, the applicable principles of valuation are likewise varied. When there was no will governing the disposition of an estate, the beneficiary's interest was his share in the total value of the assets of the estate less the indebtedness of the estate in the United States. The value of a legacy was the amount of the legacy, unless it was payable at some future date, in which case it was the present value of that amount.

Interests in trusts were divided, for purposes of property classification, into two categories, those that were revocable and those that were irrevocable. However, for purposes of statistical valuation such as a classification was of no significance. Instead it was important to know whether the beneficial interest was in the income from the trust or in the principal thereof.

Values by reporters which appeared to be reasonably in accord with standard actuarial practice were accepted. Otherwise, the value of income interests were calculated

[6] See ch. II, p. 8.

by the editors in accordance with the following rules, using the 4 percent tables specified by the Bureau of Internal Revenue for calculations relating to the estate tax.[7]

(a) *Income for a definite period*—The present value of the future payments of income was computed. If the amount of the income payments was not specified, the amount paid or accrued during either the calendar or fiscal year 1940 was to be used as the basis for calculation.

(b) *Income for life.*—The value of the interest in accordance with standard actuarial practice was computed. If the income for life was subsequent to another income interest, the value of the future beneficiary's interest was computed as if it were a present one and from that result the value of the interest of the actual present beneficiary was deducted, but if the second life tenant was older than the first life tenant the interest would be recorded as "value unknown." Where the age of the first life tenant was unknown, computation was based on the average age of 55 years. If the second life tenant appeared to be of the succeeding generation and the age was unknown, computation was based on the average of 25 years.

The value of interests in the principal of trusts, that is, remainder interests, was the present value of the principal discounted in accordance with standard actuarial practice. A life tenancy with right of bequest and no remaindermen designated was considered as a 100 percent interest in the corpus of the trust. If the remaindermen were designated, the life tenant's interest was considered as an income interest only, but, if the remaindermen were the issue of the life tenant and no reports had been filed for the former, the interest would be the total of the corpus of the trust after deducting the life tenant's interest and value unknown if the remaindermen were older than the life beneficiary.

Interests in foreign-controlled enterprises

The valuation principles applicable to the foreign interest in foreign-controlled enterprises varied as between corporations, partnerships, branches and sole proprietorships. The foreign investment in *controlled corporations* usually took the form, of the ownership of securities and of obligations, such as advances and intercompany accounts. The general principles of valuation were that, whenever available, securities should be valued on the basis of market price and advances and intercompany accounts on the basis of face or estimated value.

Most of the enterprises in this group were controlled through 100 percent ownership of the securities, especially of the common stock. Market prices were, therefore, not usually available and the reporters in such cases were instructed to supply an estimated or book value. When market values were not reported, and a choice was available to the editors of the reports, they were instructed to use the stated value of preferred stocks and funded obligations and the stated value, plus or minus surplus or deficit, of common stocks. Advances and intercompany accounts were to be reported at face or estimated value.

Because parts of the investment in this category of property were valued by different methods and constitute a large proportion of the total foreign-owned assets, some attention was given to the probable effect of the different methods on the statistical results. It was ascertained that, as of June 14, 1941, the aggregate market value of the common stock of a group of 150 large and medium sized American corporations was about 8 to 10 percent less than the book value. The variations within the group were exceedingly broad ranging from market values which were about one-sixth of the book values, particularly among the rails, to market values which were at least

[7]Regulations 105 (part. 81, title 26, Code of Federal Regulations, Cum. Sup.).

three times book values, for example, among the chemical companies. As a further test, a similar comparison was made with respect to the common stock of 45 foreign-controlled American enterprises. Those values proved to be 10 to 12 percent less than the corresponding book values. It appears, then, that if market values could have been used throughout this category, the total as of the date of the census might have been as much as ten percent less than that shown herein.[8]

The stated or face values of preferred stocks and bonds frequently differ widely from their market values and, on the average, are probably in excess of the latter. Nevertheless, such values are preferable to estimated values because there is no check at all upon the accuracy of the latter.

Foreign interests in *partnerships* were valued at approximately the proportionate share of the proprietorship account accruing to each foreign partner. Debts to foreign nationals were included in the value of the foreign interest. The proprietorship account of a partnership is equivalent to the combined stated value of the capital stock and surplus of a corporation.

The values assigned to *branches* represent the book value of the assets in the United States less the stated or face value of liabilities to other persons in the United States. In other words, the results represented the net equity of foreigners in the United States assets of the branches. The deposit liabilities of the United States branches of foreign banks, including amounts due to the head office, were treated as deposits not as investments in branches.[9]

The values at which *sole proprietorships* were recorded are similar to those relating to branches, namely, the value of the United States assets of the enterprise less indebtedness to persons in this country.

Often the value of property reported was expressed in foreign currency or was to be paid or liquidated in a foreign currency. If a dollar market value was available, that value was to be used when reporting the property, otherwise the foreign currency value was to be used after being converted into dollars. In order to encourage a uniform practice, Public Circular No. 4, Section XIII, included a table of exchange rates relating to the currencies of 48 of the principal countries and areas of the world. All values in terms of those currencies were to be converted into dollars at the rates specified therein. When no rate was given for a country, the latest rates next before June 14, 1941, as generally quoted by foreign exchange dealers or other recognized sources of information, were to be used.

The Geographical Arrangement

The geographical outline which follows was prepared so that the combinations of areas used throughout this report could be ascertained by all. South America, Central America, Mexico, the West Indies and Bermuda are all included in the term Latin America in this report.

Countries, and colonial areas, have been combined within geographical divisions when the total assets of such countries and colonial areas in any particular table have amounted to less than $50,000.

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[8] Market values tend to change more rapidly than book values so that the gap between the two values tends to contract and expand with market fluctuations.

[9] This rule was adopted for two reasons. First, it was consistent with the treatment on the balance sheets of the branches attached to the TFR-300 reports. Second, it followed reasonably closely the methods of reporting used in connection with the Treasury foreign exchange forms. The data are, therefore, more comparable with the figures for the deposit liabilities of United States which were published monthly through December 1941 in the Bulletin of the Treasury Department.

Geographical outline

[(Blocked countries and colonies are identified by an asterisk (*)]

NORTH AMERICA

Canada
French North America*
Newfoundland

SOUTH AMERICA

Argentina
Bolivia
Brazil
British Guiana and British South Atlantic Islands
Chile
Columbia
Ecuador
French Guiana*
Paraguay
Peru
Surinam (Netherlands Guiana)*
Uruguay
Venezuela

CENTRAL AMERICA AND MEXICO

British Honduras
Costa Rica
Guatemala
Honduras
Nicaragua
Panama
El Savador
Mexico

WEST INDIES AND BERMUDA

Bahamas
Bermuda
British West Indies,n.e.s.
Cuba
Dominican Republic
French West Indies*
Haiti
Jamaica
Netherlands West Indies*

EUROPE

Albania*
Austria*
Belgium*
British Mediterranean Possessions[1]
Bulgaria*
Czechoslovakia*
Danzig*
Denmark*
Eire (Ireland)
Estonia*
Finland*
France*
Germany*
Greece*
Hungary*
Iceland
Italy[2]*
Latvia*
Lichtenstein*
Lithuania*
Luxembourg*
Monaco*
Netherlands*
Norway*
Poland*
Portugal[3]*
Rumania*
Spain*
Sweden*
Switzerland*
Union of Soviet Socialist Republics
United Kingdom
Yugoslavia*

AFRICA

Algeria*
Belgian Africa*
British East Africa[4]
British South Africa[5]
British West Africa
Egypt
Ethiopa
French Africa, n.e.s.[6]*
French Morocco*
French West Africa*
Italian Africa[7]*
Liberia
Portugese Africa[8]*
Spanish Africa[9]*
Tangier
Tunisia*
Union of South Africa

ASIA

Afghanistan
Arabia (autonomous)[10]
British Arabia[11]
British Asia, n.e.s.[12]*
British Malaya[13]*
Ceylon
China[14]*
French Indo-China[15]*
Hong Kong*
India
Iran
Iraq
Japan*
Netherlands East Indies*
Palestine and Transjordan
Philippine Islands*
Portuguese Asia[16]*
Syria*
Thailand*
Turkey
Other Asia, (autonomous)[17]

OCEANIA

Australia
British Oceania
French Oceania*
New Zealand

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[1]Comprises Cyprus, Gibralter and Malta.
[2]Includes the Vatican City and Rhodes.
[3]Includes the Azores.
[4]Comprises Uganda, Kenya, Tanganyika, Zanzibar, British Somaliland and Anglo-Egyptian Sudan.
[5]Comprises Basutoland, Swaziland, Southwest Africa, Bechuanaland, Northern and, Southern Rhodesia and Nyasaland.
[6]Comprises the Cameroons, French Equatorial Africa, French Somaliland and Madagascar.
[7]Comprises Eritrea, Italian Somaliland and Libya.
[8]Comprises Cape Verde Islands, Angola, Mozambique, Portuguese Guinea and Madeira Islands.
[9]Comprises the Canary Islands, Spanish Morocco, Spanish Guinea, Rio de Oro and Ifni.
[10]Comprises Saudi Arabia, Oman, Quatar, Kuwait, Bahrein Islands and Yemen.
[11]Comprises Aden and Hadramaut.
[12]Comprises Burma, British North Borneo, Brunei and Sarawak.
[13]Comprises the Federated and Non-Federated Malay States and Straits Settlements.
[14]Includes Manchuria, Outer Mongolia and Tanna Tuva.
[15]Includes French India, Kwangchowan and Tonkin.
[16]Comprises Macau, Portuguese India, and Portuguese Timor.
[17]Comprises Bhutan and Nepal.

APPENDIX II

Detailed Statistics

Part I. GENERAL TABLES

TABLE 1.—*Value of foreign-owned United States assets, by countries of reported address of the owners, and by principal types of assets, as of June 14, 1941*

[In millions of dollars]

Country (of reported address)	Bullion,[1] currency and deposits	Domestic securities	Real property	Interests in estates and trusts	Foreign-controlled[2] enterprises	Other assets	Total
North America:							
Canada	424.2	530.9	16.5	34.5	518.5	184.5	1,709.2
French North America	(3)	(3)	....	....	(3)	(3)	(3)
Newfoundland	5.7	11.9	....	....	11.3	4.7	33.6
Total, North America	429.9	542.9	16.5	34.5	529.8	189.2	1,742.8
South America:							
Argentina	119.7	51.4	.5	3.1	19.7	39.0	233.4
Bolivia	8.9	2.4	(3)	(3)	14.2	3.3	28.8
Brazil	60.6	13.6	0.2	2.8	1.3	55.6	134.1
British Guiana	0.2	0.1	(3)	(3)	....	0.4	0.7
Chile	35.6	10.2	0.1	1.3	8.0	20.8	76.0
Colombia	26.2	2.9	0.2	0.2	0.5	14.1	44.1
Ecuador	2.9	0.6	0.1	(3)	0.2	1.4	5.2
French Guiana	0.1	....	....	....	....	0.1	0.2
Paraguay	0.3	0.1	....	(3)	....	2.1	2.5
Peru	12.9	7.9	0.1	0.7	0.8	12.6	35.0
Surinam (Netherlands Guiana)	1.6	0.1	....	....	(3)	2.3	4.0
Uruguay	7.2	3.8	....	0.2	14.7	3.5	29.4
Venezuela	28.7	7.0	0.1	0.6	1.9	41.0	79.3
Total South America	304.7	100.1	1.3	9.2	61.4	196.2	672.9
Central America and Mexico:							
British Honduras	0.2	1.2	....	....	....	0.1	1.5
Costa Rica	4.1	1.0	0.5	0.1	(3)	0.9	6.6
Guatemala	10.7	2.0	(3)	1.0	0.4	1.5	15.6
Honduras	3.2	2.8	(3)	0.1	(3)	9.1	15.2
Nicaragua	3.9	0.2	0.1	(3)	0.1	3.3	7.6
Panama	52.0	53.3	5.6	0.1	28.6	30.5	170.1
El Salvador	5.5	1.7	(3)	....	0.4	1.1	8.7
Mexico	73.9	27.6	1.8	8.0	9.4	39.1	159.8
Total, Central America and Mexico	153.4	89.9	8.1	9.4	39.1	85.4	385.3
West Indies and Bermuda:							
Bahamas	1.2	12.5	0.6	5.2	3.4	9.4	32.3
Bermuda	2.3	9.5	0.2	6.2	2.4	4.2	24.8
British West Indies, n.e.s.	0.7	3.9	0.2	2.3	0.2	2.4	9.7
Cuba	52.9	66.2	0.9	7.4	15.9	28.5	171.8
Dominican Republic	8.4	4.6	0.1	0.1	0.3	10.4	23.9
French West Indies	2.4	0.2	....	....	(3)	0.3	2.9
Haiti	4.0	1.2	(3)	0.4	0.1	1.0	6.7
Netherlands West Indies	21.1	4.5	(3)	0.1	....	8.6	34.3
Total, West Indies and Bermuda	93.0	102.5	2.0	21.6	22.3	65.0	306.4

TABLE 1.—*Value of foreign-owned United States assets, by countries of reported address of the owners, and by principal types of assets, as of June 14, 1941*—Continued

[In millions of dollars]

Country (of reported address)	Bullion,[1] currency and deposits	Domestic securities	Real property	Interests in estates and trusts	Foreign-controlled[2] enterprises	Other assets	Total
Europe:							
Albania	0.2	[3]	....	[3]	....	0.1	0.3
Austria	0.9	1.8	0.1	1.3	1.2	0.7	6.0
Belgium	128.1	34.9	0.5	6.2	82.9	60.1	312.7
British Mediterranean Possessions	0.2	0.8	[3]	0.1	[4]	[4]	1.9
Bulgaria	0.8	0.1	[3]	0.2	[3]	0.5	1.6
Czechoslovakia	3.2	0.8	0.3	0.9	2.2	2.0	9.4
Danzig	0.2	....	....	[3]	....	[3]	0.2
Denmark	16.0	5.3	0.3	3.8	6.7	16.0	48.1
Eire	14.7	9.3	1.1	13.1	3.8	3.0	45.0
Estonia	4.3	[3]	0.1	[3]	[4]	[4]	10.6
Finland	8.6	0.6	[3]	0.3	3.8	7.0	20.3
France	516.4	186.4	10.0	122.2	99.6	105.9	1,040.5
Germany	7.5	12.4	4.8	50.1	105.1	18.1	198.0
Greece	34.3	3.9	0.8	2.1	4.5	24.1	69.7
Hungary	4.1	1.4	0.1	1.3	0.1	2.9	9.9
Iceland	1.4	....	....	....	[4]	[4]	2.0
Italy	23.9	33.0	4.7	47.9	10.0	10.0	129.6
Latvia	7.0	0.1	[3]	[3]	[3]	0.2	7.3
Lichtenstein	0.3	0.8	....	0.2	0.8	0.2	2.3
Lithuania	1.5	0.2	[3]	0.3	....	0.2	2.2
Luxembourg	23.0	3.5	[3]	0.1	5.1	1.7	33.4
Monaco	2.9	4.7	0.9	5.4	0.1	1.5	15.5
Netherlands	205.4	319.8	1.2	13.1	336.0	101.3	976.7
Norway	104.5	11.3	0.3	3.0	5.0	30.6	154.7
Poland	4.0	0.5	0.1	2.1	0.7	1.9	9.3
Portugal	43.7	7.4	0.4	2.5	0.3	5.4	59.7
Rumania	12.7	1.0	0.1	0.4	0.1	5.2	19.5
Spain	14.8	15.4	8.7	5.5	6.4	9.0	59.8
Sweden	238.0	35.9	0.6	7.1	34.4	50.2	366.2
Switzerland	494.8	417.2	10.0	62.4	137.8	88.3	1,210.6
Union of Soviet Socialist Republics	12.8	0.2	[3]	0.7	9.4	5.0	28.1
United Kingdom	384.0	587.5	42.2	404.3	711.5	1,109.5	3,238.9
Yugoslavia	28.4	1.0	0.4	0.7	0.9	5.7	37.1
Total, Europe	2,342.8	1,697.1	87.8	757.6	1,569.4	1,672.9	8,127.6
Africa:							
Algeria	0.4	0.2	[3]	0.2	[3]	0.6	1.4
Belgian Africa	20.9	0.4	0.1	[3]	0.8	27.6	49.8
British East Africa	0.3	0.8	0.1	0.6	0.4	1.0	3.2
British South Africa (excl. of Union of South Africa)	0.3	0.5	[3]	0.5	0.6	0.1	2.0
British West Africa	0.1	0.1	....	0.4	[4]	[4]	0.9
Egypt	8.4	5.8	0.5	4.7	2.1	5.1	26.6
Ethiopia	[3]	....	....	[3]	....	[3]	[3]
French Africa, n.e.s.	0.9	[3]	[3]	[3]	[3]	0.2	1.1
French Morocco	4.1	0.5	[3]	0.4	0.3	0.6	5.9
French West Africa	1.2	[3]	[3]	....	....	0.1	1.3
Italian Africa	[3]	....	....	....	....	....	[3]
Liberia	0.3	[3]	[3]	[3]	[4]	[5]	0.5
Portuguese Africa	0.7	0.2	0.1	[3]	....	0.5	1.5
Spanish Africa	0.4	0.1	[3]	0.1	[3]	0.2	0.8
Tangier	6.0	1.4	0.3	0.7	0.3	1.0	9.7
Tunisia	0.5	0.1	[3]	0.2	[3]	0.2	1.0
Union of South Africa	20.7	6.2	0.6	2.1	4.7	22.3	56.6
Total, Africa	65.4	16.3	1.7	10.0	9.4	59.8	162.5

TABLE 1.—*Value of foreign-owned United States assets, by countries of reported address of the owners, and by principal types of assets, as of June 14, 1941*—Continued

[In millions of dollars]

Country (of reported address)	Bullion,[1] currency and deposits	Domestic securities	Real property	Interests in estates and trusts	Foreign-controlled[2] enterprises	Other assets	Total
Asia:							
Afghanistan	1.1	0.1	...	...	(4)	(4)	6.4
Arabia (autonomous)	0.1	0.1	(3)	0.1	...	0.1	0.4
British Arabia	0.1	(3)	...	...	...	0.2	0.3
British Arabia, n.e.s.	0.9	0.2	(3)	0.1	(3)	0.3	1.5
British Malaya	19.4	1.8	(3)	0.4	1.6	13.3	36.5
Ceylon	1.8	0.1	...	(3)	(3)	1.4	3.3
China	238.6	53.7	0.7	1.5	16.7	45.2	356.4
French Indo-China	22.6	0.2	...	(3)	(4)	(4)	25.0
Hong Kong	52.8	19.9	0.3	0.7	3.9	6.7	84.3
India	11.3	4.8	0.5	2.2	3.1	26.2	48.1
Iran	14.1	0.1	(3)	0.1	0.8	3.4	18.5
Iraq	2.3	0.4	(3)	0.1	(4)	(4)	4.6
Japan	94.1	11.7	1.8	0.7	35.1	17.1	160.5
Netherlands East Indies	95.7	9.9	(3)	0.4	3.6	49.1	158.7
Palestine and Transjordan	4.4	6.1	0.6	1.8	0.6	2.0	15.5
Philippine Islands	[5]227.8	18.4	0.8	1.9	8.0	19.9	[5]276.8
Portuguese Asia	...	(3)	...	...	(3)	(3)	(3)
Syria	2.4	7.1	0.5	0.3	(4)	(4)	11.9
Thailand	7.0	0.1	...	(3)	...	1.1	8.2
Turkey	28.0	6.1	0.4	2.3	0.2	3.0	40.0
Other Asia (autonomous)	...	...	...	...	0.2	...	0.2
Total, Asia	824.5	140.8	5.8	12.6	74.2	199.5	1,257.3
Oceania:							
Australia	27.2	6.7	0.4	2.2	2.9	15.1	54.5
British Oceania	0.1	(3)	(3)	(3)	...	(3)	0.1
French Oceania	1.4	0.5	(3)	0.7	...	0.2	2.8
New Zealand	5.3	0.5	(3)	0.6	2.4	1.8	10.6
Total, Oceania	34.0	7.8	0.5	3.5	5.3	17.1	68.2
Unknown	1.1	1.8	1.2	8.9	1.7	1.0	15.7
Grand total	4,248.8	2,699.1	124.8	867.3	2,312.6	2,486.1	[6]12,738.7

NOTE.—The figures are rounded and will not necessarily add to the totals.

[1]Excluding gold held under earmark for foreign account by the Federal Reserve Bank of New York, which amounted to $1,916,000,000.

[2]For statistical purposes only, control was determined on the basis of the ownership of 25 percent or more of the voting stock of corporations and analogous interests in partnerships and other organizations.

[3]Less than $50,000.

[4]Included in the totals.

[5]Taxes, amounting to about $37,850,000, collected under Section 503 of the Sugar Act of 1937, to be made available for public relief and civilian defense in the Philippine Islands, are not included in this figure.

[6]The statistics presented in this report are subject to the following types of correction: First, some foreign-owned assets may not have been reported, and second, some reports may have been incorrect, even after editing, with respect to such matters as classification and valuation. It is believed that these corrections would make no significant difference in the major totals. They might, occasionally, have an important effect on details.

TABLE 2.—*Value of foreign interests in United States enterprises controlled*[1] *by foreign persons, by countries of reported address of the foreign investors, and by industrial groups, as of June 14, 1941*

[In millions of dollars]

Country (of reported address)	Industrial group: Manufacturing	Extractive	Public utility and transportation	Finance	Trade	Miscellaneous	Total
North America:							
Canada	145.6	10.4	282.3	31.6	17.7	30.9	518.5
Newfoundland	0.2	(2)	(2)	8.6	2.5	(2)	11.3
Total, North America	145.8	10.4	282.3	40.1	20.3	30.9	529.8
South America:							
Argentina	0.7	(2)	0.2	1.6	16.4	0.9	19.7
Bolivia	....	(2)	(3)	....	(3)	(2)	14.2
Brazil	0.1	(2)	(3)	(3)	0.3	0.3	1.3
Chile	0.4	0.9	(2)	....	6.5	0.2	8.0
Colombia	(2)	0.1	0.1	(2)	0.3	(2)	0.5
Ecuador	(2)	(3)	(2)	....	(3)	....	0.2
Peru	(2)	(3)	(2)	....	0.6	(3)	0.8
Uruguay	(2)	....	(2)	(2)	14.6	(2)	14.7
Venezuela	0.1	0.9	(3)	(3)	(3)	(3)	1.9
Other South America	(2)	....	....	(2)	....	....	(2)
Total, South America	1.4	2.1	15.0	2.0	38.9	2.1	61.4
Central America and Mexico:							
Guatemala	....	(2)	0.4	....	(2)	....	0.4
Nicaragua	(2)	....	(2)	....	(2)	(2)	0.1
Panama	10.4	....	0.9	4.2	10.9	2.1	28.6
Salvador	(2)	(2)	0.4	....	(2)	....	0.4
Other Central America	(2)	....	(2)	....	(2)	....	0.1
Mexico	3.5	0.8	3.7	0.8	0.1	0.6	9.4
Total, Central America and Mexico	13.9	0.8	5.5	5.0	11.1	2.7	39.1
West Indies and Bermuda:							
Bahamas	0.9	....	(2)	2.4	0.1	....	3.4
Bermuda	(3)	(2)	(3)	....	(2)	(2)	2.4
British West Indies, n.e.s.	(3)	(2)	(2)	....	(3)	(2)	0.2
Cuba	3.2	(2)	(3)	0.9	(3)	0.8	15.9
Dominican Republic	(3)	(2)	....	(2)	(3)	(2)	0.3
Haiti	(2)	(2)	....	(2)	(2)	....	0.1
Other West Indies	(2)	....	....	....	....	(2)	(2)
Total, West Indies and Bermuda	5.7	0.1	10.5	3.4	1.7	0.9	22.3
Europe:							
Austria	0.5	....	(2)	0.6	(2)	(2)	1.2
Belgium	58.2	1.9	0.2	18.0	3.5	1.1	82.9
Czechoslovakia	1.0	....	....	0.9	0.3	....	2.2
Denmark	(3)	(2)	(3)	4.3	0.4	(3)	6.7
Eire	(3)	(2)	(3)	(3)	(3)	(3)	3.8
Finland	(3)	(2)	(2)	....	(2)	(2)	3.8
France	16.1	0.9	32.5	34.2	8.5	7.5	99.6
Germany	56.8	0.8	0.3	22.2	15.0	10.0	105.1
Greece	(3)	(2)	(3)	0.9	(3)	0.3	4.5
Hungary	(2)	....	(2)	(2)	(2)	(2)	0.1
Italy	1.1	(2)	0.1	7.7	0.3	0.8	10.0
Lichtenstein	(3)	....	....	(2)	....	(3)	0.8
Luxembourg	(3)	(2)	....	(3)	1.2	2.5	5.1
Monaco	(2)	(2)	....	....	....	....	0.1
Netherlands	98.7	195.0	5.0	18.3	12.7	6.2	336.0

TABLE 2. *Value of foreign interests in United States enterprises controlled*[1] *by foreign persons, by countries of reported address of the foreign investors, and by industrial groups, as of June 14, 1941*—Continued

[In millions of dollars]

Country (of reported address)	Industrial group						
	Manufacturing	Extractive	Public utility and transportation	Finance	Trade	Miscellaneous	Total
Europe—Continued:							
Norway	0.1	....	1.5	1.8	0.7	0.9	5.0
Poland	(2)	(2)	(2)	0.1	0.1	0.4	0.7
Portugal	(2)	(2)	(3)	....	(3)	(3)	0.3
Rumania	....	....	....	(2)	(2)	(2)	0.1
Spain	1.1	0.5	1.5	1.0	0.5	1.8	6.4
Sweden	19.8	....	(3)	5.4	4.4	(2)	34.4
Switzerland	33.5	7.5	0.1	79.8	7.0	10.0	137.8
U.S.S.R.	....	....	....	....	(3)	(3)	9.4
United Kingdom	243.5	51.7	68.1	247.5	32.8	68.0	711.5
Yugoslavia	(2)	....	(3)	....	(3)	....	0.9
Other Europe	(3)	....	0.2	....	0.3	(3)	0.5
Total, Europe	538.4	258.4	115.0	445.4	97.4	114.7	1,569.4
Africa:							
Belgian Africa	....	....	....	....	(3)	(3)	0.8
British East Africa	(3)	(2)	(2)	....	(3)	....	0.4
British South Africa, n.e.s.	(2)	....	....	....	(3)	(3)	0.6
Egypt	(3)	....	....	....	(3)	(2)	2.1
French Morocco	(2)	....	....	(3)	(3)	(2)	0.3
Tangier	....	....	....	(2)	0.3	(2)	0.3
Union of South Africa	3.1	(2)	0.1	(3)	(3)	1.0	4.7
Other Africa	(2)	....	(2)	(3)	(3)	(3)	0.3
Total, Africa	4.7	(2)	0.1	0.4	1.8	2.5	9.4
Asia:							
British Malaya	(2)	(2)	(2)	(3)	(3)	(2)	1.6
China	(3)	(2)	5.2	6.2	3.8	(3)	16.7
Hong Kong	(3)	(2)	(3)	(3)	0.6	0.8	3.9
India	(3)	(2)	(2)	....	2.5	(3)	3.1
Iran	(3)	....	....	....	0.2	(3)	0.8
Japan	0.1	0.4	1.3	11.2	19.4	2.8	35.1
Netherlands East Indies	0.4	(2)	0.1	....	2.5	0.5	3.6
Palestine	(2)	(2)	....	(3)	(2)	(3)	0.6
Philippine Islands	(3)	....	(3)	(2)	4.3	(2)	8.0
Turkey	(2)	....	(3)	....	(3)	....	0.2
Other Asia	(2)	(2)	(2)	....	(3)	(3)	0.5
Total, Asia	3.8	0.4	10.1	20.5	34.0	5.3	74.2
Oceania:							
Australia	(3)	(2)	(2)	(3)	(3)	(3)	2.9
New Zealand	(3)	....	(2)	(3)	(3)	(2)	2.4
Total, Oceania	0.2	(2)	(2)	4.2	0.8	0.1	5.3
Unknown	(2)	....	(2)	0.6	0.1	0.9	1.7
Total, All Areas	714.0	272.2	438.6	521.6	206.2	160.0	2,312.6

NOTE—Because interests in these enterprises which are not actually associated with the controlling persons are included in this table, it sometimes happens that substantial investments are reported in countries where control does not exist. The figures are rounded and will not necessarily add to the totals.

[1]For statistical purposes only, control was determined on the basis of the ownership of 25 percent or more of the voting stock of corporations and similar interests in partnerships and other organizations.

[2]Less than $50,000.

[3]Included in the totals.

TABLE 3.—*Value of miscellaneous assets owned by foreign persons, by geographic areas (on basis of reported address), as of June 14, 1941*

[In millions of dollars]

Geographic areas (of reported address)	Types of assets: Interests in: Estates	Interests in: Trusts	Real estate	Mortgages on real estate	Checks, notes and acceptances	Goods and merchandise	Insurance policies and annuities	Debts, claims and demands	Total
Canada and Newfoundland.	3.2	31.3	10.3	6.2	40.4	27.8	26.3	94.7	240.2
South America.	1.2	8.0	1.0	0.3	89.4	14.2	8.6	84.0	206.6
Central America and Mexico...	0.6	8.8	2.0	6.1	10.6	14.1	6.4	54.3	102.9
West Indes....	1.1	20.5	1.2	0.8	12.9	11.2	7.1	33.8	88.5
Europe........	52.1	705.5	65.1	22.7	89.1	207.1	30.2	1,346.5	2,518.3
Africa.........	0.3	9.7	1.1	0.6	2.8	15.4	1.6	40.0	71.5
Asia..........	2.1	10.5	4.0	1.8	68.4	48.1	15.0	67.9	217.9
Oceania.......	0.2	3.3	0.4	0.1	3.3	1.2	1.1	11.6	21.1
Unknown......	0.2	8.7	1.1	0.1	0.2	0.1	0.2	0.5	11.0
Total, all areas.	61.2	806.1	86.2	38.6	317.2	339.1	96.6	1,733.2	3,478.1

NOTE.—The figures are rounded and will not necessarily add to the totals.

TABLE 4.—*Number of persons*[1] *in foreign countries owning United States assets, by principal countries of reported address and by range groups, as of June 14, 1941*

[Values in millions of dollars]

Country (of reported address)	Range of total assets: Under $10,000: Number	Under $10,000: Value	$10,000 to $99,999: Number	$10,000 to $99,999: Value	More than $100,000: Number	More than $100,000: Value	Total: Number	Total: Value
Argentina.............	1,611	5.2	835	16.1	265	212.1	2,711	233.4
Belgium..............	2,778	9.0	1,351	39.1	301	264.6	4,430	312.7
Brazil................	1,689	4.1	832	18.0	242	112.0	2,763	134.1
Canada...............	23,052	69.1	4,869	130.0	912	1,510.1	28,833	1,709.2
China................	3,127	9.2	933	26.2	205	321.0	4,265	356.4
Cuba.................	3,038	8.1	1,017	25.4	223	138.3	4,278	171.8
France...............	8,179	30.2	3,697	115.1	922	895.2	12,798	1,040.5
Germany.............	5,272	21.0	1,280	45.3	191	131.7	6.743	198.0
Hong Kong............	446	1.5	176	5.4	70	77.4	692	84.3
Italy.................	2,442	8.6	858	25.8	141	95.2	3,441	129.6
Japan................	1,527	5.5	512	15.4	93	139.6	2,132	160.5
Mexico...............	3,423	13.2	1,127	38.3	187	108.3	4,737	159.8
Netherlands...........	2,960	13.1	1,788	57.4	431	906.2	5,179	976.7
Netherlands East Indies.	377	1.2	175	6.2	110	151.3	662	158.7
Panama..............	380	1.1	151	4.4	128	164.6	659	170.1
Portugal.............	819	2.5	352	10.5	71	46.7	1,242	59.7
Spain................	1,560	5.8	718	21.0	123	33.0	2,401	59.8
Sweden..............	1,583	5.6	506	15.1	109	345.5	2,198	366.2
Switzerland...........	4,974	18.5	3,246	102.4	872	1,089.7	9,092	1,210.6
United Kingdom.......	14,727	49.6	5,469	167.8	1,710	3,021.5	21,906	3,238.9
Total..........	83,964	282.1	29,892	884.9	7,306	9,764.0	121,162	10,930.7
All other countries......	28,435	144.9	8,798	193.4	1,949	1,469.4	39,182	1,808.0
Total, all countries	112,399	427.0	38,690	1,078.3	9,255	11,233.4	[2]160,344	12.738.7

[1] See table 6 for breakdown by types of persons.

[2] About 4,500 of these persons owned only foreign securities held by custodians in the United States for their accounts.

TABLE 5.—*Number of persons in enemy countries owning United States assets, and the value thereof, by countries of reported address, by types of persons and in range of total assets, as of June 14, 1941*

[Values in millions of dollars]

Type of person and range of total assets	Bulgaria		Germany		Hungary		Italy		Japan		Rumania		Total	
	Number	Value	Number	Value	Number	Value	Number	Value	Number	Value	Number	Value	Number	Value
Individuals and sole proprietorships:														
Less than $5,000	74	0.2	3,894	10.8	252	0.6	1,671	4.0	925	2.3	295	0.7	7,111	18.6
$5,000 to $9,999	21	0.2	888	7.5	76	0.5	540	3.8	288	2.1	119	0.8	1,932	14.9
$10,000 to $19,999	9	0.1	539	9.6	45	0.6	341	4.9	156	2.1	79	1.1	1,169	18.4
$20,000 to $99,999	9	0.4	513	26.3	44	1.6	408	17.5	175	7.7	75	2.8	1,224	56.3
$100,000 and more	....	....	102	32.2	8	2.2	114	58.9	22	3.7	8	1.7	254	98.7
Total, all ranges	113	0.9	5,936	86.4	425	5.5	3,074	89.1	1,566	17.9	576	7.1	11,690	206.9
Corporations and other organizations:														
Less than $5,000	8	(1)	238	0.8	37	0.1	137	0.3	202	0.5	22	0.1	644	1.8
$5,000 to $9,999	3	(1)	82	1.0	9	0.1	35	0.3	92	0.6	20	0.1	241	2.1
$10,000 to $19,999	2	(1)	62	1.7	11	0.1	35	0.5	74	1.0	12	0.2	196	3.5
$20,000 to $99,999	6	0.3	86	4.6	9	0.5	42	2.0	100	4.3	15	0.6	258	12.3
$100,000 and more	2	0.2	79	80.6	8	1.5	17	32.5	66	125.8	11	8.3	183	248.8
Total, all ranges	21	0.6	547	88.7	74	2.3	266	35.6	534	132.2	80	9.2	1,522	268.6
Other types of persons:[2]														
Less than $5,000	3	(1)	119	0.4	8	(1)	45	0.1	13	(1)	9	(1)	197	0.5
$5,000 to $9,999	1	(1)	51	0.5	....	....	14	0.1	7	(1)	....	....	73	0.6
$10,000 to $19,999	1	(1)	42	0.9	2	(1)	10	0.1	1	(1)	3	(1)	59	1.0
$20,000 to $99,999	1	(1)	38	2.2	2	0.1	22	0.8	6	0.2	3	0.1	72	3.4
$100,000 and more	....	....	10	18.9	4	2.0	10	3.8	5	10.1	4	3.0	33	37.8
Total, all ranges	6	0.1	260	22.9	16	2.1	101	4.9	32	10.4	19	3.2	434	43.6
Total, all types of persons	140	1.6	6,743	198.0	515	9.9	3,441	129.6	2,132	160.5	675	19.5	13,646	519.1

NOTE.—The data in this table are not exact but are believed to supply a reasonably accurate distribution of enemy-owned assets. The details will not necessarily add to the totals because of the rounding of the figures.

[1]Less than $50,000.

[2]Composed of foreign governments, foreign estates and trusts and persons not otherwise classifiable.

TABLE 6.—*Number of persons in foreign countries owning United States assets (reported with values), by types of persons and by principal countries, as of June 14, 1941*

Country (of reported address)	Types of persons: Individuals and sole proprietorships	Corporations and other profit organizations	Governmental bodies[1]	Other persons[2]	Total
Argentina	2,100	583	17	11	2,711
Belgium	3,512	844	8	66	4,430
Brazil	1,957	751	39	16	2,763
Canada	25,329	2,401	50	1,053	28,833
China	3,342	771	26	126	4,265
Cuba	3,717	473	6	82	4,278
France	10,944	1,494	36	324	12,798
Germany	5,936	482	54	271	6,743
Hong Kong	483	187	5	17	692
Italy	3,074	222	16	129	3,441
Japan	1,566	508	20	38	2,132
Mexico	3,998	656	22	61	4,737
Netherlands	4,035	1,069	16	59	5,179
Netherlands East Indies	373	282	2	5	662
Panama	399	255	1	4	659
Portugal	937	286	6	13	1,242
Spain	2,040	257	9	95	2,401
Sweden	1,761	378	19	40	2,198
Switzerland	7,307	1,595	14	176	9,092
United Kingdom	17,652	3,100	22	1,132	21,906
Total	100,462	16,594	388	3,718	121,162
All other countries	31,574	6,508	323	777	39,182
Total, all countries	132,036	23,102	711	4,495	[3]160,344

NOTE.—See table 8 for breakdown by citizenship groups.
[1]Foreign central banks are included with corporations and other profit organizations.
[2]Includes nonprofit organizations, foreign estates and trusts and persons not otherwise classifiable.
[3]About 4,500 of these persons owned only foreign securities held by custodians and nominees in this country.

TABLE 7.—*Number of persons in foreign countries owning assets in the United States (reported without values)*[1] *by types of persons and by principal countries, as of June 14, 1941*

Country (of reported address)	Types of persons: Individuals and sole proprietorships	Corporations and other profit organizations	Governmental bodies[1]	Other persons[2]	Total
Argentina	1,319	464	33	11	1,827
Belgium	1,721	262	14	18	2,015
Brazil	1,225	663	59	8	1,955
Canada	10,425	1,224	26	425	12,100
China	950	243	7	35	1,235
Cuba	2,420	393	14	34	2,861
France	4,604	780	14	87	5,485
Germany	5,150	780	10	128	6,068
Hong Kong	152	106	....	3	261
Italy	1,439	427	10	51	1,927
Japan	796	259	6	21	1,082
Mexico	3,149	686	5	32	3,872
Netherlands	2,427	479	21	19	2,946
Netherlands East Indies	230	151	5	1	387
Panama	193	149	5	2	349
Portugal	529	194	7	3	733
Spain	700	180	9	29	918
Sweden	1,036	420	17	26	1,499
Switzerland	4,794	562	11	78	5,445
United Kingdom	13,770	2,152	16	721	16,659
Total	57,029	10,574	289	1,732	69,624
All other countries	15,450	6,214	236	343	22,243
Total, all countries	72,479	16,788	525	2,075	91,867

NOTE.—See table 9 for breakdown by citizenship groups.
[1]Composed principally of three types of reports: (1) those relating only to types of assets with respect to which no values were required, namely patents and contracts, (2) those relating to assets, primarily foreign securities, with respect to which no values were obtainable, and (3) those relating to nationals whose total reported assets were less than $1,000.

TABLE 8.—*Number of foreign persons owning United States assets (reported with values), by countries and by citizenship groups, as of June 14, 1941*

Country (of reported address)	Citizenship groups: Same as country of address	United States	Enemy countries[1]	All other countries	Unknown[2]	Total
North America:						
Canada	13,377	1,816	68	569	13,003	28,833
French North America	2	....	....	6	3	11
Newfoundland	95	....	....	51	102	248
Total, North America	13,474	1,816	68	626	13,108	29,092
South America:						
Argentina	1,062	418	92	521	618	2,711
Brazil	1,034	387	174	586	582	2,763
Chile	664	243	65	295	358	1,625
Colombia	623	245	43	225	257	1,393
Peru	408	153	23	52	202	838
Venezuela	609	708	33	399	305	2,054
All other South America	501	111	105	285	263	1,265
Total, South America	4,901	2,265	535	2,363	2,585	12,649
Central America and Mexico:						
Central America	1,007	308	51	377	530	2,273
Mexico	2,110	889	80	482	1,176	4,737
Total, Central America and Mexico	3,117	1,197	131	859	1,706	7,010
West Indies and Bermuda:						
Cuba	1,411	431	89	374	1,973	4,278
Other West Indies	449	817	41	612	650	2,569
Total, West Indies and Bermuda	1,860	1,248	130	986	2,623	6,847
Europe:						
Belgium	2,500	70	90	360	1,410	4,430
Eire	1,085	191	2	107	1,340	2,725
France	5,811	966	456	1,512	4,053	12,798
Germany	4,918	277	11	126	1,361	6,693
Greece	1,105	114	9	41	649	1,918
Italy	1,572	484	65	246	1,074	3,441
Netherlands	3,164	46	309	142	1,518	5,179
Norway	1,743	75	5	24	653	2,500
Spain	1,255	113	26	291	716	2,401
Sweden	1,297	106	30	139	626	2,198
Switzerland	5,237	370	381	983	2,141	9,112
United Kingdom	12,165	1,112	447	1,013	7,169	21,906
Other Europe	4,823	363	183	854	2,569	8,792
Total, Europe	46,675	4,287	2,014	5,838	25,279	84,093
Africa:						
Union of South Africa	354	106	20	140	254	874
Other Africa	418	260	87	780	649	2,194
Total, Africa	772	366	107	920	903	3,068
Asia:						
China	945	898	116	790	1,516	4,265
India	483	376	10	241	462	1,572
Japan	1,114	228	41	240	509	2,132
Other Asia	1,693	1,161	176	1,312	2,598	6,940
Total, Asia	4,235	2,663	343	2,583	5,085	14,909
Oceania	678	191	55	285	427	1,636
Unknown	398	16	124	502	....	1,040
Grand total	76,110	14,049	3,507	14,962	51,716	160,344

[1]Based on the status as of the end of 1943— Bulgaria, Germany, Hungary, Italy, Japan and Rumania.

[2]See appendix II, pt. II, for a discussion of "unknown" citizenship.

TABLE 9.—*Number of foreign persons owning United States assets (reported without values*[1]*), by countries and by citizenship groups, as of June 14, 1941*

Country (of reported address)	Citizenship groups: Same as country of address	United States	Enemy countries[2]	All other countries	Unknown[3]	Total
North America:						
Canada	5,860	333	32	317	5,558	12,100
French North America	5	2	....	4	2	13
Newfoundland	97	6	....	16	44	163
Total, North America	5,962	341	32	337	5,604	12,276
South America:						
Argentina	911	150	133	282	351	1,827
Brazil	987	124	145	265	434	1,955
Chile	467	106	80	142	257	1,052
Colombia	832	101	67	99	206	1,305
Peru	342	55	25	51	132	605
Venezuela	454	154	32	131	227	998
All other South America	693	58	90	148	261	1,250
Total, South America	4,686	748	572	1,118	1,868	8,992
Central America and Mexico:						
Central America	890	132	44	124	345	1,535
Mexico	1,957	297	84	447	1,088	3,876
Total, Central America and Mexico	2,847	429	128	571	1,433	5,408
West Indies and Bermuda:						
Cuba	1,100	134	64	186	1,377	2,861
Other West Indies	743	240	20	191	382	1,576
Total, West Indies and Bermuda	1,843	374	84	377	1,759	4,437
Europe:						
Belgium	1,042	21	36	97	819	2,015
Eire	363	32	....	11	442	848
France	2,573	152	202	455	2,103	5,485
Germany	4,538	104	15	86	1,325	6,068
Greece	364	15	3	12	185	579
Italy	1,182	122	32	103	488	1,927
Netherlands	1,420	16	148	49	1,312	2,945
Norway	628	20	1	13	389	1,051
Spain	433	40	21	100	324	918
Sweden	1,053	22	22	51	351	1,499
Switzerland	2,941	81	210	350	1,863	5,445
United Kingdom	8,157	198	306	505	7,493	16,659
Other Europe	2,983	108	208	280	1,732	5,311
Total, Europe	27,677	931	1,204	2,112	18,826	50,750
Africa:						
Union of South Africa	497	24	8	96	161	786
Other Africa	427	79	43	224	317	1,090
Total, Africa	924	103	51	320	478	1,876
Asia:						
China	298	2	13	432	490	1,235
India	425	65	6	87	231	814
Japan	711	69	48	77	177	1,082
Other Asia	745	153	100	554	837	2,389
Total, Asia	2,179	289	167	1,150	1,735	5,520
Oceania	768	53	24	199	293	1,337
Unknown	722	12	87	450	....	1,271
Grand total	47,608	3,280	2,349	6,634	31,996	91,867

[1]Composed principally of three types of reports: (1) those relating only to types of assets with respect to which no values were required, namely patents and contracts, (2) those relating to assets, primarily foreign securities, with respect to which no values were obtainable, and (3) those relating to nationals whose total reported assets were less than $1,000.

[2]Based on the status as of the end of 1943—Bulgaria, Germany, Hungary, Italy, Japan and Rumania.

[3]See appendix II, pt. II, for a discussion of "unknown" citizenship.

TABLE 10.—*Value of United States assets and foreign securities held in this country, owned by citizens of the United States residing abroad, by countries of reported address, and by principal types of assets, as of June 11, 1941*

[In millions of dollars]

Country of reported address	Bullion, currency and deposits	Domestic securities	Real estate	Interests in estates and trusts	Other United States assets	Total United States assets	Foreign securities	Total all assets
North America:								
Canada	3.1	14.5	1.0	9.6	4.7	32.9	0.6	33.5
Newfoundland	(1)	0.2	....	....	(1)	0.3	(1)	0.3
Total, North America	3.1	14.7	1.0	9.6	4.7	33.2	0.6	33.8
South America:								
Argentina	1.3	5.2	0.4	1.4	2.3	10.5	0.4	10.9
Bolivia	0.1	0.1	....	(1)	0.1	0.3	(1)	0.3
Brazil	1.7	4.4	(1)	1.3	1.2	8.6	0.2	8.8
Chile	1.5	1.7	(1)	0.4	0.9	4.5	0.1	4.6
Colombia	0.6	1.0	(1)	0.2	0.3	2.1	0.1	2.2
Ecuador	0.1	0.1	(1)	(1)	(1)	0.3	(1)	0.3
Peru	0.5	0.9	0.1	0.4	0.4	2.3	(1)	2.3
Uruguay	0.1	0.2	....	(1)	(1)	0.3	0.1	0.4
Venezuela	1.7	2.2	(1)	0.2	2.1	6.2	0.2	6.4
Other South America	(1)	(1)	(1)	....	(1)	0.1	....	0.1
Total, South America	7.6	15.7	0.6	4.0	7.3	35.2	1.1	36.3
Central America and Mexico:								
Costa Rica	0.1	0.3	....	0.1	0.1	0.5	(1)	0.5
Guatemala	0.3	0.3	(1)	0.5	0.1	1.2	(1)	1.2
Honduras	0.1	0.4	(1)	0.1	0.1	0.7	(1)	0.7
Nicaragua	0.1	(1)	0.1	....	(1)	0.3	(1)	0.3
Panama	0.1	0.2	....	0.1	0.3	0.7	0.1	0.8
El Salvador	(1)	(1)	(1)	....	(1)	0.1	(1)	0.1
Mexico	3.6	8.3	0.2	4.1	6.2	22.4	0.4	22.8
Total, Central America and Mexico	4.3	9.5	0.3	4.9	6.9	26.0	0.5	26.5
West Indies and Bermuda:								
Bahamas	0.2	4.1	0.4	1.2	0.2	6.2	0.2	6.4
Bermuda	0.8	3.9	0.1	4.8	0.6	10.2	0.1	10.3
British West Indies, n.e.s.	0.1	0.1	(1)	0.6	0.2	1.0	(1)	1.0
Cuba	0.8	4.1	0.1	2.2	1.4	8.7	0.1	8.8
Dominican Republic	0.1	0.2	....	(1)	0.4	0.7	(1)	0.7
Haiti	0.2	0.4	(1)	0.3	0.2	1.1	(1)	1.1
Jamaica	(1)	0.4	0.1	0.4	0.1	1.0	(1)	1.0
Netherlands West Indies	0.3	0.6	(1)	0.1	2.3	3.3	(1)	3.3
Total, West Indies	2.6	13.8	0.8	9.6	5.4	32.2	0.5	32.7
Europe:								
Austria	0.2	0.8	(1)	0.5	(1)	1.5	(1)	1.6
Belgium	0.2	0.7	(1)	0.8	0.1	1.8	(1)	1.8
British Mediterranean Possessions	(1)	0.1	....	(1)	(1)	0.1	....	0.1
Bulgaria	(1)	(1)	(1)	0.2	(1)	0.3	(1)	0.3
Czechoslovakia	0.1	(1)	(1)	0.1	(1)	0.3	(1)	0.3
Denmark	0.2	0.6	(1)	0.8	0.5	2.1	(1)	2.1
Eire	0.4	1.3	0.2	0.5	0.3	2.7	0.1	2.8
Finland	(1)	(1)	(1)	....	(1)	0.1	(1)	0.1
France	13.5	58.7	3.8	64.2	6.4	146.6	1.4	148.0
Germany	0.6	1.5	1.0	4.2	0.5	7.8	0.1	7.9
Greece	0.3	0.9	0.2	1.4	0.5	3.4	(1)	3.4
Hungary	0.1	0.5	0.1	0.7	0.1	1.4	0.4	1.8
Italy	2.0	18.8	1.9	17.4	1.7	41.9	2.8	44.7
Monaco	0.4	2.2	0.6	1.8	1.0	6.1	(1)	6.1
Netherlands	0.1	0.4	(1)	0.2	0.1	0.8	(1)	0.8

TABLE 10.—*Value of United States assets and foreign securities held in this country, owned by citizens of the United States residing abroad, by countries of reported address, and by principal types of assets, as of June 11, 1941*—Continued

[In millions of dollars]

Country of reported address	Bullion, currency and deposits	Domestic securities	Real estate	Interests in estates and trusts	Other United States assets	Total United States assets	Foreign securities	Total all assets
Europe—Continued:								
Norway	0.4	1.1	0.1	0.4	0.8	2.7	(1)	2.7
Poland	(1)	(1)	(1)	....	0.4	0.4	....	0.4
Portugal	0.2	0.2	0.1	0.6	0.1	1.3	(1)	1.3
Rumania	(1)	0.2	(1)	....	0.2	0.4	(1)	0.4
Spain	0.5	1.8	1.1	1.3	1.0	5.7	(1)	5.7
Sweden	0.3	0.6	(1)	1.7	0.1	2.8	(1)	2.8
Switzerland	4.3	28.1	2.4	22.3	2.9	60.1	1.5	61.6
Union of Soviet Socialist Republics	(1)	0.1	....	....	....	0.1	(1)	0.1
United Kingdom	7.2	55.8	9.6	67.0	10.7	150.3	1.0	151.3
Yugslavia	0.1	(1)	(1)	....	0.2	0.3	....	0.3
Total, Europe	31.4	174.6	21.4	186.4	27.5	441.2	7.5	448.7
Africa:								
Algeria	(1)	(1)	(1)	....	(1)	0.1	(1)	0.1
Belgian Africa	0.1	0.1	0.1	(1)	0.2	0.5	(1)	0.5
British East Africa	0.1	0.3	(1)	....	0.4	0.8	(1)	0.8
British South Africa, n.e.s.	0.1	0.3	....	(1)	(1)	0.4	(1)	0.4
British West Africa	(1)	(1)	....	(1)	(1)	0.1	(1)	0.1
Egypt	0.2	1.1	0.3	2.7	0.3	4.6	(1)	4.6
French Africa, n.e.s.	(1)	(1)	(1)	....	0.1	0.1	....	0.1
French Morocco	0.1	0.2	....	0.2	0.1	0.6	(1)	0.7
Portuguese Africa	(1)	(1)	....	(1)	....	0.1	....	0.1
Tangier	(1)	0.1	(1)	0.2	(1)	0.4	....	0.4
Tunisia	(1)	(1)	....	0.1	(1)	0.1	....	0.1
Union of South Africa	0.4	1.4	0.1	1.1	0.2	3.3	0.1	3.4
Other Africa	(1)	(1)	(1)	(1)	(1)	0.1	....	0.1
Total, Africa	1.1	3.7	0.6	4.4	1.5	11.3	0.1	11.4
Asia:								
Arabia (autonomous)	0.1	(1)	(1)	(1)	0.1	0.2	....	0.2
British Asia, n.e.s.	0.1	0.1	(1)	(1)	0.2	0.4	....	0.4
British Malaya	0.1	0.1	....	(1)	0.1	0.3	(1)	0.3
Ceylon	(1)	(1)	....	(1)	(1)	0.1	(1)	0.1
China	2.0	4.2	0.4	1.0	3.6	11.2	0.1	11.3
French Indo-China	(1)	(1)	....	....	(1)	0.1	....	0.1
Hong Kong	0.5	1.9	0.3	0.7	0.6	4.0	(1)	4.0
India	0.5	1.9	0.3	0.4	0.9	4.0	(1)	4.1
Iran	(1)	(1)	(1)	....	(1)	0.1	(1)	0.1
Japan	0.4	1.2	0.2	0.1	0.7	2.7	(1)	2.7
Netherlands East Indies	0.3	0.6	(1)	0.2	0.4	1.4	(1)	1.4
Palestine	0.1	0.4	0.6	0.4	0.3	1.8	(1)	1.8
Philippine Islands	3.9	6.0	0.5	1.5	3.7	15.6	(1)	15.6
Syria	0.1	2.3	(1)	(1)	0.3	2.7	(1)	2.8
Thailand	0.1	0.1	....	....	(1)	0.2	....	0.2
Turkey	0.1	0.5	(1)	1.0	0.1	1.7	(1)	1.7
Other Asia	0.1	(1)	....	....	(1)	0.1	....	0.1
Total, Asia	8.5	19.5	2.3	5.4	11.0	46.7	0.3	47.0
Oceania:								
Australia	0.4	1.3	(1)	0.4	0.2	2.4	0.1	2.5
French Oceania	0.1	0.4	(1)	0.7	0.1	1.4	0.1	1.5
New Zealand	0.1	0.1	....	0.1	0.1	0.4	....	0.4
Total, Oceania	0.6	1.9	(1)	1.2	0.4	4.2	0.2	4.4
Unknown	(1)	0.1	....	(1)	0.1	0.2	....	0.2
Total, all areas	59.4	253.4	27.1	225.5	64.9	630.3	10.8	641.2

NOTE.—These data are included in the general tables, and are discussed in ch. V, sec. C. See also headnote to pt. II of this appendix.

[1] Less than $50,000.

TABLE 11.—*Value of United States assets, and foreign securities held in this country, owned by American-controlled foreign enterprises, by countries of reported address, and by principal types of assets, as of June 14, 1941*

[In millions of dollars]

Country of reported address	Bullion, currency and deposits	Domestic securities	Other United States assets	Total United States assets	Foreign securities	Total all assets
North America:						
Canada	21.2	80.0	50.8	152.0	62.9	214.9
Newfoundland	(1)	0.2	(1)	0.2	(1)	0.2
Total, North America	21.2	80.2	50.8	152.2	62.9	215.1
South America:						
Argentina	13.0	3.0	24.1	40.1	24.6	64.7
Bolivia	(1)	....	0.7	0.7	....	0.7
Brasil	3.0	0.1	7.9	11.0	23.0	34.0
British Guiana	....	....	0.3	0.3	....	0.3
Chile	5.0	0.3	3.2	8.5	3.3	11.8
Colombia	1.9	....	3.0	4.9	0.5	5.4
Ecuador	....	....	0.5	0.5	....	0.5
Paraguay	0.1	....	0.1	0.2	....	0.2
Peru	1.1	....	1.9	3.0	....	3.0
Surinam	....	....	2.1	2.1	....	2.1
Uruguay	1.0	1.0	1.0	3.0	3.1	6.1
Venezuela	1.3	0.1	30.7	32.1	(1)	32.1
Total, South America	26.4	4.5	75.5	106.4	54.5	160.9
Central America and Mexico:						
Costa Rica	0.5	....	0.1	0.6	....	0.6
Guatemala	0.1	....	(1)	0.1	....	0.1
Honduras	....	....	1.4	1.4	....	1.4
Panama	18.4	0.1	15.7	34.2	0.1	34.3
Other Central America	0.1	....	(1)	0.1	(1)	0.1
Mexico	5.9	3.3	25.1	34.3	2.1	36.4
Total, Central America and Mexico	25.0	3.4	42.3	70.7	2.2	72.9
West Indies and Bermuda:						
Bahamas	(1)	2.2	0.7	2.9	1.2	4.1
Bermuda	....	0.1	....	0.1	....	0.1
British West Indies, n.e.s.	(1)	....	1.0	1.0	....	1.0
Cuba	16.6	26.2	9.3	52.1	1.1	53.2
Dominican Republic	5.5	(1)	8.2	13.7	....	13.7
Netherlands West Indies	0.1	....	(1)	0.1	4.5	4.6
Other West Indies	(1)	....	(1)	(1)	(1)	(1)
Total, West Indies	22.2	28.5	19.2	69.9	6.8	76.7
Europe:						
Belgium	3.0	0.5	14.6	18.1	0.1	18.2
Bulgaria	....	....	0.1	0.1	....	0.1
Denmark	(1)	0.2	1.7	1.9	....	1.9
France	23.0	15.8	3.4	42.2	2.2	44.4
Germany	0.1	0.4	3.6	4.1	0.2	4.3
Greece	(1)	1.0	0.6	1.6	(1)	1.6
Italy	0.4	0.2	0.3	0.9	(1)	0.9
Lithuania	....	....	0.1	0.1	....	0.1
Luxembourg	....	....	....	....	0.7	0.7
Monaco	(1)	0.1	....	0.1	(1)	0.1
Netherlands	0.7	0.3	3.8	4.8	(1)	4.8
Norway	0.1	(1)	0.1	0.2	0.1	0.3
Poland	(1)	....	0.1	0.1	....	0.1
Portugal	....	....	0.7	0.7	....	0.7
Spain	0.1	....	1.9	2.0	(1)	2.0
Sweden	0.2	0.2	2.1	2.5	....	2.5
Switzerland	1.0	2.7	1.9	5.6	0.4	6.0
United Kingdom	64.6	13.4	17.1	95.1	13.5	108.6
Yugoslavia	(1)	0.2	0.3	0.5	(1)	0.5
Other Europe	(1)	(1)	0.1	0.1	....	0.1
Total, Europe	93.2	35.0	52.5	180.7	17.2	197.9

TABLE 11.—*Value of United States assets, and foreign securities held in this country, owned by American-controlled foreign enterprises, by countries of reported address, and by principal types of assets, as of June 14, 1941*—Continued

[In millions of dollars]

Country of reported address	Bullion, currency and deposits	Domestic securities	Other United States assets	Total United States assets	Foreign securities	Total all assets
Africa:						
Egypt	[1]	0.1	1.0	1.1	...	1.1
Liberia	0.1	...	[1]	0.1	...	0.1
Union of South Africa	0.1	...	1.6	1.7	...	1.7
Other Africa	[1]	[1]	0.1	0.1	...	0.1
Total, Africa	0.2	0.1	2.7	3.0	...	3.0
Asia:						
British Asia, n.e.s.	0.5	...	...	0.5	...	0.5
British Malaya	1.9	0.2	3.3	5.4	[1]	5.4
China	26.4	13.3	11.7	51.4	0.7	52.1
Hong Kong	11.4	4.1	0.7	16.2	[1]	16.2
India	1.0	0.4	2.8	4.2	[1]	4.2
Japan	0.6	0.2	2.1	2.9	[1]	2.9
Netherlands East Indies	[1]	...	6.0	6.0	1.8	7.8
Palestine	0.1	0.1	0.2	0.4	...	0.4
Philippine Islands	5.2	0.5	7.1	12.8	0.3	13.1
Syria	0.3	4.5	0.4	5.2	0.2	5.4
Turkey	0.2	4.4	0.5	5.1	0.1	5.2
Other Asia	...	[1]	[1]	[1]	...	[1]
Total, Asia	47.6	27.7	34.8	110.1	3.1	113.2
Oceania:						
Australia	0.1	...	3.9	4.0	0.1	4.1
New Zealand	...	...	0.2	0.2	1.5	1.7
Total, Oceania	0.1	...	4.1	4.2	1.6	5.8
Unknown	[1]	0.1	0.1	0.2	...	0.2
Total, all areas	235.9	179.5	282.0	697.4	148.3	845.7

NOTE.—The figures are rounded and will not necessarily add to the totals. These data are included in the general tables and are discussed in ch. V, sec. C. See also the headnote to pt. II of this appendix.

[1] Less than $50,000.

TABLE 12.—*Reported market value of foreign securities held in the United States on behalf of foreign owners, by countries of reported address, and by manner of which held, as of June 14, 1941*

[In millions of dollars]

Country of reported address	Manner in which held: By banks as nominees[1] or custodians	By brokers as nominees or custodians[2]	By nominees or custodians other than banks and brokers[3]	Total
North America:				
Canada	83.8	3.9	75.3	162.9
Newfoundland	0.5	8.6	0.6	9.7
Total, North America	84.3	12.5	75.9	172.6
South America:				
Argentina	16.6	8.2	27.9	52.6
Bolivia	0.4	[4]	[4]	0.4
Brazil	4.1	0.9	23.9	28.9
Chile	2.2	0.7	3.3	6.2
Colombia	5.1	0.3	0.7	6.1
Ecuador	0.1	[4]	[4]	0.1
Peru	0.9	[4]	0.1	1.0
Uruguay	6.1	0.6	4.2	10.9
Venezuela	0.4	0.2	8.3	8.9
Other South America	[4]	[4]	[4]	[4]
Total, South America	35.9	10.9	68.4	115.1
Central America and Mexico:				
Costa Rica	0.1	[4]	[4]	0.1
Guatemala	0.3	[4]	0.6	0.9
Nicaragua	[4]	[4]	0.7	0.7
Panama	2.1	0.5	13.9	16.5
El Salvador	0.2	[4]	[4]	0.2
Other Central America	[4]	[4]	[4]	[4]
Mexico	2.7	2.3	14.2	19.1
Total, Central America and Mexico	5.4	2.8	29.4	37.5
West Indies and Bermuda:				
Bahamas	59.1	[4]	0.3	59.4
Bermuda	0.8	[4]	18.5	19.3
British West Indies	0.5	[4]	[4]	0.5
Cuba	14.1	2.9	4.3	21.3
Dominican Republic	1.8	[4]	0.3	2.1
Haiti	0.8	[4]	0.1	0.9
Jamaica	0.5	[4]	0.2	0.7
Netherlands West Indies	0.3	0.1	4.9	5.3
Other West Indies	[4]	...	...	[4]
Total, West Indies and Bermuda	77.9	3.0	28.5	109.5
Europe:				
Austria	0.2	[4]	[4]	0.2
Belgium	5.0	0.6	32.2	37.8
British Mediterranean Possessions	[4]	...	1.0	1.0
Czechoslovakia	1.8	0.1	[4]	1.9
Denmark	6.6	0.1	0.7	7.4
Eire	0.8	1.6	0.2	2.6
Esthonia	0.1	...	...	0.1
Finland	3.0	[4]	[4]	3.0
France	12.0	7.3	8.1	27.4
Germany	0.6	0.1	1.4	2.1
Greece	1.4	[4]	[4]	1.4
Hungary	[4]	[4]	0.4	0.4
Italy	1.6	0.2	5.4	7.2
Lichtenstein	0.2	0.1	[4]	0.3
Luxembourg	0.2	0.1	0.7	1.0
Monaco	0.4	0.2	0.3	0.9
Netherlands	12.2	3.4	4.2	19.7
Norway	13.0	0.6	2.5	16.1
Portugal	1.3	0.2	0.1	1.6
Rumania	0.1	[4]	[4]	0.1

TABLE 12.—*Reported market value of foreign securities held in the United States on behalf of foreign owners, by countries of reported address, and by manner in which held, as of June 14, 1941*—Continued

[In millions of dollars]

Country of reported address	Manner in which held: By banks as nominees[1] or custodians	Manner in which held: By brokers as nominees or custodians[2]	Manner in which held: By nominees or custodians other than banks and brokers[3]	Total
Europe—Continued				
Spain	1.6	0.4	0.2	2.2
Sweden	2.8	1.0	8.2	11.9
Switzerland	83.2	30.5	8.4	122.1
United Kingdom	112.3	9.4	20.6	142.3
Yugoslavia	0.2	([4])	([4])	0.2
Other Europe	([4])	([4])	([4])	([4])
Total, Europe	260.6	55.9	94.6	411.0
Africa:				
British South Africa	0.1	([4])	....	0.1
Egypt	0.5	0.1	0.1	0.7
French Morocco	0.1	([4])	([4])	0.1
Liberia	0.3	....	....	0.3
Tangier	4.8	([4])	0.1	4.9
Union of South Africa	0.5	([4])	0.1	0.6
Other Africa	0.1	([4])	([4])	0.1
Total, Africa	6.4	0.1	0.3	6.8
Asia:				
Afghanistan	....	....	0.8	0.8
British Malaya	0.1	([4])	([4])	0.1
Ceylon	0.5	....	([4])	0.5
China	6.0	0.6	1.1	7.8
Hong Kong	2.2	([4])	0.4	2.6
India	1.5	([4])	([4])	1.5
Iraq	0.1	....	([4])	0.1
Japan	6.1	([4])	2.1	8.3
Netherlands East Indies	0.6	([4])	2.6	3.2
Palestine	1.2	0.2	0.1	1.5
Philippine Islands	6.2	([4])	0.7	6.9
Syria	0.1	([4])	0.2	0.3
Turkey	0.1	([4])	0.1	0.2
Other Asia	([4])	([4])	([4])	([4])
Total, Asia	24.7	0.8	8.1	33.6
Oceania:				
Australia	1.5	0.2	0.7	2.4
French Oceania	0.1	....	....	0.1
New Zealand	0.1	([4])	1.5	1.6
Total, Oceania	1.7	0.2	2.2	4.1
Unknown	0.2	0.1	([4])	0.3
Total, all areas	497.1	86.3	307.4	890.5

NOTE.—The figures are rounded and will not necessarily add to the totals. These data are not included in the general tables but are discussed in ch. V, sec. D.

[1]Reported on Series F.

[2]Reported on Series G.

[3]Reported on Series A and B.

[4]Less than $50,000.

TABLE 13.—*Number of TFR-300 reports filed, by Series and by Federal Reserve Districts and Territories*[1]

Federal Reserve District or Territory or Possession	Series A	B	C-2	D	E	F	G	H	Total	C-1	K
Federal Reserve Districts:											
Atlanta	602	963	762	209	1,337	135	6	66	4,080	166	4
Boston	3,471	4,083	6,992	389	5,431	590	531	3,802	25,289	584	159
Chicago	5,331	11,635	17,698	430	3,790	826	139	3,630	43,479	1,065	208
Cleveland	1,903	6,188	6,599	168	1,823	225	12	455	17,373	519	137
Dallas	975	1,330	819	516	2,672	253	60	127	6,752	179	24
Kansas City	1,602	902	1,558	77	534	86	3	84	4,846	106	36
Minneapolis	675	888	2,999	83	527	40	8	2,040	7,260	139	8
New York	50,924	55,441	88,178	6,731	104,192	38,851	15,230	12.686	372,233	5,277	1,948
Philadelphia	3,176	4,927	7,337	233	2,078	335	111	1,293	19,490	412	138
Richmond	6,260	3,184	3,263	420	2,290	530	29	1,433	17,409	319	188
San Francisco	6,187	5,814	7,860	1,418	9,089	955	149	1,193	32,665	722	1,376
St. Louis	980	1,349	2,116	70	482	41	33	99	5,170	201	22
Territories and Possessions:											
Alaska	28	18	....	6	18	2	....	....	72	....	....
Guam	....	2	....	....	2	....	....	....	4	....	....
Hawaii	1,454	2,079	947	198	1,236	281	9	....	6,204	184	87
Panama Canal Zone	100	100	....	100	500	100	....	....	900	....	....
Puerto Rico	156	815	227	12	298	14	11	1	1,534	30	....
Virgin Islands	18	7	....	....	1	....	....	....	26	....	....
Total filed	83,842	99,725	147,355	11,060	136,300	43,264	16,331	26,909	564,786	9,903	4,335
Total, exclusive of duplicate reports and those filed *re* residents of this country	98,133		107,842	10,488	80,053	25,954	9,812	23,378	355,660	....	2,750

[1]As of Dec. 31, 1943.

Part II. COUNTRY TABLES, BY DETAILED PROPERTY TYPES, AND CITIZENSHIP GROUPS

Data are supplied in this part with respect to those countries whose United States assets amounted to $100,000,000 or more; namely:

Argentina	Mexico
Belgium	Netherlands
Brazil	Netherlands East Indies
Canada	Norway
China	Panama
Cuba	Philippine Islands
France	Sweden
Germany	Switzerland
Italy	United Kingdom
Japan	

Data regarding foreign securities held in the United States for accounts in these and other countries are shown in this appendix, part I, table 12. Data regarding gold held under earmark for foreign account by the Federal Reserve Bank of New York have been excluded throughout these tables.

The citizenship of individuals was frequently reported as "unknown" on the Series C reports and, to a lesser extent, on other series. Even though special attention was given to this item in the course of the editing, one-third of the persons with assets for whom values were available were coded "citizenship unknown." However, only about 2 percent of the assets of the countries in these tables was held by persons with "citizenship unknown," because foreign corporations were pretty well identified as to citizenship (place of incorporation) and the citizenship of individuals with the larger volume of assets was generally reported by a bank or broker on Series F or G, as well as by corporations on Series C. The notable exceptions to this generalization were Belgium, 5 percent, Germany, 6 percent, Italy, 20 percent, and Mexico, 11 percent. The amounts tabulated as citizenship "unknown," were classified with "Other countries" in the following tables.

Data regarding the assets of United States citizens residing abroad and American-controlled foreign enterprises are given in tables 10 and 11 and are discussed in chapter V, sections C and D.

The column, "Country of address," in these tables covers all assets owned by persons known to be citizens of the country of their reported address. For example, in table A, it relates to assets belonging to citizens of Argentina living in Argentina.

Value of United States assets owned by persons in Argentina and Belgium (on the basis of reported address) by detailed property types, and by citizenship groups, as of June 14, 1941

[In millions of dollars]

A. ARGENTINA

Property types	Citizenship groups: Country of address	Enemy countries[1]	All other	Total
Bullion, currency and deposits:				
Bullion	....	([2])	([2])	([2])
Currency	0.4	....	([2])	0.4
Demand deposits	91.0	0.8	25.5	117.3
Time deposits	1.5	([2])	0.4	1.9
Total	93.0	0.8	25.9	119.7
Domestic securities:				
National government	4.1	0.7	0.6	5.4
Other government	0.4	([2])	0.1	0.6
Corporate bonds	2.8	0.1	1.6	4.4
Common stocks	24.9	0.7	9.9	35.4
Preferred stocks	3.7	0.1	1.6	5.4
Other securities	0.2	([2])	([2])	0.2
Total	36.1	1.5	13.8	51.4
Interests in controlled enterprises[3]	18.2	....	1.5	19.7
Miscellaneous assets:				
Real estate	([2])	....	0.4	0.4
Real estate mortgages	([2])	....	0.1	0.1
Estates	0.2	([2])	0.6	0.8
Trusts	0.6	0.1	1.7	2.4
Insurance policies and annuities	0.3	([2])	2.1	2.4
Goods and merchandise	1.1	....	0.1	1.3
Checks and acceptances	7.4	([2])	2.4	9.8
Debts and claims	22.9	0.1	2.6	25.6
Total	32.5	0.2	9.9	42.6
Total, all property types	179.8	2.6	51.1	233.4

B. BELGIUM

Property types	Country of address	Enemy countries[1]	All other	Total
Bullion, currency and deposits:				
Bullion	....	....	....	....
Currency	0.2	([2])	([2])	0.2
Demand deposits	106.5	0.6	18.3	125.4
Time deposits	1.7	0.2	0.5	2.5
Total	108.5	0.8	18.9	128.1
Domestic securities:				
National government	1.1	([2])	0.4	1.5
Other government	([2])	....	0.1	0.1
Corporate bonds	1.9	([2])	0.4	2.3
Common stocks	20.7	0.5	5.3	26.5
Preferred stocks	2.3	([2])	0.6	2.9
Other securities	1.6	....	([2])	1.6
Total	27.6	0.6	6.7	34.9
Interests in controlled enterprises[3]:				
Branches	1.7	....	14.1	15.7
Corporations	66.0	....	1.1	67.1
Total	67.7	....	15.2	82.9
Miscellaneous assets:				
Real estate	0.2	([2])	([2])	0.3
Real estate mortgages	0.1	([2])	([2])	0.2
Estates	0.5	....	0.3	0.8
Trusts	2.0	([2])	3.4	5.4
Insurance policies and annuities	0.1	....	0.2	0.3
Goods and merchandise	4.7	([2])	0.3	5.0
Checks and acceptances	3.6	([2])	0.1	3.7
Debts and claims	49.9	0.1	1.1	51.0
Total	61.1	0.1	5.5	66.8
Total, all property types	264.9	1.5	46.3	312.7

NOTE—The figures are rounded and will not necessarily add to the totals. See statement at the beginning of pt. II, p. 78, for the limitations to these data.

[1]Germany, Italy, Japan, Hungary, Rumania and Bulgaria.

[2]Less than $50,000.

[3]For statistical purposes only, control was determined on the basis of the ownership of 25 percent or more of the voting stock of corporations, and analogous interests in partnerships and other organizations.

Value of United States assets owned by persons in Brazil and Canada (on the basis of reported address) by detailed property types, and by citizenship groups, as of June 14, 1941

[In millions of dollars]

C. BRAZIL

Property types	Citizenship groups: Country of address	Enemy countries[1]	All other	Total
Bullion, currency and deposits:				
Bullion	....	....	....	....
Currency	(2)	....	(2)	(2)
Demand deposits	44.4	1.0	13.1	58.5
Time deposits	1.2	(2)	0.8	2.0
Total	45.6	1.1	13.9	60.6
Domestic securities:				
National government	0.2	0.1	0.5	0.8
Other government	0.2	(2)	0.5	0.7
Corporate bonds	0.3	0.1	1.2	1.6
Common stocks	2.0	0.5	6.5	9.0
Preferred stocks	0.6	0.2	0.8	1.5
Other securities	(2)	(2)	0.1	0.1
Total	3.2	0.9	9.4	13.6
Interests in controlled enterprises[3]	0.7	....	0.6	1.3
Miscellaneous assets:				
Real estate	....	0.1	0.1	0.1
Real estate mortgages	(2)	(2)	(2)	0.1
Estates	(2)	(2)	0.1	0.1
Trusts	0.7	(2)	2.0	2.7
Insurance policies and annuities	0.1	....	1.6	1.7
Goods and merchandise	3.6	(2)	1.6	5.3
Checks and acceptances	25.0	0.1	7.6	32.7
Debts and claims	12.3	0.2	3.4	15.9
Total	41.7	0.4	16.5	58.6
Total, all property types	91.2	2.4	40.4	134.1

D. CANADA

Property types	Country of address	Enemy countries[1]	All other	Total
Bullion, currency and deposits:				
Bullion	....	....	....	....
Currency	0.1	(2)	0.1	0.2
Demand deposits	409.3	0.2	9.3	418.8
Time deposits	2.3	(2)	2.9	5.2
Total	411.6	0.3	12.3	424.2
Domestic securities:				
National government	23.8	0.1	8.1	32.0
Other government	4.3	(2)	0.6	4.8
Corporate bonds	33.8	0.1	7.9	41.8
Common stocks	321.9	0.7	56.4	379.0
Preferred stock	54.1	0.1	12.2	66.4
Other securities	6.8	(2)	0.2	6.9
Total	444.6	1.0	85.4	530.9
Interests in controlled enterprises[3]				
Branches	35.6	....	[4]0.2	35.4
Corporations	469.9	....	13.2	483.1
Total	505.5	....	13.0	518.5
Miscellaneous assets:				
Real estate	6.8	....	3.5	10.3
Real estate mortgages	5.4	....	0.9	6.2
Estates	2.3	(2)	0.9	3.2
Trusts	14.7	0.9	15.7	31.2
Insurance policies and annuities	5.5	(2)	20.6	26.1
Goods and merchandise	26.7	0.1	1.0	27.7
Checks and acceptances	38.7	(2)	0.1	38.8
Debts and claims	87.8	0.3	3.8	92.0
Total	187.9	1.3	46.4	235.5
Total, all property types	1,549.6	2.6	157.0	1,709.2

NOTE.—The figures are rounded and will not necessarily add to the totals. See statement at the beginning of pt. II, p. 78, for the limitations to these data.

[1]Germany, Italy, Japan, Hungary, Rumania and Bulgaria.

[2]Less than $50,000.

[3]For statistical purposes only, control was determined on the basis of the ownership of 25 percent or more of the voting stock of corporations, and analogous interests in partnerships and other organizations.

[4]Net deficit.

Value of United States Assets owned by persons in China and Cuba (on the basis of reported address) by detailed property types, and by citizenship groups, as of June 14, 1941

[In millions of dollars]

E. CHINA

Property types	Citizenship groups			
	Country of address	Enemy countries[1]	All other	Total
Bullion, currency and deposits:				
Bullion	19.4	....	[2]	19.4
Currency	[2]	....	[2]	[2]
Demand deposits	138.3	17.9	58.8	215.1
Time deposits	1.0	0.1	3.0	4.1
Total	158.8	18.0	61.8	238.6
Domestic securities:				
National government	5.1	[2]	6.1	11.2
Other government	0.3	....	0.1	0.4
Corporate bonds	2.8	0.1	3.0	5.9
Common stocks	14.8	0.2	15.2	30.2
Preferred stocks	2.5	[2]	3.0	5.5
Other securities	0.4	[2]	0.1	0.5
Total	26.0	0.3	27.5	53.7
Interests in controlled enterprises:[3]				
Branches	1.5	....	0.8	2.4
Corporations	4.6	....	9.7	14.3
Total	6.1	....	10.5	16.7
Miscellaneous assets:				
Real estate	[2]	[2]	0.4	0.4
Real estate mortgages	0.1	....	0.2	0.3
Estates	0.1	[2]	0.2	0.2
Trusts	0.2	[2]	1.0	1.3
Insurance policies and annuities	0.3	0.1	4.7	5.1
Goods and merchandise	4.5	[2]	5.3	9.8
Checks and acceptances	3.9	0.6	6.4	10.9
Debts and claims	7.8	0.2	11.4	19.4
Total	16.9	1.0	29.6	47.4
Total, all property types	207.8	19.3	129.4	356.4

F. CUBA

Property types	Country of address	Enemy countries[1]	All other	Total
Bullion, currency and deposits:				
Bullion	....	....	....	....
Currency	[2]	[2]	1.0	1.0
Demand deposits	26.5	0.8	19.8	47.0
Time deposits	3.9	0.1	0.9	4.9
Total	30.4	0.9	21.6	52.9
Domestic securities:				
National government	13.6	[2]	4.0	17.6
Other government	2.4	....	0.3	2.7
Corporate bonds	6.1	[2]	2.1	8.3
Common stocks	28.3	0.3	5.9	34.5
Preferred stocks	1.9	[2]	1.1	3.0
Other securities	0.1	[2]	0.1	0.2
Total	52.3	0.4	13.5	66.2
Interests in controlled enterprises[3]	6.5	....	9.4	15.9
Miscellaneous assets:				
Real estate	0.1	[2]	0.1	0.2
Real estate mortgages	0.6	....	0.1	0.6
Estates	0.1	[2]	0.3	0.4
Trusts	4.8	[2]	2.1	6.9
Insurance policies and annuities	0.5	[2]	2.1	2.6
Goods and merchandise	7.6	[2]	0.4	8.1
Checks and acceptances	2.5	[2]	0.4	2.9
Debts and claims	12.5	0.1	2.3	14.9
Total	28.9	0.2	7.7	36.8
Total, all property types	118.1	1.5	52.2	171.8

NOTE.—The figures are rounded and will not necessarily add to the totals. See statement at the beginning of pt. II, p. 78, for the limitations to these data.

[1]Germany, Italy, Japan, Hungary, Rumania and Bulgaria.

[2]Less than $50,000.

[3]For statistical purposes only, control was determined on the basis of the ownership of 25 percent or more of the voting stock of corporations, and analogous interests in partnerships and other organizations.

Value of United States assets owned by persons in France and Germany (on the basis of reported address) by detailed property types, and by citizenship groups, as of June 14, 1941

[In millions of dollars]

G. FRANCE

Property types	Citizenship groups: Country of address	Citizenship groups: Enemy countries[1]	Citizenship groups: All other	Total
Bullion, currency and deposits:				
Bullion	....	....	[2]	[2]
Currency	0.7	0.2	0.2	1.1
Demand deposits	444.6	3.0	63.1	510.8
Time deposits	1.9	0.1	2.5	4.5
Total	447.3	3.3	65.8	516.4
Domestic securities:				
National government	5.8	0.3	9.5	15.6
Other government	1.8	[2]	17.2	19.0
Corporate bonds	6.5	0.2	11.6	18.3
Common stocks	65.1	1.0	49.0	115.1
Preferred stocks	8.2	0.2	9.7	18.0
Other securities	0.1	[2]	0.2	0.2
Total	87.4	1.7	97.2	186.4
Interests in controlled enterprises[3]:				
Branches	36.9	....	1.9	38.8
Corporations	57.7	....	3.0	60.7
Total	94.6	....	4.9	99.6
Miscellaneous assets:				
Real estate	3.0	0.1	3.7	6.8
Real estate mortgages	1.0	[2]	2.2	3.2
Estates	3.2	[2]	2.0	5.3
Trusts	44.7	0.9	71.4	117.0
Insurance policies and annuities	1.5	0.1	3.1	4.6
Goods and merchandise	29.3	0.1	1.6	30.8
Checks and acceptances	8.1	[2]	1.8	9.9
Debts and claims	52.1	0.5	7.9	60.5
Total	142.8	1.7	93.7	238.1
Total, all property types	772.1	6.7	261.6	1,040.5

H. GERMANY

Property types	Country of address	Enemy countries[1]	All other	Total
Bullion, currency and deposits:				
Bullion	[2]	....	....	[2]
Currency	0.2	....	[2]	0.2
Demand deposits	3.5	0.4	1.4	5.3
Time deposits	1.2	[2]	0.9	2.1
Total	4.8	0.4	2.4	7.5
Domestic securities:				
National government	0.5	....	0.4	0.8
Other government	0.5	....	0.1	0.6
Corporate bonds	1.9	....	0.5	2.4
Common stocks	4.3	[2]	1.9	6.2
Preferred stocks	1.4	[2]	0.8	2.2
Other securities	0.1	....	[2]	0.1
Total	8.7	[2]	3.7	12.4
Interests in controlled enterprises[3]:				
Branches	0.5	....	8.1	8.6
Corporations	95.9	....	0.7	96.5
Total	96.3	....	8.8	105.1
Miscellaneous assets:				
Real estate	2.1	[2]	0.8	3.0
Real estate mortgages	1.2	....	0.6	1.8
Estates	6.5	....	0.8	7.3
Trusts	32.6	[2]	10.1	42.8
Insurance policies and annuities	0.7	....	0.9	1.6
Goods and merchandise	0.4	....	[2]	0.5
Checks and acceptances	0.6	....	0.1	0.7
Debts and claims	14.3	[2]	1.0	15.4
Total	58.4	[2]	14.4	73.0
Total, all property types	168.3	0.4	29.3	198.0

NOTE.—The figures are rounded and will not necessarily add to the totals. See statement at the beginning of pt. II, p. 78, for the limitations to these data.

[1] Germany, Italy, Japan, Hungary, Rumania and Bulgaria.

[2] Less than $50,000.

[3] For statistical purposes only, control was determined on the basis of the ownership of 25 percent or more of the voting stock of corporations, and analogous interests in partnerships and other organizations.

Value of United States assets owned by persons in Italy and Japan (on the basis of reported address) by detailed property types, and by citizenship groups, as of June 14, 1941

[In millions of dollars]

I. ITALY

Property types	Citizenship groups: Country of address	Enemy countries[1]	All other	Total
Bullion, currency and deposits:				
Bullion	....	....	....	....
Currency	0.4	....	(2)	0.4
Demand deposits	6.6	0.1	13.3	20.0
Time deposits	1.9	(2)	1.5	3.4
Total	8.9	0.2	14.8	23.9
Domestic securities:				
National government	0.6	0.1	1.3	2.0
Other government	0.5	(2)	8.4	8.9
Corporate bonds	0.8	0.1	2.0	2.9
Common stocks	3.0	0.1	13.2	16.3
Preferred stocks	0.4	(2)	2.2	2.6
Other securities	0.2	....	0.1	0.3
Total	5.5	0.4	27.2	33.0
Interests in controlled enterprises[3]	9.3	....	0.7	10.0
Miscellaneous assets:				
Real estate	0.9	(2)	2.2	3.2
Real estate mortgages	0.7	0.1	0.8	1.6
Estates	1.6	(2)	0.8	2.5
Trusts	25.4	0.3	19.7	45.4
Insurance policies and annuities	0.3	0.1	1.8	2.2
Goods and merchandise	2.9	(2)	0.2	2.9
Checks and acceptances	0.6	(2)	0.3	0.9
Debts and claims	2.9	(2)	1.0	3.9
Total	35.3	0.6	26.9	62.7
Total, all property types	59.0	1.2	69.6	129.6

J. JAPAN

Property types	Country of address	Enemy countries[1]	All other	Total
Bullion, currency and deposits:				
Bullion	....	....	....	....
Currency	(2)	....	(2)	(2)
Demand deposits	87.6	0.1	3.2	90.9
Time deposits	2.4	(2)	0.7	3.2
Total	90.0	0.1	4.0	94.1
Domestic securities:				
National government	6.8	....	0.4	7.2
Other government	....	....	(2)	(2)
Corporate bonds	(2)	(2)	0.2	0.2
Common stocks	2.1	0.1	1.8	4.0
Preferred stocks	0.1	(2)	0.1	0.2
Other securities	(2)	....	0.1	0.1
Total	9.0	0.1	2.6	11.7
Interests in controlled enterprises[3]:				
Branches	25.7	....	0.3	26.0
Corporations	8.9	....	0.2	9.1
Total	34.6	....	0.5	35.1
Miscellaneous assets:				
Real estate	1.3	....	0.2	1.5
Real estate mortgages	0.3	....	(2)	0.4
Estates	0.2	....	0.1	0.3
Trusts	0.3	(2)	0.1	0.4
Insurance policies and annuities	0.3	(2)	1.1	1.5
Goods and merchandise	0.7	....	(2)	0.8
Checks and acceptances	9.2	(2)	1.1	10.3
Debts and claims	4.1	0.1	0.4	4.6
Total	16.4	0.1	3.1	19.6
Total, all property types	150.0	0.3	10.3	160.5

NOTE.—The figures are rounded and will not necessarily add to the totals. See statement at the beginning of pt. II, p. 78, for the limitations to these data.

[1]Germany, Italy, Japan, Hungary, Rumania and Bulgaria.

[2]Less than $50,000.

[3]For statistical purposes only, control was determined on the basis of the ownership of 25 percent or more of the voting stock of corporations, and analogous interests in partnerships and other organizations.

Value of United States assets owned by persons in Mexico and the Netherlands (on the basis of reported address) by detailed property types, and by citizenship groups, as of June 14, 1941

[In millions of dollars]

K. MEXICO

Property types	Citizenship groups: Country of address	Enemy countries[1]	All other	Total
Bullion, currency and deposits:				
Bullion	(2)	....	....	(2)
Currency	0.2	(2)	(2)	0.2
Demand deposits	38.5	0.7	27.2	66.4
Time deposits	2.9	0.1	4.3	7.2
Total	41.5	0.8	31.5	73.9
Domestic securities:				
National government	0.9	....	1.6	2.5
Other government	(2)	(2)	0.3	0.3
Corporate bonds	0.9	0.1	1.6	2.7
Common stocks	6.2	0.3	12.3	18.8
Preferred stocks	1.0	0.1	2.1	3.3
Other securities	0.1	....	0.1	0.2
Total	9.2	0.5	17.9	27.6
Interests in controlled enterprises[3]	5.8	....	3.7	9.4
Miscellaneous assets:				
Real estate	0.8	(2)	0.5	1.3
Real estate mortgages	0.4	....	0.1	0.5
Estates	0.3	0.1	0.2	0.5
Trusts	1.2	(2)	6.3	7.5
Insurance policies and annuities	1.0	(2)	3.8	4.9
Goods and merchandise	1.2	(2)	0.5	1.8
Checks and acceptances	3.4	(2)	0.6	3.9
Debts and claims	26.2	(2)	2.2	28.4
Total	34.6	0.2	14.1	48.9
Total, all property types	91.1	1.6	67.2	159.8

L. THE NETHERLANDS

Property types	Country of address	Enemy countries[1]	All other	Total
Bullion, currency and deposits:				
Bullion	....	....	....	....
Currency	0.4	0.2	(2)	0.6
Demand deposits	181.6	1.8	16.4	199.9
Time deposits	4.5	0.1	0.3	5.0
Total	186.5	2.1	16.7	205.4
Domestic securities:				
National government	2.6	(2)	0.4	3.0
Other government	0.4	(2)	(2)	0.4
Corporate bonds	14.0	0.4	0.7	15.1
Common stocks	256.2	1.0	11.5	268.7
Preferred stocks	30.3	0.2	0.7	31.2
Other securities	1.3	(2)	(2)	1.3
Total	304.8	1.7	13.3	319.8
Interests in controlled enterprises:[3]				
Branches	15.1	....	12.0	27.1
Corporations	288.3	....	20.6	308.9
Total	303.4	....	32.6	336.0
Miscellaneous assets:				
Real estate	0.8	(2)	0.2	1.1
Real estate mortgages	0.1	(2)	(2)	0.1
Estates	0.3	0.2	3.0	3.5
Trusts	8.6	0.5	0.7	9.7
Insurance policies and annuities	0.5	(2)	0.3	0.8
Goods and merchandise	11.7	0.1	0.2	12.0
Checks and acceptances	6.6	(2)	(2)	6.6
Debts and claims	79.6	0.4	1.9	81.8
Total	108.2	1.2	6.2	115.6
Total, all property types	902.9	5.0	68.8	976.7

NOTE—The figures are rounded and will not necessarily add to the totals. See statement at the beginning of pt. II, p. 78, for the limitations to these data.

[1]Germany, Italy, Japan, Hungary, Rumania and Bulgaria.

[2]Less than $50,000.

[3]For statistical purposes only, control was determined on the basis of the ownership of 25 percent or more of the voting stock of corporations, and analogous interests in partnerships and other organizations.

Value of United States assets owned by persons in Netherlands East Indies and Norway (on the basis of reported address) by detailed property types, and by citizenship groups, as of June 14, 1941

[In millions of dollars]

M. NETHERLANDS EAST INDIES

Property types	Citizenship groups: Country of address	Enemy countries[1]	All other	Total
Bullion, currency and deposits:				
Bullion	....	....	....	....
Currency	(2)	....	(2)	(2)
Demand deposits	27.2	1.6	65.6	94.4
Time deposits	(2)	(2)	1.2	1.3
Total	27.2	1.6	66.9	95.7
Domestic securities:				
National government	(2)	....	0.1	0.1
Other government	(2)	....	(2)	(2)
Corporate bonds	0.2	(2)	1.9	2.1
Common stocks	1.3	(2)	5.3	6.6
Preferred stocks	0.3	....	0.8	1.1
Other securities	(2)	....	(2)	(2)
Total	1.8	(2)	8.1	9.9
Interests in controlled enterprises[3]	2.8	....	0.8	3.6
Miscellaneous assets:				
Real estate	....	....	(2)	(2)
Real estate mortgages	....	....	....	....
Estates	(2)	....	(2)	(2)
Trusts	....	....	0.4	0.4
Insurance policies and annuities	....	(2)	0.6	0.6
Goods and merchandise	20.8	(2)	0.3	21.1
Checks and acceptances	2.4	(2)	9.2	11.6
Debts and claims	10.3	(2)	5.5	15.8
Total	33.5	(2)	16.0	49.5
Total, all property types	65.4	1.6	91.7	158.7

N. NORWAY

Property types	Country of address	Enemy countries[1]	All other	Total
Bullion, currency and deposits:				
Bullion	....	....	....	....
Currency	0.1	....	(2)	0.1
Demand deposits	100.5	(2)	1.7	102.3
Time deposits	1.4	(2)	0.8	2.2
Total	102.0	(2)	2.5	104.5
Domestic securities:				
National government	1.7	....	0.2	2.0
Other government	0.2	....	0.1	0.3
Corporate bonds	0.7	(2)	0.2	0.8
Common stocks	5.7	(2)	1.0	6.7
Preferred stocks	1.4	(2)	0.2	1.6
Other securities	(2)	....	(2)	(2)
Total	9.6	(2)	1.7	11.3
Interests in controlled enterprises[3]	4.4	....	0.6	5.0
Miscellaneous assets:				
Real estate	0.1	....	(2)	0.1
Real estate mortgages	0.1	....	0.1	0.2
Estates	0.6	....	0.5	1.1
Trusts	1.3	....	0.6	1.9
Insurance policies and annuities	0.2	....	0.3	0.5
Goods and merchandise	3.1	....	0.2	3.3
Checks and acceptances	0.4	....	(2)	0.4
Debts and claims	25.9	(2)	0.5	26.4
Total	31.6	(2)	2.3	33.9
Total, all property types	147.6	0.1	7.1	154.7

NOTE—The figures are rounded and will not necessarily add to the totals. See statement at the beginning of pt. II, p. 78, for the limitations to these data.

[1]Germany, Italy, Japan, Hungary, Rumania and Bulgaria.

[2]Less than $50,000.

[3]For statistical purposes only, control was determined on the basis of the ownership of 25 percent or more of the voting stock of corporations, and analogous interests in partnerships and other organizations.

Value of United States assets owned by persons in Panama and the Phillippine Islands (on the basis of reported address) by detailed property types, and by citizenship groups, as of June 14, 1941

[In millions of dollars]

O. PANAMA

Property types	Citizenship groups			
	Country of address	Enemy countries[1]	All other	Total
Bullion, currency and deposits:				
Bullion	....	....	....	....
Currency	0.4	....	([2])	0.4
Demand deposits	32.0	([2])	19.0	51.0
Time deposits	0.4	....	0.2	0.6
Total	32.8	([2])	19.2	52.0
Domestic securities:				
National government	1.4	....	([2])	1.4
Other government	0.4	....	([2])	0.4
Corporate bonds	3.3	....	([2])	3.3
Common stocks	41.0	([2])	0.7	41.7
Preferred stocks	6.5	....	([2])	6.6
Other securities	([2])	....	([2])	([2])
Total	52.6	([2])	0.7	53.3
Interests in controlled enterprises[3]	28.4	....	0.3	28.6
Miscellaneous assets:				
Real estate	([2])	....	([2])	([2])
Real estate mortgages	5.6	....	([2])	5.6
Estates	....	....	([2])	([2])
Trusts	....	([2])	0.1	0.1
Insurance policies and annuities	0.2	....	0.2	0.4
Goods and merchandise	5.4	....	0.5	5.9
Checks and acceptances	5.6	....	([2])	5.6
Debts and claims	18.4	([2])	0.3	18.7
Total	35.1	([2])	1.1	36.2
Total, all property types	148.8	0.1	21.3	170.1
P. PHILIPPINE ISLANDS				
Bullion, currency and deposits:				
Bullion	1.4	....	1.4	2.8
Currency	0.1	....	....	0.1
Demand deposits	115.1	([2])	9.1	124.2
Time deposits	98.3	([2])	2.4	100.7
Total	[4]214.9	([2])	12.9	[4]227.8
Domestic securities:				
National government	1.4	([2])	1.2	2.6
Other government	1.1	([2])	0.1	1.2
Corporate bonds	0.3	([2])	0.6	0.9
Common stocks	5.1	([2])	6.9	12.0
Preferred stocks	1.2	....	0.4	1.6
Other securities	([2])	....	....	([2])
Total	9.1	0.1	9.3	18.4
Interests in controlled enterprises:[3]				
Branches	3.5	....	4.0	7.5
Corporations	0.1	....	0.4	0.5
Total	3.6	....	4.4	8.0
Miscellaneous assets:				
Real estate	0.1	....	0.6	0.7
Real estate mortgages	([2])	....	0.1	0.1
Estates	0.3	....	1.2	1.5
Trusts	....	....	0.4	0.4
Insurance policies and annuities	0.9	([2])	3.8	4.7
Goods and merchandise	4.0	....	1.1	5.1
Checks and acceptances	1.3	....	1.1	2.4
Debts and claims	6.4	([2])	1.4	7.8
Total	13.0	([2])	9.6	22.6
Total, all property types	[4]240.6	0.1	36.1	[4]276.8

NOTE.—The figures are rounded and will not necessarily add to the totals. See statement at the beginning of pt. II, p. 78, for the limitations to these data.

[1]Germany, Italy, Japan, Hungary, Rumania and Bulgaria.

[2]Less than $50,000.

[3]For statistical purposes only, control was determined on the basis of the ownership of 25 percent or more of the voting stock of corporations, and analogous interests in partnerships and other organizations.

[4]Taxes, amounting to about $37,850,000, collected under Section 503 of the Sugar Act of 1937, to be made available for public relief and civilian defense in the Philippine Islands, are not included in this total.

Value of United States assets owned by persons in Sweden and Switzerland (on the basis of reported address) by detailed property types, and by citizenship groups, as of June 14, 1941

[In millions of dollars]

Q. SWEDEN

Property types	Citizenship groups: Country of address	Enemy countries[1]	All other	Total
Bullion, currency and deposits:				
Bullion	0.2	....	....	0.2
Currency	0.1	(2)	(2)	0.1
Demand deposits	233.4	0.1	3.0	236.6
Time deposits	0.5	(2)	0.6	1.1
Total	234.2	0.1	3.7	238.0
Domestic securities:				
National government	0.2	(2)	0.4	0.6
Other government	0.2	(2)	(2)	0.2
Corporate bonds	0.8	(2)	0.1	0.9
Common stocks	20.8	(2)	1.9	22.7
Preferred stocks	0.8	(2)	0.5	1.4
Other securities	10.1	....	(2)	10.1
Total	33.0	(2)	2.9	35.9
Interests in controlled enterprises[3]	34.3	....	0.1	34.4
Miscellaneous assets:				
Real estate	0.2	....	0.3	0.5
Real estate mortgages	0.1	....	(2)	0.1
Estates	0.8	(2)	0.3	1.2
Trusts	2.5	....	3.5	5.9
Insurance policies and annuities	0.3	(2)	0.5	0.8
Goods and merchandise	4.0	(2)	0.4	4.4
Checks and acceptances	8.3	....	(2)	8.4
Debt and claims	36.2	(2)	0.3	36.6
Total	52.5	(2)	5.4	57.9
Total, all property types	354.0	0.1	12.1	366.2

R. SWITZERLAND

Property types	Country of address	Enemy countries[1]	All other	Total
Bullion, currency and deposits:				
Bullion	2.2	....	....	2.2
Currency	1.0	(2)	0.1	1.1
Demand deposits	442.1	2.6	39.1	483.7
Time deposits	4.0	0.2	3.5	7.7
Total	449.3	2.8	42.6	494.8
Domestic securities:				
National government	49.7	0.4	14.2	64.4
Other government	2.6	(2)	4.8	7.4
Corporate bonds	34.5	0.3	7.7	42.5
Common stocks	219.0	1.7	38.5	259.3
Preferred stocks	36.3	0.7	5.9	42.9
Other securities	0.6	(2)	0.1	0.7
Total	342.7	3.3	71.2	417.2
Interests in controlled enterprises:[3]				
Branches	44.4	....	29.9	74.3
Corporations	43.9	....	19.6	63.5
Total	88.3	....	49.5	137.8
Miscellaneous assets:				
Real estate	1.9	0.1	5.5	7.5
Real estate mortgages	1.1	(2)	1.4	2.5
Estates	1.0	(2)	1.0	2.0
Trusts	16.2	2.4	41.8	60.4
Insurance policies and annuities	0.5	0.1	1.1	1.6
Goods and merchandise	15.4	0.1	1.0	16.4
Checks and acceptances	26.1	0.1	0.3	26.4
Debts and claims	38.4	0.4	5.0	43.8
Total	100.4	3.2	57.1	160.7
Total, all property types	980.8	9.3	220.5	1,210.6

NOTE.—The figures are rounded and will not necessarily add to the totals. See statement at the beginning of pt. II, p. 78, for the limitations to these data.

[1] Germany, Italy, Japan, Hungary, Rumania and Bulgaria.

[2] Less than $50,000.

[3] For statistical purposes only, control was determined on the basis of the ownership of 25 percent or more of the voting stock of corporations, and analogous interests in partnerships and other organizations.

Value of United States assets owned by persons in the United Kingdom[2] *(on the basis of reported address) by detailed property types, and by citizenship groups, as of June 14, 1941*

[In millions of dollars]

S. UNITED KINGDOM

Property types	Citizenship groups			
	Country of address	Enemy countries[1]	All othr	Total
Bullion, currency and deposits:				
Bullion	....	....	(3)	(3)
Currency	0.3	0.1	0.1	0.5
Demand deposits	277.4	1.5	97.8	376.7
Time deposits	3.3	0.1	3.4	6.8
Total	281.0	1.7	101.3	384.0
Domestic securities:				
National government	11.5	0.2	7.2	18.9
Other government	7.6	(3)	30.8	38.4
Corporate bonds	30.4	0.3	10.9	41.5
Common stocks	320.3	0.9	81.7	403.0
Preferred stocks	70.1	0.2	14.2	84.5
Other securities	1.0	(3)	0.2	1.2
Total	441.0	1.6	145.0	587.5
Interests in controlled enterprises[4]:				
Branches	217.5	....	11.7	229.2
Corporations	460.0	....	22.2	482.3
Total	677.6	....	33.9	711.5
Miscellaneous assets:				
Real estate	21.9	(3)	10.5	32.4
Real estate mortgages	8.3	(3)	1.5	9.8
Estates	15.3	(3)	4.0	19.3
Trusts	307.8	0.9	76.3	385.0
Insurance policies and annuities	5.4	0.1	6.8	12.3
Goods and merchandise	108.4	0.3	2.4	111.1
Checks and acceptances	17.8	(3)	3.8	21.7
Debts and claims	956.7	0.3	7.4	964.4
Total	1,441.6	1.7	112.6	1,555.9
Total, all property types	2,841.2	4.9	392.7	[1]3,238.9

NOTE—The figures are rounded and will not necessarily add to the totals. See statement at the beginning of pt. II, p. 78, for the limitations to these data.

[1]The data in this table should only be used with knowledge of the following facts:

1. They include advance payments made on munitions contracts amounting to $850,000,000.
2. They include $700,000,000 of assets pledged as collateral to the loan from the Reconstruction Finance Corporation.
3. They include some assets reported as owned by banks and others in the United Kingdom but beneficially owned in other countries.
4. Outstanding contract obligations for munitions and other merchandise in the United States amounted as of a slightly later date to about $940,000,000. These had to be met largely from the assets shown in this table.
5. The interests in "estates and trusts" were not subject to effectual seizure and the "interests in controlled enterprises" were not subject to ready liquidation.

(See p. 16 and p. 37 for a fuller discussion of these points.)

[2]Germany, Italy, Japan, Hungary, Rumania and Bulgaria.

[3]Less than $50,000.

[4]For statistical purposes only, control was determined on the basis of the ownership of 25 percent or more of the voting stock of corporations, and analogous interests in partnerships and other organizations.

TREASURY DEPARTMENT

Washington

FOR IMMEDIATE RELEASE,
Monday, February 25, 1946.

Press Service
V-242

Secretary of the Treasury Vinson today announced the subscription figures and the basis of allotment for the offering of 7/8 percent Treasury Certificates of Indebtedness of Series C-1947 in exchange for certificates of indebtedness of Series B-1946, maturing March 1, 1946.

Reports received from the Federal Reserve Banks show that subscriptions aggregate $4,103,000,000. Subscriptions in amounts up to and including $25,000, totaling about $50,000,000, were allotted in full. Subscriptions in amounts over $25,000 were allotted 76 percent on a straight percentage basis, but not less than $25,000 to any one subscriber, with adjustments, where necessary, to the next highest $1,000.

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

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TREASURY DEPARTMENT
Washington

FOR RELEASE, MORNING NEWSPAPERS,
Tuesday, February 26, 1946.

Press Service
V-243

The Secretary of the Treasury announced last evening that the tenders for $1,300,000,000, or thereabouts, of 92-day Treasury bills to be dated February 28 and to mature May 31, 1946, which were offered on February 21, 1946, were opened at the Federal Reserve Banks on February 25.

The details of this issue are as follows:

Total applied for - $2,005,866,000
Total accepted - 1,316,466,000 (includes $41,343,000 entered on a fixed-price basis at 99.905 and accepted in full)
Average price - 99.904 Equivalent rate of discount approx. 0.375% per annum

Range of accepted competitive bids:

High - 99.908 Equivalent rate of discount 0.360% per annum
Low - 99.904 " " " " approx. 0.376% per annum

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

Federal Reserve District	Total Applied for	Total Accepted
Boston	$ 37,495,000	$ 24,495,000
New York	1,513,656,000	974,176,000
Philadelphia	15,964,000	15,564,000
Cleveland	11,410,000	9,410,000
Richmond	11,355,000	9,355,000
Atlanta	5,150,000	5,150,000
Chicago	254,210,000	158,210,000
St. Louis	27,036,000	21,716,000
Minneapolis	2,845,000	2,845,000
Kansas City	17,726,000	17,726,000
Dallas	15,630,000	12,830,000
San Francisco	93,389,000	64,989,000
TOTAL	$2,005,866,000	$1,316,466,000

TREASURY DEPARTMENT
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Philadelphia	15,964,000	15,564,000
Cleveland	11,410,000	9,410,000
Richmond	11,355,000	9,355,000
Atlanta	5,150,000	5,150,000
Chicago	254,210,000	158,210,000
St. Louis	27,036,000	21,716,000
Minneapolis	2,845,000	2,845,000
Kansas City	17,726,000	17,726,000
Dallas	15,630,000	12,830,000
San Francisco	93,389,000	64,989,000
TOTAL	$2,005,866,000	$1,316,466,000

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FOR IMMEDIATE RELEASE
February 27, 1946

Press Service
No. V-244

The Bureau of Customs announced today preliminary figures showing the quantities of coffee entered for consumption during the period commencing October 1, 1945, as follows:

Country of Production	Quantity in Pounds As of February 16, 1946
Signatory Countries:	
Brazil	573,324,911
Colombia	249,326,061
Costa Rica	8,258,176
Cuba	132
Dominican Republic	10,687,229
Ecuador	8,689,099
El Salvador	8,379,799
Guatemala	18,911,623
Haiti	8,620,356
Honduras	4,338,657
Mexico	14,037,450
Nicaragua	1,807,461
Peru	1,547,992
Venezuela	16,983,547
Non-Signatory Countries:	15,339,599
TOTAL	940,252,092

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TREASURY DEPARTMENT

Washington

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Peru	1,547,992
Venezuela	16,983,547
Non-Signatory Countries:	15,339,599
TOTAL	940,252,092

yards of cotton cloth at $3,000, on the printed letterhead of "H. Brown, 399 West 38th Street," and investigation discloses that there is no "H. Brown" selling textiles at that address (or any other), the manufacturer has failed to substantiate his expenditure and the whole amount of the purchase is disallowed.

Profiteering in scarce fabrics by jobbers in textile centers, of which New York City is by far the largest, affects the cost of clothing for every family in the country, Mr. Vinson pointed out. Manufacturers of men's shorts, women's house dresses, or children's playclothes, who pay double and treble ceiling prices for piece goods, generally pass on their overpayments to consumers by inflating the prices of the garments they make, he said.

"This Department shares the concern of the Government, expressed not long ago by Attorney General Tom Clark, that this illegal disruption of production of clothing at reasonable prices shall be stopped and that the millions of dollars filched from the public by the piracy of a few irresponsible operators shall be accounted for under the law," Mr. Vinson said.

"It is clear ~~obvious~~ that men whose greed leads them to cheat the public by inflating prices would not hesitate to try to cheat the public also by evading their tax obligations. The Government is intent upon seeing to it that their cheating is not ~~However, they are very much mistaken if they think this project will be~~ successful."

Specifically, for example, no deduction will be allowed for a purchase of piece goods if the invoice offered to substantiate the purchase does not truthfully identify the seller of the goods. A fictitious invoice, Mr. Vinson pointed out, is no better proof of purchase than no invoice at all.

The use of fictitious invoices by black market jobbers and their customers has become a popular device in connection with over-ceiling sales. In an attempt to cover their traces, some jobbers have had bills printed bearing borrowed or imaginary names and addresses. Manufacturers who buy piece goods from these jobbers accept these fictitious invoices, which show accurately the price paid, and use them to substantiate their income tax returns and their own ceiling prices on manufactured garments, which, under OPA regulations, are calculated on the basis of their costs of manufacture.

It is a standing rule that only legal -- that is, ceiling -- costs may be deducted from taxable income as business expenses. In general, if a taxpayer buys goods for business use at more than ceiling prices, the ceiling price of the goods may be claimed as a business cost, but the overceiling amount is disallowed.

However, to deduct even this part of the expenditure, the taxpayer must be able to prove that he actually bought and paid for the goods. If, for example, a manufacturer shows an invoice for 5,000

Thurs Ams V-245

[redacted] Secretary [redacted] Vinson said today that Commissioner of Internal Revenue Joseph D. Nunan, Jr., had joined the forces of the Bureau with the Department of Justice and the OPA in the Government's current all-out drive to smash the [redacted] black market in textiles.

"This is a concrete ~~one real~~ step," Secretary Vinson said, "in checking inflation resulting from [redacted] over-ceiling transactions."

"Uncontrolled inflation would cause a great loss to the revenue of the United States" the Secretary added.

~~adding that the disaster to the revenue which would result from uncontrolled inflation "is obvious."~~

"The textile black market problem is being approached on two main fronts," Secretary Vinson stated. "First, sellers of textiles who have received more than legal ceiling prices for their goods -- especially those who have attempted to conceal their profiteering by falsification of books and records -- are being investigated by revenue agents working closely with OPA investigators and with a special federal grand jury summoned in New York City in December by United States Attorney John F. X. McGohey at the direction of Attorney General Tom C. Clark. Such sellers will be prosecuted both for price violations and for failure to pay taxes on the profits amassed through price violations. A special staff in the Internal Revenue Bureau will work exclusively on tax violations in the textile black market.

"Second, buyers of illegally overpriced piece goods, at the same time, are reminded that contributions to the black market may not be deducted from taxable income as 'business expenses.

TREASURY DEPARTMENT

Washington

FOR RELEASE, MORNING NEWSPAPERS,
Thursday, February 28, 1946.

Press Service
No. V-245

Secretary Vinson said today that Commissioner of Internal Revenue Joseph D. Nunan, Jr., had joined the forces of the Bureau with the Department of Justice and the OPA in the Government's current all-out drive to smash the black market in textiles.

"This is a concrete step," Secretary Vinson said, "in checking inflation resulting from over-ceiling transactions. Uncontrolled inflation would cause a great loss to the revenue of the United States.

"The textile black market problem is being approached on two main fronts," Secretary Vinson stated. "First, sellers of textiles who have received more than legal ceiling prices for their goods -- especially those who have attempted to conceal their profiteering by falsification of books and records -- are being investigated by revenue agents working closely with OPA investigators and with a special federal grand jury summoned in New York City in December by United States Attorney John F. X. McGohey at the direction of Attorney General Tom C. Clark. Such sellers will be prosecuted both for price violations and for failure to pay taxes on the profits amassed through price violations. A special staff in the Internal Revenue Bureau will work exclusively on tax violations in the textile black market.

"Second, buyers of illegally overpriced piece goods, at the same time, are reminded that contributions to the black market may not be deducted from taxable income as 'business expenses.'"

Specifically, for example, no deduction will be allowed for a purchase of piece goods if the invoice offered to substantiate the purchase does not truthfully identify the seller of the goods. A fictitious invoice, Mr. Vinson pointed out, is no better proof of purchase than no invoice at all.

The use of fictitious invoices by black market jobbers and their customers has become a popular device in connection with overceiling sales. In an attempt to cover their traces, some jobbers have had bills printed bearing borrowed or imaginary

names and addresses. Manufacturers who buy piece goods from these jobbers accept these fictitious invoices, which show accurately the price paid, and use them to substantiate their income tax returns and their own ceiling prices on manufactured garments, which, under OPA regulations, are calculated on the basis of their costs of manufacture.

It is a standing rule that only legal -- that is, ceiling -- costs may be deducted from taxable income as business expenses. In general, if a taxpayer buys goods for business use at more than ceiling prices, the ceiling price of the goods may be claimed as a business cost, but the overceiling amount is disallowed.

However, to deduct even this part of the expenditure, the taxpayer must be able to prove that he actually bought and paid for the goods. If, for example, a manufacturer shows an invoice for 5,000 yards of cotton cloth at $3,000, on the printed letterhead of "H. Brown, 399 West 38th Street," and investigation discloses that there is no "H. Brown" selling textiles at that address (or any other), the manufacturer has failed to substantiate his expenditure and the whole amount of the purchase is disallowed.

Profiteering in scarce fabrics by jobbers in textile centers, of which New York City is by far the largest, affects the cost of clothing for every family in the country, Mr. Vinson pointed out. Manufacturers of men's shorts, women's house dresses, or children's playclothes, who pay double and treble ceiling prices for piece goods, generally pass on their overpayments to consumers by inflating the prices of the garments they make, he said.

"This Department shares the concern of the Government, expressed not long ago by Attorney General Tom Clark, that this illegal disruption of production of clothing at reasonable prices shall be stopped and that the millions of dollars filched from the public by the piracy of a few irresponsible operators shall be accounted for under the law," Mr. Vinson said.

"It is clear that men whose greed leads them to cheat the public by inflating prices would not hesitate to try to cheat the public also by evading their tax obligations. The Government is intent upon seeing to it that their cheating is not successful."

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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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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. Subject to these reservations, tenders for $200,000 or less from any one bidder at 99.905 entered on a fixed-price basis will be accepted in full. 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 March 7, 1946.

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

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.

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TREASURY DEPARTMENT
Washington

FOR IMMEDIATE RELEASE,
Thursday, February 28, 1946.

Press Service
V-247

The Secretary of the Treasury today announced the final subscription and allotment figures with respect to the current offering of 7/8 percent Treasury Certificates of Indebtedness of Series C-1947. Subscriptions for amounts up to and including $25,000 were allotted in full and amounted to $48,974,000.

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

Federal Reserve District	Total Subscriptions Received	Total Subscriptions Allotted
Boston	$ 140,217,000	$ 106,878,000
New York	2,234,976,000	1,699,831,000
Philadelphia	87,357,000	66,794,000
Cleveland	161,882,000	124,036,000
Richmond	73,234,000	56,409,000
Atlanta	111,760,000	85,545,000
Chicago	491,593,000	376,161,000
St. Louis	92,418,000	71,887,000
Minneapolis	85,120,000	66,132,000
Kansas City	134,485,000	103,745,000
Dallas	95,850,000	73,353,000
San Francisco	391,354,000	297,904,000
Treasury	3,970,000	3,035,000
TOTAL	$4,104,216,000	$3,131,710,000

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FILE COPY

My dear Mr. President:

The National Advisory Council on International Monetary and Financial Problems herewith submits a "Statement of the Foreign Loan Policy of the United States Government" together with an appended table showing loan authorizations by the Export-Import Bank. This statement is submitted for your consideration and approval.

Since the organization of the Council in August 1945 it has been coordinating, as directed by law, the policies and operations of all governmental agencies which deal with foreign financial transactions.

At an early date the Council undertook to consider proposals and applications for foreign loans, and to study the problems and broad implications of foreign lending. The Statement which is now submitted to you is an outgrowth of these activities of the Council and represents our present views. The Council will continue to study these matters and will report further to you as the rapidly changing conditions at home and abroad may require.

Faithfully yours,

/s/ Fred M. Vinson

Chairman,
National Advisory Council
on International Monetary
and Financial Problems

The President

The White House

Enclosure

TO THE CONGRESS OF THE UNITED STATES:

On July 31, 1945, the Bretton Woods Agreements Act became law. In that legislation the Congress established the National Advisory Council on International Monetary and Financial Problems "in order to coordinate the policies and operations of the representatives of the United States on the Fund and the Bank and of all agencies of the Government which make or participate in making foreign loans or which engage in foreign financial, exchange or monetary transactions." The Congress provided that the membership of the Council should consist of the Secretary of the Treasury, as Chairman, the Secretary of State, the Secretary of Commerce, the Chairman of the Board of Governors of the Federal Reserve System, and the Chairman of the Board of Directors of the Export-Import Bank of Washington.

On August 9, 1945, the Secretary of the Treasury submitted for my approval a proposal as to the manner in which the National Advisory Council should proceed in performing the task assigned it. The essence of this proposal is contained in the following excerpt from the communication which the Secretary of the Treasury sent to me:

> "As you can see from the attached memorandum, the United States Government is now extending financial assistance to foreign governments through a large number of programs, administered by different departments and agencies, and with different procedures for inter-agency consultation. In order for the Council to carry out the functions assigned to it, it seems to me necessary that the Council should have a picture of the over-all program of financial transactions which it is proposed to carry out in the next period. On such a basis, we can make decisions in a rational way, strike the best bargains with foreign countries, and save money for the taxpayer."

On August 10, 1945, I expressed my complete approval of the proposal and requested the Council to proceed along the lines indicated. Promptly thereafter the Council completed its organization and commenced to function without delay. Since that time the Council has labored unremittingly in the performance of its duties.

I have now received from the National Advisory Council a document containing significant conclusions concerning the entire problem of foreign lending. The Council, in submitting the document to me, stated:

> "At an early date the Council undertook to consider proposals and applications for foreign loans, and to study the problems and broad implications of foreign lending.

The statement which is now submitted to you is an outgrowth of these activities of the Council and represents our present views. The Council will continue to study these matters and will report further to you as the rapidly changing conditions at home and abroad may require."

This document, which is based upon the careful study and direct experience of the body established by the Congress to coordinate the foreign financial activities of this Government, I now transmit to the Congress for its information and consideration. The document is attached hereto.

I fully endorse the recommendations of the National Advisory Council. Furthermore, I wish to emphasize that in my judgment, the successful execution of this policy, including the implementation of the Financial Agreement with the United Kingdom, which I transmitted to the Congress on January 30, 1946, is of basic importance in the attainment of the objectives of the economic foreign policy of the United States. The international economic cooperation which is the keynote of our economic foreign policy must accompany international political cooperation, and we must achieve both if world peace is to be enduring.

The statement of the National Advisory Council concerning foreign loans reaches the conclusion that the Export-Import Bank will require during the next fiscal year additional lending authority of $1,250,000,000. I endorse this conclusion and at a later date I will discuss further with the Congress the need of appropriate legislation.

/s/ Harry S. Truman.

The White House, March 1, 1946.

February 21, 1946

Statement of The Foreign Loan Policy of the United States Government by the National Advisory Council on International Monetary and Financial Problems

1. The foreign loan program of the United States, by assisting in the restoration of the productive capacities of war-devastated countries and by facilitating the sound economic development of other areas, is directed towards the creation of an international economic environment permitting a large volume of trade among all nations. This program is predicated on the view that a productive and peaceful world must be free from warring economic blocs and from barriers which obstruct the free flow of international trade and productive capital. Only by the reestablishment of high levels of production and trade the world over can the United States be assured in future years of a sustained level of exports appropriate to the maintenance of high levels of domestic production and employment.

By far the greatest part of the program of reconstruction is being carried out with the resources of the war-devastated countries. UNRRA takes care only of those immediate relief needs which cannot be met out of the resources of the countries involved. Another part of this program is being carried out through sales of surplus property, such sales being made on credit terms or for local foreign currencies where sales for cash payment in United States dollars cannot be made. The rest of the job must be handled on a loan basis.

2. The International Bank will be the principal agency to make foreign loans for reconstruction and development which private capital cannot furnish on reasonable terms. It provides a means by which the risks as well as the benefits from international lending will be shared by all of its members. It is expected that the International Bank will begin lending operations in the latter half of 1946 and that during the calendar year 1947 the International Bank will assume the primary responsibility for meeting the world's international capital requirements that cannot be met by private investors on their own account and risk. With its present membership, the International Bank will be authorized to lend approximately $7.5 billion. The bulk of the funds for the loans made through the International Bank will be raised in the private capital markets of member countries, particularly in the United States. However, since this new institution will take time to develop a lending program, it will probably not be in a position to enter into more than a small volume of commitments this year.

3. The proposed loan to Britain requiring Congressional authorization is a special case, but one which is an integral part of the foreign economic program of this Government. No other country has the same crucial position in world trade as England. Because of the wide use of the pound sterling in world trade, the large proportion of the world's trade which is carried on by the countries of the British Empire, and the extreme dependence of England upon imports, the financial and commercial practices of Britain are of utmost significance in determining what kind of world economy we shall have. The early realization of the full objectives of the Bretton Woods program, including the elimination of exchange restrictions and other barriers to world trade and investment, requires an immediate solution to Britain's financial problem. The International Monetary Fund Agreement permits the continued imposition of certain of these restrictions for as much as five years; in the Financial Agreement of December 6, 1945, the British agree to their removal within one year from the effective date of that agreement. It is the view of the Council that the British case is unique and will not be a precedent for a loan to any other country.

4. In July 1945, the Congress, for the purpose of making loans to war-devastated areas during the period prior to the inauguration of the International Bank and for the promotion of American exports and other special purposes, increased the lending power of the Export-Import Bank by $2.8 billion, making its total lending power $3.5 billion. At the end of 1945 the Export-Import Bank had outstanding commitments, including money authorized for cotton loans, of $1,560 million of which $1,040 million was committed in the last half of 1945. The $1,040 million of the commitments made during the last half of 1945 consisted of:

(a) $655 million for the purchase of goods which originally had been included in the lend-lease programs to Belgium, Netherlands, and France;

(b) $165 million for the purchase of other goods and services necessary for the reconstruction of Belgium, Denmark, Netherlands, and Norway;

(c) $100 million available to various European countries including Finland, Belgium, Czechoslovakia, France, Italy, Netherlands, and Poland for the purchase of raw cotton, and

(d) $120 million for specific export and development programs, mostly to Latin American countries.

On January 1, 1946, the Export-Import Bank had unused lending power of \$1.9 billion for making additional commitments. In addition to the \$1.9 billion, there will be available during the fiscal year 1947 about \$50 million from repayment of principal and an additional sum (possibly \$100 million) from the cancellation of earlier commitments.

5. Pending the effective operation of the International Bank, it has been the policy of this Government to limit loans through the Export-Import Bank for reconstruction and development to the immediate, minimum needs of the borrower. Among the factors taken into consideration in making loans of this character are: (1) the urgency of the need of the borrower; (2) the borrower's own resources; (3) the possibility of obtaining the loan from other sources: private capital markets and other governments; (4) the ability of the borrower to make effective use of the funds; (5) the capacity of the borrower to repay; and (6) the impact of the loan on our domestic economy.

6. It is the view of the Council that, pending the establishment and operation of the International Bank, this Government can meet only a small proportion of the undoubtedly large needs of foreign countries for credits for reconstruction and development.

After careful consideration of all factors, the Council has concluded that the most urgent foreign needs will involve negotiations for loan commitments by the Export-Import Bank of approximately \$3$\frac{1}{4}$ billion in the period from January 1946 through June 1947. This is exclusive of the proposed credit to Britain.

Since the available funds of the Export-Import Bank are about \$2 billion, it will be necessary in order to carry out this program to ask Congress to increase the lending authority of the Bank by \$1$\frac{1}{4}$ billion. Although this is a substantial increase, the Council believes that it is a minimum figure.

It is only through careful screening that it will be possible to carry out the program within the limits of the additional funds which the Congress will be asked to make available to the Bank. It is the established policy of the United States Government carefully to scrutinize each loan application to determine that the need is urgent and that the funds can be obtained from no other source than the Export-Import Bank.

7. On balance the loan program will be beneficial to our domestic economy. In the transition from war to peace, expanded foreign trade will not only assist the reconstruction of foreign countries, but also ease the reconversion problem of a number of domestic industries.

During the war many of our important industries, particularly in the field of capital goods, were built up to capacities far in excess of any foreseeable peacetime domestic demands. With the elimination of war demands, much of this American productive capacity may be unused. Such a situation has already arisen, for instance, with reference to railroad equipment, machine tools, power and transmission equipment, and certain types of general industrial machinery. This is also true for some of the metals, heavy chemicals, synthetic rubber, and other industrial materials. Similarly, we have quantities of cotton, tobacco and other agricultural products which are surplus to domestic needs. It is fortunate that this excess productive capacity is for many items which are most urgently needed by the war devastated countries.

However, a part of the foreign demand will fall on products which are at present scarce in American markets. The Department of Commerce estimates that perhaps one-fourth of the proceeds of foreign loans will be spent on such products. In these cases the export demand, although small in relation to current domestic demand, contributes to inflationary pressures in the United States economy, and allocation and export controls must be maintained in order both to prevent any undue drain on domestic supplies and to assure that the minimum essential needs of other countries are met.

In this connection, account must be taken not only of the fact that there is an inevitable delay in the spending of the loans but also that the Export-Import Bank discourages the employment of loan proceeds for the purchase of commodities in scarce supply. It is also the policy of the Government to prevent the proceeds of loans from being used to purchase goods in the United States market when similar supplies are for sale as surplus property.

The figure of $3 1/4 billion in requirements through the fiscal year 1947 represents anticipated commitments and not amounts which will be actually loaned or spent. For example, on January 1, 1946, the net outstanding loans of the Export-Import Bank amounted to

only $252 million although the total amount committed was $1.6 billion. In order to permit foreign governments to plan their import programs and to permit United States producers to schedule their production, loan commitments by the Export-Import Bank must be made well in advance of actual use of loan funds.

In view of these considerations, it is believed that a foreign lending program adequate to meet the minimum needs of foreign countries will provide additional production and employment in many American industries, and that any temporary sacrifice involved in other areas of the economy will be small compared to the long-range advantages to the United States of a peaceful, active, and growing world economy.

8. A basic question to be considered is whether at a later period foreign countries will be able to service large American loans and investments. There is little doubt regarding the ability of debtor countries after their economies have been fully reconstructed to increase their national income sufficiently to handle the service charges on American loans and investments, providing an undue part of national income of borrowing countries is not diverted to military expenditures. This increase can be brought about through the modernization of economically backward areas, increased employment, and the utilization of new productive techniques, and well-directed foreign loans will make an important contribution to this development.

The ability of borrowing countries to develop an export surplus sufficient to meet service charges on foreign loans will depend in large measure upon the level of world trade. A high level of world trade will in turn depend upon the maintenance of a high level of world income and a reduction of the barriers to international trade which have grown up in the past. A high level of world income, and of national income in the United States, will be greatly influenced by the domestic economic policies of the United States and of other major countries. It is expected that the proposed International Trade Organization will play an important role in securing the international economic environment necessary for the maintenance of high levels of world trade. The operation of the International Monetary Fund should assure the orderly functioning of a system of multilateral payments, and this will make it possible for debtor countries to convert their export surplus with any country into the currency in which their obligations must be discharged.

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9. Fundamentally, however, the ability of foreign countries to transfer interest and amortization on foreign loans to the United States depends upon the extent to which we make dollars available to the world through imports of goods and services, including personal remittances and tourist expenditures, and through new investments abroad. As a last resort, the world outside of the United States has a current gold production of possibly $1 billion per year to add to their present foreign exchange reserves, which can be dipped into to ensure payment.

As long as new American investment exceeds interest and amortization on outstanding foreign investment, the question of net repayment on our total foreign investment will not arise, although as individual investments are paid off the composition of our foreign investment may shift. It is impossible to prophesy when receipts on foreign investment will exceed new investment, as American investment abroad will depend on many future developments. In a world of peace, prosperity, and a liberal trade policy, there may well be a revival and continuation of American private investment on a large scale, including a reinvestment of the profits of industry, that will put the period of net repayment far in the future. Such an increase of investment is a natural and wholesome development for a wealthy community.

When net repayment begins, whether this be a few years or many decades from now, it will involve an excess of imports of goods and services (including foreign travel by Americans) over our total exports of goods and services. The growth of our population and the depletion of our natural resources and the increase in our standard of living will increase the need for imported products, and these developments together with the maintenance of a high and stable level of employment will facilitate this adjustment. The annual interest and amortization payments on the entire present and contemplated Export-Import Bank program, the British Loan, and the International Bank loans floated in U.S. markets will be less than $1 billion. The receipt of payments on our foreign loans in the form of goods and services is entirely consistent with increased exports from this country and rising production at home, and will contribute to a rising living standard in the United States in the same way that a private individual's earnings on his investments make possible an increase in his own living standard.

10. The loan policies stated here are in full accord with the basic political and economic interests of the United States. The National Advisory Council, which was established by the Congress in the Bretton Woods Agreement Act and consists of the Secretary of the Treasury as Chairman, the Secretary of State, the Secretary of Commerce, the Chairman of the Board of Governors of the Federal Reserve System, and the Chairman of the Board of Directors of the Export-Import Bank, has the responsibility of coordinating the lending and credit programs of this Government, and of achieving maximum consistency between American Government lending and the lending operations of the International Bank.

This country is supporting the United Nations Organization wholeheartedly, and the success of the United Nations Organization depends not only on political agreement but also on economic improvement. These loans are for economic reconstruction and development. They will enable the borrowing countries to increase their own production, relieve their foreign trade from excessive regulation, and expand their trade with us. Economic stability will foster peace. This program of foreign lending is essential to the realization of the main objective of the foreign economic policy of the United States, which is to lay the economic foundations of the peace.

/s/ Fred M. Vinson
Secretary of the Treasury,
Chairman of the National Advisory
Council on International Monetary
and Financial Problems

/s/ James F. Byrnes
Secretary of State

/s/ Marriner S. Eccles
Chairman of the Board of
Governors of the Federal
Reserve System

/s/ Henry A. Wallace
Secretary of Commerce

/s/ William McC. Martin, Jr.
Chairman of the Board of
Directors of the Export-
Import Bank of Washington

EXPORT-IMPORT BANK OF WASHINGTON

LOANS AUTHORIZED BY EXPORT-IMPORT BANK SUBSEQUENT TO JUNE 30, 1945 (AS OF DECEMBER 31, 1945)

Country and Obligor	Date of Authorization	Amount of Authorization (In Millions of Dollars)	Purpose
LATIN AMERICA			
Brazil			
Lloyd Brasileiro	9/11/45	38.0	Purchase of Cargo Vessels
Chile			
Chilean State Railways (Baldwin Locomotive Works)	7/13/45	1.2	Purchase of Locomotives
Chilean State Railways (Electrical Export Corp.)	7/13/45	2.0	Purchase of Electrical Equipment
Fomento Corporation	9/11/45	28.0	Purchase of Steel Mill Equipment
Fomento Corporation	9/11/45	5.0	Purchase of Electrical and Other Equipment
Ecuador			
Republic of Ecuador	7/13/45	1.0	Purchase of Engineering Services
Mexico			
United States of Mexico*	3/21/45	10.0	Highway Construction, Equipment and Services

ATTACHMENT

Country and Obligor	Date of Authorization	Amount of Authorization (In Millions of Dollars)	Purpose
Mexico (con't)			
Nacional Financiera*	3/21/45	20.0	Purchase of Electrical Equipment
Fred Leighton	10/23/45	.15	Import of Mexican Handicraft
Peru			
Cia. Peruana del Santa* (Westinghouse Electric Int'l. Co.)	6/12/45	.35	Purchase of Electrical Equipment
TOTAL LATIN AMERICA		105.7	
EUROPE			
Belgium			
Kingdom of Belgium	9/11/45	55.0	Purchase of United States Goods and Services (Lend-Lease 3-c terms)
Kingdom of Belgium	9/11/45	45.0	Purchase of United States Goods and Services
Denmark			
Kingdom of Denmark	7/13/45	20.0	Purchase of United States Goods and Services
France			
Republic of France	9/11/45	550.0	Purchase of United States Goods and Services (Lend-Lease 3-c terms)

ATTACHMENT

Country and Obligor	Date of Authorization	Amount of Authorization (In Millions of Dollars)	Purpose
Netherlands			
Kingdom of the Netherlands	9/11/45	50.0	Purchase of United States Goods and Services (Lend-Lease 3-c terms)
Kingdom of the Netherlands	9/11/45	50.0	Purchase of United States Goods and Services
Norway			
Kingdom of Norway	7/13/45	50.0	Purchase of United States Goods and Services
Various European Countries			
Various European Governments	10/8/45	100.0	Purchase of Raw Cotton
TOTAL EUROPE		920.0	
ASIA			
Saudi Arabia			
Kingdom of Saudi Arabia*	4/12/45	5.0	Purchase of Goods and Services
Turkey			
Turkish State Airways (Westinghouse Elec. Int'l. Co.)	9/11/45	3.06	Purchase of Airport Equipment
TOTAL ASIA		8.06	

ATTACHMENT

Country and Obligor	Date of Authorization	Amount of Authorization (In Millions of Dollars)	Purpose
VARIOUS COUNTRIES			
Governments of Various Countries (Int'l. Standard Electric Corp.)	9/11/45	5.0	Purchase of Communications Equipment
Special Exporter-Importer Credits	9/11/45	1.0	Various
GRAND TOTAL		1039.76	
Undisbursed commitments as of June 30, 1945 (adjusted for expirations and cancellations up to December 31, 1945)		326.46	
Outstanding loans as of June 30, 1945 (adjusted for repayments between June 30, 1945 and December 31, 1945)		193.43	
Total commitments as of December 31, 1945		1559.65	

*Credits authorized before June 30, 1945, but not entered on the books of the Bank as commitments until after that date.

TREASURY DEPARTMENT
Washington

FOR RELEASE, MORNING NEWSPAPERS

Press Service
No.

The Treasury Department said today persons in this country owning property abroad and contemplating filing of claims in connection with war losses should direct all inquiries in that connection to the Department of State.

The Treasury has been receiving an increasing volume of letters on the subject of claims relating to enemy countries, apparently due to misunderstanding on the part of owners of property abroad as to the nature of reports required by the Department on Form TFR 500. several years ago.

The purpose of TFR 500 was to compile a census of American assets in foreign countries, and such reports do not in any way constitute a registry of claims, the Department emphasized.

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Cleared with State - thru' Corliss EF

Flaherty

SChurch Cleared with Mr. Arnold.

TREASURY DEPARTMENT
Washington

FOR RELEASE, MORNING NEWSPAPERS

Press Service
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FOREIGN FUNDS CONTROL

To:
(1) Mr. Charles Shaeffer 4408 (Room) M. Treas. (Bldg.)
(2) .... (Room) .... (Bldg.)
(3) .... (Room) .... (Bldg.)

Per our telephone conversation re: Clearance and release of This Press Release

I shall appreciate your comments.

Sally Church X-2871

From: E.S.K. 1/8/45 (Date)
721 (Room) D.N.B. (Bldg.)

FOREIGN FUNDS CONTROL

To:
(1) MR. ~~SCHMIDT~~ 4449 (Room) Main Treas. (Bldg.)
(2) .... (Room) .... (Bldg.)
(3) .... (Room) .... (Bldg.)

Corliss of State indicated that State would prefer not to have any special Branch designated.

From: E. E. O'[illegible] JAN 4 1946 (Date)
(Room) (Bldg.)

FOREIGN FUNDS CONTROL

Dec. 20, 1945

Mr. O'Flaherty - District NB Bldg.

Should it not indicate the Branch of State to which people should write?

OAS

FOREIGN FUNDS CONTROL

To:
(1) ~~Mrs.~~ Mr Schwartz .... (Room) .... (Bldg.)
(2) ~~Mr. [illegible]~~ .... (Room) .... (Bldg.)
(3) O'Flaherty .... (Room) .... (Bldg.)

Should it not indicate the Branch of State to which people should write [illegible]

From: J.S. Richards .... DEC [illegible]8 [illegible]45 (Date)
.... (Room) .... (Bldg.)

O. A. SCHMIDT

FOREIGN FUNDS CONTROL

To:
(1) Mr O'Flaherty .... (Room) .... (Bldg.)
(2) .... (Room) .... (Bldg.)
(3) Corlis .... (Room) .... (Bldg.)

This is our proposed press-release on claims letters. It has been cleared with Mr. Arnold who suggested that you clear with State. You may have some suggestions first.
We are still receiving quite a number of claims letters weekly.

From: S.K. Church .... (Date)
.... (Room) .... (Bldg.)

TREASURY DEPARTMENT

Washington

FOR RELEASE, MORNING NEWSPAPERS

Press Service
No.

The Treasury Department pointed out again today that the reports filed on Form TFR-500 of property owned abroad by persons under the jurisdiction of the United States do not in any way constitute a registry of claims. The Department required the reports in order to compile a census of American assets in foreign countries and, as was emphasized at the outset, execution of the forms is not to be regarded as the submission of a claim for property damaged in the war or seized by the enemy.

This announcement was prompted by the increasing volume of letters received by the Treasury Department on the subject of claims relating to enemy countries. It was pointed out that persons desiring information regarding the filing of such claims, including claims relating to property already reported on Form TFR-500, should address their letters direct to the Department of State, inasmuch as the Treasury Department has been referring all such inquiries to that Department.

Cleared with State Dept. through James Corliss

Flaherty OK

BCurtis

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SChurch

BCCurtis:LArnold:eej: 12/13/45

TREASURY DEPARTMENT

Washington

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Cleared with State Dept. through James Collins

O'Flaherty

BCurtis

BCCurtis:EArnold:eej: 12/13/45

Plunder... SChurch

TREASURY DEPARTMENT

INTER OFFICE COMMUNICATION

DATE 1-9-46

TO Miss Sally Church

FROM Mr. Shaeffer C.P.S.

I am attaching your copies of a proposed press release together with copies of our version of how the thing should read.

You will note that our effort attempts to get the story across in simple, clear terms, and in conformity with accepted newspaper style.

Our version has the endorsement of higher ups in the office of the Secretary to whom we are responsible.

Treasury Department has been referring all such inquiries to that Department.

Cleared with State Dept. through James Corliss. OF

BCurtis

BCCurtis:EArnold:eej: 12/13/45 Ruiocom SChurch EJ Flaherty

FOREIGN FUNDS CONTROL

To:
(1) ~~Mr Arnold~~ .... (Room) .... (Bldg.)

(2) Miss Church .... (Room) .... (Bldg.)

(3) .... (Room) .... (Bldg.)

Elting – please see Mr. Schaeffer's note to me. He felt that we should issue our press release immediately and not await issuance of further documents.

I am sending his revised press release for your clearance. One small improvement.

From: E.S.K. C[illegible] .... (Date)

We'll have to clear with State [illegible] (Room) (Bldg.)

Please check with [illegible] a date [illegible]

FOREIGN FUNDS CONTROL

To:
(1) Mr. Charles Shaeffer 4408 M... (Room) (Bldg)

(2) .... (Room) (Bldg)

(3) .... (Room) (Bldg)

At last our Press Release in your revised form has cleared State Dept and the Control. We are still receiving a rather large volume of letters of this nature and would appreciate the release of this Press statement as soon as possible.

S.K. Church
From: .... (Date)

(Room) (Bldg)

immediately and not await issuance of further documents.

I am sending his revised press release for your clearance. one small improvement.

From: [illegible] Church .... (Date)

Will [illegible] clear with State of course [illegible] (Room) (Bldg)

Please check with me a date

FOREIGN FUNDS CONTROL

To:
(1) Mr. Charles Shaeffer 4408 (Room) M. (Bldg)

(2) .... (Room) (Bldg)

(3) .... (Room) (Bldg)

At last our Press Release in your revised form has cleared State Dept and the Control. We are still receiving a rather large volume of letters of this nature and would appreciate the release of this Press statement as soon as possible.

S.K. Church
From: .... (Date)

(Room) (Bldg)

immediately and not await

Mr. Corliss left the following message:

Proposed announcement regarding directing inquiries relating to claims to the State Department is O.K.

TREASURY DEPARTMENT
Washington

FOR RELEASE, MORNING NEWSPAPERS
Sat, Mar. 2, 1946

Press Service
No. 2 48

The Treasury Department said today persons in this country owning property abroad and contemplating filing of claims in connection with war losses should direct all inquiries in that connection to the Department of State.

The Treasury has been receiving an increasing volume of letters on the subject of claims relating to enemy countries, apparently due to misunderstanding on the part of owners of property abroad as to the nature of reports required by the Department on Form TFR 500 several years ago.

The purpose of TFR 500 was to compile a census of American assets in foreign countries, and such reports do not in any way constitute a registry of claims, the Department emphasized.

-oOo-

OK
O.B.

TREASURY DEPARTMENT

Washington

FOR RELEASE, MORNING NEWSPAPERS,
Saturday, March 2, 1946.

Press Service
No. V-248

The Treasury Department said today persons in this country owning property abroad and contemplating filing of claims in connection with war losses should direct all inquiries in that connection to the Department of State.

The Treasury has been receiving an increasing volume of letters on the subject of claims relating to enemy countries, apparently due to misunderstanding on the part of owners of property abroad as to the nature of reports required by the Department on Form TFR 500 several years ago.

The purpose of TFR 500 was to compile a census of American assets in foreign countries, and such reports do not in any way constitute a registry of claims, the Department emphasized.

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DIVISION OF PUBLIC RELATIONS

Assignment sheet. Title **Vinson statement on British Loan ~~xxx~~ before Cpngress**

Release date **2/5/46** Press Service No. **V-249**

			Bldg. dist.	Mailing list	No. copies to be sent
	( )	Special messenger		65	65
G	( )	General		60	60 *
TAC	( )	Trade Agreement Commodities	22	158	
CFQ	( )	Coffee quotas	22	136	
CQ	( )	Cotton quotas	22	135	
WQ	( )	Wheat quotas	22	115	
BUL	( )	Treasury monthly Bulletin	---	1,367	
F	( )	Finance	167	540	600 *
		To be delivered separately tp Public Relations			200
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T	( )	Taxes	167	600	
DLI	( )	Debt limitation	151	325	
SF	( )	Stabilization fund.	174	551	
B	( )	Weekly bill offering.	150	178	
B&B	( )	Bills & Bonds other than weekly . .	156	275	
FE	( )	Financial Editors	---	469	469
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			Press room		25
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		Speech list	Building distribution		200 *

*** Back up.**

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7/1/45

FILE COPY

TREASURY DEPARTMENT

Washington

Statement by Fred. M. Vinson, Secretary of the Treasury, before the Senate Committee on Banking and Currency.

10:30 A.M., Tuesday, March 5, 1946

I am happy to appear again before this committee. Your work and all of the work throughout Congress as we start our postwar building is of vital importance to our people. I hope that what I have to say will be helpful to you.

Our people ask their government to do everything possible to achieve enduring peace and sound prosperity. This objective requires vigilance and action on many fronts.

This morning we are concerned particularly with our international economic program. In my judgment, the best milestone we have seen on the road to peace and prosperity is our international economic program. This program is well developed and we can soon put it into full effect. But if this program is to succeed it is necessary to have the full participation of England. That is why the President stated in his message "that the next order of international business before the Congress should be our financial relations with the United Kingdom." The purpose of the Financial Agreement with England, which is now before you, is to make it possible to put this program into immediate operation.

We have based our policy on a simple proposition: conflicts between nations should not be settled by fire and sword; international problems should be solved in the common-sense way. The common-sense way is to deal with them through discussion and agreement, through international cooperation. It is essential, of course, for the United Nations to cooperate on political problems that affect world security. But that is not enough. There must be a sound economic foundation for peace. That foundation can be built only through cooperation among the nations.

V-249

When this is mimeographed please send 15

copies to Mrs. Beardsley.

TB.

3/6/41

Our International Economic Policy

For the past five years this government has stood for, and has advocated, a definite international economic policy. That policy is to restore world trade, to free it from the restrictions that isolate countries and from the discriminations that divide nations into conflicting economic blocs. We have not been content with securing agreement on abstract principles. International economic problems must be dealt with in the concrete terms in which they arise. The responsibility for dealing with these problems does not rest in any one country. They are international in scope and they can be dealt with only when and if the several nations get together. We have proposed, therefore, that the United Nations provide the means for continuing cooperation through the International Bank, the International Fund and an International Trade Organization.

This policy of international economic cooperation is a frank recognition that the breakdown in world economic relations in the 1930's was an important factor in prolonging and intensifying the great depression. It is a frank recognition that the economic warfare of the 1930's was part of the master plan for aggression by Germany and Japan. Admitting that we should learn from experience, we have urged the United Nations to adopt a comprehensive policy of international cooperation to restore world trade.

The success of this policy depends upon securing prompt economic reconstruction, orderly currency arrangements, and the reduction of trade barriers. World trade cannot be restored until the war-devastated countries in Europe and the Far East are again able to produce, and to buy and sell. World trade cannot be restored until the currency restrictions that have plagued the world for more than a decade have been eliminated. World trade cannot be restored until the present barriers that block trade have been abolished. When the countries of the world are again producing, when they have put into effect fair currency and trade practices, world trade will expand and grow. Then the business men of all countries can secure access to world markets on fair and equal terms.

This international economic program is a big and vital part of what we are doing to give the American people peace and prosperity. You cannot maintain American production and employment in the midst of world-wide depression. You cannot expect sick and hungry men to build a peaceful world.

You cannot raise a new generation dedicated to peace in the ruins of bombed-out cities. The chances for maintaining peace will be immeasurably better in a world that is working and trading -- in a world in which economic warfare has been eliminated.

Importance to the United States

Our own program of maintaining high levels of production, employment and national income is dependent on our success in expanding world trade. Foreign trade is an important factor in our economy. We need markets abroad. Before the war, 8 percent of our physical production of agricultural and industrial goods was sold abroad. In many of our more important industries more than 10 percent of the entire output was exported.

In 1937 and 1938, 31 percent of our raw cotton, 30 percent of our leaf tobacco, and 12 percent of our wheat and flour, were sold abroad. Looking at industrial products, 54 percent of our refined copper, 15 percent of our farm equipment and machinery, 14 percent of our automobiles and trucks, 14 percent of our industrial machinery, and 11 percent of our refined mineral oil were sold abroad. The fact of the matter is that for large segments of agriculture and industry, exports mean the difference between prosperity and depression.

Our need for foreign markets will soon be greater than ever before. American production is at the highest level ever reached in peacetime. As a nation we must learn to use an industrial plant with a capacity nearly twice as great as before the war. For every steel ingot produced before the war we can now produce two. For every machine made before the war we can now make four. There are new fabrics, new plastics, new processes. And in agriculture, too, we have reached new records of production for nearly all our major crops.

Much the largest part of our output will, of course, be sold at home; but we must have foreign markets for many of our products. The world needs and wants American goods. We must make sure the world can buy them. The one way to keep the markets of other countries open to American products is to bring about an expansion of world trade. We want to trade. We want to export and we want to import. We ask no special advantages in world trade. And we want no discriminations aimed against us.

A program that stimulates a full flow of trade among nations is necessary for world recovery. That is good business for America. But it is because of no sordid motive that we urge this program on the United Nations. It is also good business for the entire world. We want a prosperous America. We want a prosperous world. We gain more than material benefits, important though they are. In a prosperous world we gain a genuine chance for lasting peace.

That in brief is the program of international economic cooperation this Government has proposed to the United Nations. We have made much progress. The World Fund and the World Bank have been ratified by 35 countries. The inaugural meeting of the Fund and Bank will start in Savannah within the week. We have reached the stage where much of this program can be put into practical operation.

The one danger is delay. The longer we wait the longer there will be reliance on the currency and trade restrictions, which reached new heights during the war. If postwar trade becomes adjusted to the protection that these devices provide, there will be strong opposition to their removal. That is why the success of our program depends largely on the prompt application of fair currency and trade practices. But England will not be able to put these positive principles into effect until she is sure she can secure her essential imports of food and raw materials.

The British Problem

The people of England are confronted with a difficult and urgent problem, vital to their whole economy. England must increase her export trade in order to buy the imports she needs. She must expand her export trade to the level necessary to maintain the living standard of her people and the functioning of her industries. In addition, England will require help from abroad to secure, during the next few years, the imports she must have. England must assure her people the means of living and working in the five critical years ahead.

The war has seriously disrupted England's international economic position. In the three years before the war England imported annually $4,200,000,000 of goods. She paid for 55 percent of her imports by her merchandise exports. About 24 percent of her imports was paid for with the net income from British investments in all parts of the world.

Another 17 percent of her imports was paid for out of the net receipts from shipping, insurance, banking and other services. England's foreign exchange receipts from all these sources have been sharply reduced.

In order to devote as much of her industrial output as possible to war purposes Britain converted her export industries to war production. Lend-Lease aid from the United States, Mutual Aid from Canada, and foreign loans in sterling made it possible for England to secure her war-time imports without maintaining the prewar volume of exports. In fact, British exports were deliberately reduced until in 1944 they amounted to 30 percent of the prewar volume. The producing power thus freed was diverted to Britain's armed forces and to her munitions industries.

England's exports have been rising since the end of the war and they will continue to rise. In view of the loss of foreign exchange from other sources, England's exports will have to be increased far above their prewar volume. But even with favorable conditions of world trade and with help from friendly countries England will need several years to expand her export trade. During these years she must find some way to feed her people and her factories with imported food and raw materials.

In financing her overseas war expenditure and her war-time imports England sold many of her foreign investments. These investments before the war yielded net foreign exchange income of nearly $1,000,000,000 a year. With the sale of some investments, the destruction of others in Europe and the Far East, and with the new foreign debt that England incurred, the net income from her foreign investments has fallen sharply. In 1945 it was less than $400,000,000. With present prices, net income from foreign investments will pay for only one-third the quantity of imports it bought before the war.

Shipping and other services have always been an important part of England's international business. During the war the losses from enemy action were enormous, and in spite of the fact that shipbuilding was given high priority, England's merchant fleet was greatly reduced. The insurance, banking, and commercial services that England formerly supplied to all parts of the world have also fallen off along with her trade. With greatly expanded world trade, British income from shipping and other services will again pay for a large part of England's imports. But this, too, will take time.

Not all the ravages of war are seen in rubble heaps. Compare the cost to Britain of her lost foreign assets and her new foreign debt, amounting to more than $17,000,000,000, with the $6,000,000,000 of damage done by German bombs, robots, and rockets and the $3,000,000,000 of damage done by German submarines. To a country like England, unique in her dependence on overseas supplies, the deterioration in her international economic position is even more serious than the destruction from bombing.

Which Policy for England?

The restoring of her international economic position is primarily a problem for England to solve. She must revitalize her export industries. She must increase the efficiency of her workers and her business men. That is the only way in which England can increase her exports far above the pre-war level. That is the only way in which she can continue to pay for her imports of essential raw materials. There can be no doubt that British industries are capable of developing technical efficiency of a character which would permit them to compete for their share of the world's markets. To survive, England must restore and expand her export trade.

England can deal with this problem in one of two ways. One way is to join in the economic program of the United Nations. She would accept and effectuate the fair trade and currency principles which we have proposed. Under this program, England would remove her war-time currency and trade controls without waiting until her exports have been restored. Then as world trade grows England would share in the growth, and her increased exports would in time pay for her imports.

The alternative is to continue and even to extend these currency and trade controls. England would form a British economic bloc. Countries that want to sell to her would have to take payment in British exports. The countries to whom Britain owes $13,000,000,000 in blocked sterling would be compelled to take British goods in payment of the debts. In brief, England would form an exclusive British economic bloc in which trade inside the bloc is encouraged through preferences and pressures, and trade outside the bloc is discouraged through discriminations and controls. We would be one of the countries outside the bloc.

The people of England prefer to solve their international economic problem through cooperation with the United States and the United Nations. Britain's economic and political traditions and interests strongly favor such a solution. There are few people who want a British economic bloc for its own sake. England too, needs an expansion of world trade. That is the only way in which she can achieve her objectives of raising British production and maintaining the British standard of living.

England is willing to assume the risk of selling her exports in fair competition with the exporters of other countries. She is willing to commit herself to our program of fair currency and trade practices in order to encourage an expansion in world trade. Britain cannot undertake the commitment to put this program into effect, however, unless she gets help in financing her imports during the next few years.

This help can come only from us and to a lesser extent from Canada and some other countries. If England cannot secure help from the countries committed to a policy of international economic cooperation, she will have to continue and to extend the war-time impediments to world trade. In this way she would simply force additional aid out of the British trading bloc. This is not a matter of preference. It is sheer necessity.

During the war England took measures to mobilize and conserve foreign exchange for essential war purposes. These war-time currency and trade restrictions are still in effect. They were necessary in the war emergency; but they are harmful to world trade and prosperity in time of peace. The continuation of these restrictions would affect us more than any other country. The fact of the matter is that American exports would be excluded from their major markets abroad. We can see from the war-time controls what such a policy would involve.

You have heard a good deal about these war-time restrictions, particularly the sterling area, blocked sterling area, blocked sterling, the dollar pool, trade controls, and payments arrangements. You may want to know how these restrictions operate and how they hurt American business.

The Sterling Area

The sterling area now includes the countries of the British Empire except Canada, and a number of other countries

mainly in the Middle East. These countries do much of their business with England and they keep most of their monetary reserves in the form of sterling in England.

Before the war sterling could be used by these countries to buy goods all over the world -- in the United States, Canada, Latin America, anywhere. For example, if Australia wanted to buy American cotton before the war it sold the sterling for dollars, and used the dollars to pay for American cotton. That is to say, sterling was freely convertible into dollars.

That was before the war. During the war the sterling area took on some new features. Because England didn't have enough gold and dollars, she no longer permitted sterling to be sold freely. She made sterling inconvertible. In practice, this means that the countries of the sterling area cannot use the sterling they receive for their exports to buy American goods, unless they obtain permission from England.

As it is now, Australia cannot use her sterling receipts to buy American cotton; but she can use the sterling to buy cotton in India or Egypt. In short, while trade among the sterling area countries continues unaffected by these currency restrictions, the trade of all sterling area countries with the United States is subject to the will of Britain.

We do not want England saying to Australia and other countries from which she imports: "You cannot use the sterling you acquire from us to buy goods in the United States." That would mean that American exporters would be discriminated against in all trade with the sterling area.

Blocked Sterling

That brings us to blocked sterling. England had to go on buying goods in the sterling area, and meeting the costs of her armies in India, Egypt and other countries. She bought the goods and she met her war expenses in these countries by paying in sterling. England did not have the means to convert the sterling into dollars, she could not export enough to let these countries use all of their sterling to buy goods. In effect, the accumulated sterling balances were blocked from use.

The amount of sterling accumulated by various countries during the war was very large. Although England sold $4,500,000,000 worth of her foreign investments, her wartime overseas expenditures were so enormous that sterling

balances accumulated in rapid fashion. These balances now amount to $13,000,000,000. They are held by foreign countries in the form of sterling deposits in London banks and sterling securities of the British Treasury. This is a tremendous sum for a foreign debt.

What is done about these blocked sterling balances will mean much to American trade. We do not want England saying to India and the other countries holding blocked sterling: "These balances will be freed only to buy goods in England." That would mean the exclusion of many American products from the whole sterling area.

Sterling Area Dollar Pool

England also needed and bought goods outside the sterling area. Many commodities we shipped to England had to be paid for in dollars. And that was also true of some of England's imports from other countries. England had to mobilize all her dollar resources. She sold some of her American investments to obtain dollars. Other dollars were borrowed by pledging some of her investments. In addition, England arranged to have the dollar receipts of the sterling area countries pooled in, and allocated by, London.

Under this system, when an Indian exporter sells goods in the United States he turns the dollars over to the Reserve Bank of India and receives rupees. These dollars are then sold to England for sterling. This happens in all of the sterling area countries that have net dollar receipts. In short, all the dollar holdings of the sterling area are pooled in London.

Then when a country in the sterling area needs dollars, it applies to London. To conserve dollars, no funds are allocated to buy goods in the United States if they can be secured in any sterling area country. That point needs emphasis. Under the sterling area dollar pool goods are not bought in the United States if they can be found in any sterling area country. American producers lose markets under this system. We want American exporters to have a fair chance to sell their products in every country that has dollars to pay for them.

Other Trade and Payment Restrictions

Along with these financial controls there are direct trade controls on imports in England and all the sterling area

countries. These controls are exercised through import licenses, shipping priorities, and in other ways. They are used to exclude goods that are bought with dollars. This has meant, throughout the war and even now, keeping to a minimum the imports of all goods from countries outside the sterling area and particularly American products.

Some countries, including England, do not have the means to pay for as much imports as their people want to buy. Total imports in such countries may have to be limited. But we want the limitations on imports to be applied across-the-board. We do not want discrimination against American exporters.

There is another kind of currency restriction that England is now using. During the war, and particularly since the war, England entered into bilateral agreements with a large number of countries to whom Britain is an important export market. Under these bilateral agreements England pays for her imports from these countries in sterling. The sterling can then be used to buy goods in England and in the sterling area.

Any sterling not used to buy imports from the sterling area must be kept idle. This means that some countries whose export trade is adequate to pay for the imports they want are compelled to restrict their purchases in the United States. We want such limitations removed so that countries can use the proceeds of their exports to every country to buy goods from any country.

Effect on World Trade

The continuation and the extension of these currency and trade controls in England would necessitate their retention in many other countries. Throughout the sterling area and the countries with which England has bilateral payments agreements, supplementary measures would be taken to restrict purchases from areas in which payment cannot be made in sterling. In other countries, particularly Canada, their exclusion from the sterling area market would limit seriously their exports, and they, in turn, would restrict purchases from the United States. It is a vicious cycle.

We are going to have one system or the other. Either we will have prosperity producing world trade or we will have economic blocs. The currency and trade controls in England

endanger the whole international economic program that the United Nations have developed over the past five years.

The countries that have close trade and currency relations with Britain are a major factor in world trade. Together they account for 55 percent of world imports and nearly 50 percent of world exports. Clearly, what such a group does on currency and trade policy must be a major factor in the world economy.

Our own trade relations with this group thus far have been very close. Nearly half of our total exports and imports in the years 1936-38 went to the countries of the sterling area and to the payments agreements countries. Omitting Germany and Japan, 56 percent of our trade was with these countries.

Our whole program for maintaining high levels of production, employment and national income would be seriously affected. In six commodity groups, constituting more than 80 percent of all United States exports in 1937, these countries were our indispensable buyers. Of our metal machinery and vehicle exports, they took 47 percent; of our leaf tobacco exports, they took 88 percent; of our meat, grain and other food exports, they took 59 percent; of our raw cotton exports, they took 49 percent; of our petroleum and related exports, they took 46 percent; and of our wood and paper exports, they took 47 percent. Gentlemen, the continuation of these war-time controls would be a body blow to our whole economy.

Conflicting Economic Blocs

We need and want our trade with India, Australia, New Zealand, South Africa and Egypt. These are some of the countries of the sterling area. We cannot risk the loss of our export markets in France, Belgium, Netherlands, Sweden, and Czechoslovakia, or in Brazil, Bolivia, and Peru. These are some of the countries with which England has payments agreements.

What we have here, potentially, is a British economic bloc. Such a powerful bloc excluding the United States, Canada, and the countries of the dollar area would be a challenge to our economy that we could not ignore. Our position in world trade would be threatened. We would have to defend ourselves. We would be compelled to form an economic bloc of our own.

Two rival blocs would mean economic warfare. Probably we would win, but it would be a pyrrhic victory. World trade would be destroyed and all countries would suffer. If England and the United States should drift into such a conflict, it would be a tragedy for all. We would find our trade decreased and our people unemployed. England would find her standard of living deteriorated and her people impoverished. The hope for economic cooperation might be lost forever. The consequences to world prosperity and even to world peace would be disastrous.

This would be a sad augury for the post-war world. If we permit a renewal of economic warfare, we will not justify our heritage or our faith in the future. International economic problems can no more be solved by economic force than political problems can be solved by war. Our people know this. The British people know this. They know the dangers to themselves and to the entire world that would arise from a conflict in economic policy. They want this problem settled by discussion and agreement, not by economic warfare.

Provisions of the Financial Agreement

That is why the representatives of the United States and of England discussed this problem for three months. The American representatives wanted England to remove promptly the various war-time restrictions and discriminations. They wanted England to put into effect the fair currency and trade practices for which the United Nations stand. They wanted England to assure American exporters an opportunity to sell their goods in competition with the exporters of other countries on fair and equal terms. That is precisely what the Financial Agreement provides.

In brief, here is what we gain by the Financial Agreement:

1. Exports of goods and services from the United States to England will be paid for in dollars, or if they are paid in pounds, the sterling can be converted into dollars. This is particularly important to the American companies which in the past have experienced considerable difficulty in getting their earnings out of England. They will now be able to get dollars. That means, for all practical purposes, American business men can be just as sure of payment for their current claims in England as they were before the war.

2. Within a year, unless in exceptional cases the United States agrees to a later date, England will make all sterling arising from current trade convertible. England will thus return to the free use of sterling in international trade that she permitted before the war. For example, if Mexico and Egypt export goods to England they will be able to use the money they get to buy goods in any country. That means they could convert the sterling into dollars and buy goods in the United States.

3. Within a year, unless in exceptional cases the United States agrees to a later date, England will dissolve the sterling area dollar pool. Each country in the sterling area will again have complete freedom to use its dollars as it wishes. For example, the money India gets for its exports to the United States and Latin America could be spent here without getting an allocation of dollars from England. That means India could use the dollars she gets to buy American machinery instead of being forced to buy English machinery.

4. The blocked sterling balances will be settled by England and the countries concerned. All payments on these balances now or later will be free for making purchases in any country, including the United States. This large debt will not be used to exclude American products from the sterling area, or to put our exporters at a disadvantage in competition with British exporters. England will not force the countries holding $13,000,000,000 in blocked sterling to buy British instead of American goods.

5. England's import controls will be administered in a manner which does not discriminate against American products. If England finds it necessary to impose a quantitative limitation on her imports this will be applied on an equal basis toward all countries. That means England will not keep out American cotton and tobacco, grains and meats, fruits and nuts, or any of our industrial products, in order to buy these same goods in other countries.

6. Within a year, unless in exceptional cases the United States agrees to a later date, England will impose no restrictions on payments and transfers for ordinary current transactions. In effect, all of the countries that have payments agreements with England will be permitted to use the proceeds of their sales to England, if they wish to buy goods in other countries. They will be allowed to use the sterling they acquire in this way to buy American products on the same basis as they are able to buy British products.

In addition, England has agreed that she will support the American proposal for an International Trade Organization to reduce trade barriers and eliminate trade discriminations. Thus, England gives wholehearted support to our policy of expanded trade, with all countries having access to world markets on fair and equal terms. The adoption of the proposed fair trade practices will complete our program for international economic cooperation. England's support of our proposal assures the success of the United Nations trade conference to be held later this year.

The Credit to England

If the Congress approves, the aid that Britain needs in carrying out her commitments under the Financial Agreement will come largely from the United States. This Government will open a line of credit of $3,750,000,000 on which England can draw until 1951 to pay for her current imports. Beginning in 1951, England is to repay the credit with interest at 2 percent. She will do this in 50 annual payments of $119,000,000. Including the payments under the Lend-Lease settlement, England will pay the United States $140,000,000 a year.

The greater part of the credit will be used to pay for exports from the United States. Directly or indirectly nearly all of the money will ultimately be spent in the United States. The credit to England will enable her to maintain her essential imports. May I emphasize that Britain will still have to enforce an austere level of consumption little different from that of the war years. For some time to come British imports will have to be far below the import demand of the English people, perhaps as little as 60 percent of the pre-war amount.

I want to make it perfectly clear: that the credit is not a gift; that it is a loan which England is to repay; that it is to be repaid with interest; that it is not an unconditional credit. It is a credit which must be used only to meet Britain's current payments and to enable her to remove her war-time currency and trade restrictions. None of the credit can be used to pay the blocked sterling balances or any of England's present obligations. Payments on such obligations must be met by England out of her own resources or out of funds secured in some other way.

The principal of the credit due each year must be repaid without qualification. Under conditions of severe depression in world trade, and under objective standards stated in the Agreement, the interest due in any year can be waived. If such an emergency situation develops, I believe that it is to our own benefit to collect the principal and not to force a default which might have serious consequences to the world economy. As soon as these temporary conditions pass, England would resume the payment of interest on the credit.

There are people in this country who say the terms are too easy. There are people in England who say the terms are too harsh. These people forget that the Financial Agreement is not just a loan. It is a contract with rights and obligations for both parties. When you think of the Financial Agreement in this way, I am confident that you will find that the terms are fair to both countries and they will prove beneficial to both countries.

It is true that the interest rate on this loan is less than England would have to pay on a strictly commercial loan from bankers. The interest is, nevertheless, substantial for an agreement of this character. The effective rate of interest, assuming the credit is used in five equal annual amounts and all payments are met, would be 1.83 percent. If the credit is used in three equal annual amounts, the effective rate of interest would be 1.76 percent. This is reasonably comparable to the cost of money to the Treasury.

There is no easy way of stating without qualification what is the cost of borrowing by this Government. The computed average rate of interest on all outstanding Government loans is 1.97 percent. This rate is more than the cost of new borrowing and more than the Treasury actually pays. If the Treasury were now borrowing $3,750,000,000 through the same securities we now have outstanding, and in the same proportions, the cost on the basis of present yields would be 1.64 percent. I say, therefore, that the rate of interest on the credit is quite comparable to the cost to the Treasury of borrowing this money.

The interest charged on the credit is only a part of the Agreement. The terms on which this Government can offer the credit, the terms which England can undertake to pay, are determined by those provisions of the Agreement which commit England to certain currency and trade practices. The benefits that this country will secure in the form of expanded trade and increased national income are far more important than the principal and interest that England will pay. Our people will see the effects in higher incomes for our farmers, our

workers, and our business men. The Treasury will see the effects directly in the revenue it collects in taxes.

If you want to see the real meaning of the Financial Agreement, just consider the opposition to it in England. The opposition is directed very largely to the provisions regarding the convertibility of sterling received from current transactions and their free use to pay for exports from the United States. The opposition comes from a small but influential group which has urged that England retain the present restrictions, secure the necessary volume of exports through bilateral agreements, and form a British economic bloc. The great majority of the British people join with us in a desire to deal with international economic problems through international economic cooperation. They ask merely the aid to carry on until this program has had its effect in expanding trade.

Special Bond Issue

You have seen the proposal that the credit to England be given only from funds invested in special bonds issued for this purpose. The payment to bondholders of principal and interest would be made only from the sums received from England. Of course, no bond issue of this kind ever was or ever could be floated. This is not just a commercial loan, and it is not the kind of loan that private investors or private bankers should make. I have a feeling that this proposal is simply one form of saying "no" to the Agreement.

It is most important to appreciate fully that a loan on bankers' terms would not give us the basic objective and the broad benefits of the Financial Agreement. That objective is the removal of discriminatory currency and trade restrictions. These restrictions reduce world trade, force it into uneconomic channels, and discriminate against our exports. The interest on a loan in which you get commitments to remove these restrictions must obviously be more favorable than the market rate for foreign securities.

British Investments in the United States

Some of the opponents of this loan have said that the British ought to sell their assets or put them up as collateral. This is based on a misconception of the amount of British investments in the United States. In order to pay

for her purchases of munitions prior to Lend-Lease, England sold \$820,000,000 of her American investments. In addition, she pledged a considerable amount of her American investments with the Reconstruction Finance Corporation in 1941 for a loan with which to meet obligations incurred prior to Lend-Lease.

At the end of 1945 British holdings of securities and direct investments in the United States, including pledged assets, amounted to about \$1,475,000,000. This was divided into \$575,000,000 of securities and \$900,000,000 of direct investments. The Reconstruction Finance Corporation estimates the value of the collateral pledged against the loan at about \$895,000,000. Of the \$580,000,000 of securities and direct investments which remain unpledged, many are small holdings and of the type that cannot readily be vested and sold by the British Government.

Apart from these assets, there are some British interests in estates and trusts set up under American law. British interests are intermingled with the American interests in these estates and trusts, and the assets cannot be taken by the British Government. They are under the jurisdiction of American courts. The only way to value these interests is by the arbitrary capitalization of the income. On such a basis, British interests in American estates and trusts would not exceed \$350,000,000. All other scattered and miscellaneous British holdings in the United States, equally difficult to vest or liquidate, are estimated at approximately \$100,000,000.

Effect on Inflation Problem

Opponents to the loan make the point that the credit will add to the inflationary pressures in this country. I have been concerned with the inflation problem in more than mild fashion for some time now. I know how important it is to this country to prevent inflation. It remains our most important domestic problem. The long-run sound way to fight inflation is to produce more goods in the United States and to produce more goods throughout the world. The lifting of trade restrictions as a result of the Financial Agreement will stimulate trade and production everywhere. In that way, it will do much to relieve the world shortage of goods and help the fight against inflation.

The $3,750,000,000 credit will not be spent all at once, nor will the bulk of it be used to purchase goods that are in scarce supply. It will be used over a five-year period. The amount of the credit is about one-half of one percent of the total demand for goods in the United States during the next five years. Part of the credit will be used to buy goods of which we already have a surplus, like cotton. Certainly, the credit will increase infinitesimally the total spending in this country. That will be more than offset, in my judgment, by its favorable effects on production and trade which are the real factors in preventing inflation.

Not a Precedent

The credit to England is in no way a precedent for other loans. Its particular purpose from the American point of view is to free a major segment of the world's trade from the currency and trade restrictions by which it is now shackled. The key to the removal of these restrictions is to make it possible for England to pay for its imports with funds that can be used to buy goods in any country. What England does about her currency and trade controls is of the utmost significance in determining whether the entire world will be one large and prosperous international trading group or whether it will be broken up into conflicting economic blocs.

The proposed credit to Britain is to enable her to participate in world trade, without currency and trade discriminations, while she reconverts her industries to peacetime production and resumes her usual place in world markets. No other country has the same problem. No other country has the same strategic position in world trade. That is why this loan cannot and will not be regarded as a precedent.

Other nations need help. Some will need help for which they cannot pay. They will get such help through UNRRA. Some will need help in maintaining the stability of their currency. They will get that help through the International Fund. And many countries will need help in restoring their economy. For all worthwhile projects, help of this character will be available through the Export-Import Bank and soon through the International Bank for Reconstruction and Development.

The Bretton Woods Agreements Act established the National Advisory Council on International Monetary and Financial

Problems. This Council is charged with coordinating the activities of all agencies of the Government on foreign loans and monetary transactions. The members of the Council have spent many hours during the last six months in carrying out their statutory responsibilities. They have met more than forty times to go over the foreign financial problems before this Government.

The first report of the Council, as required by law, has just been sent to the President and to Congress. When you examine this report, I believe that you will agree that the Council has been motivated by the desire to carry out in the financial field the major objectives of American foreign policy while securing the most efficient use of the funds of the American taxpayer.

An Investment in Peace and Prosperity

The loan to Britain is an essential and integral part of our program of international economic cooperation. A peaceful and prosperous world requires the full participation of England, and of the countries closely linked with England, in the world economy. The policy that Britain chooses in meeting her balance of payments problem will affect the economic well-being of the entire world. The United States has a vital interest in the solution of this problem.

The Financial Agreement is a sound investment in world peace and prosperity. Not only will the $3,750,000,000 be fully repaid, but American business will reap rich dividends through its access to world markets on a fair and equal basis. Every section of this country, every sector of our economy, depends in part on world trade. The Financial Agreement will open the markets of England and many other countries to our exporters. This means more exports for our farmers and manufacturers, more jobs for our workers, more profits for business, and a higher income for all our people.

We live in a world that is growing more interdependent economically and politically. The great hope of mankind is that we will proceed to build the kind of world that our heads and hearts desire. We are doing that in cooperation with the United Nations. There can be no turning back. It is impossible to revert to the international political or economic conditions of the 1930's without endangering the welfare of this country and the survival of the entire world. Our people are determined that political and economic

differences should be settled by peaceful and cooperative means.

Man will not have fulfilled his divine destiny while there is war and want. Two world wars and a world depression have made this a generation of bitter memory. It is wonderful to have again the hope of peace and plenty. The cynics shut their eyes and close their ears and sit among the scorners. Ours is a higher duty -- to find a way to give effect to the will of the people. Let us have faith equal to our great task. Let us put into effect the determination of our people for a world in which nations work and live together in peace and prosperity.

There are times that are turning points in the history of mankind. This is such a time. The decisions we make or do not make today will shape the destiny of the world for generations to come. I pray that we shall have the vision to act bravely and boldly.

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TREASURY DEPARTMENT
Washington

FOR RELEASE, MORNING NEWSPAPERS,
Tuesday, March 5, 1946.

Press Service
V-200

The Secretary of the Treasury announced last evening that the tenders for $1,300,000,000, or thereabouts, of 91-day Treasury bills to be dated March 7 and to matu[re] June 6, 1946, which were offered on March 1, 1946, were opened at the Federal Reserve Ba[nks] on March 4.

The details of this issue are as follows:

Total applied for - $2,013,988,000
Total accepted - 1,308,017,000 (includes $47,772,000 entered on a fixed-price basis at 99.905 and accepted in full)
Average price - 99.905/ Equivalent rate of discount approx. 0.375% per annum

Range of accepted competitive bids:

High	- 99.913	Equivalent rate of discount approx. 0.344% per annum
Low	- 99.905	" " " " " 0.376% " "

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

Federal Reserve District	Total Applied for	Total Accepted
Boston	$ 35,740,000	$ 22,558,000
New York	1,471,811,000	942,916,000
Philadelphia	17,596,000	16,036,000
Cleveland	14,710,000	12,760,000
Richmond	26,480,000	18,321,000
Atlanta	7,375,000	7,375,000
Chicago	268,762,000	171,262,000
St. Louis	29,260,000	18,925,000
Minneapolis	26,690,000	17,798,000
Kansas City	23,044,000	16,094,000
Dallas	9,790,000	8,815,000
San Francisco	82,730,000	55,157,000
TOTAL	$2,013,988,000	$1,308,017,000

TREASURY DEPARTMENT

Washington

FOR RELEASE, MORNING NEWSPAPERS,
Tuesday, March 5, 1946.

Press Service
No. V-250

The Secretary of the Treasury announced last evening that the tenders for $1,300,000,000, or thereabouts, of 91-day Treasury bills to be dated March 7 and to mature June 6, 1946, which were offered on March 1, 1946, were opened at the Federal Reserve Banks on March 4.

The details of this issue are as follows:

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Total accepted - 1,308,017,000 (includes $47,772,000 entered on a fixed-price basis at 99.905 and accepted in full)
Average price - 99.905/ Equivalent rate of discount approx. 0.375% per annum

Range of accepted competitive bids:

High - 99.913 Equivalent rate of discount approx. 0.344% per annum
Low - 99.905 Equivalent rate of discount approx. 0.376% per annum

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Dallas	9,790,000	8,815,000
San Francisco	82,730,000	55,157,000
TOTAL	$2,013,988,000	$1,308,017,000

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March 5, 1946

DRAFT OF PRESS RELEASE

today made the following an

Secretary ~~of the Treasury Fred M.~~ Vinson ~~announced today:~~

The discussions which were scheduled to begin this week between representatives of the French Government and the United States Government on the external financial requirements of France have been postponed owing to the illness of M. Leon Blum, the head of the French delegation. Secretary Vinson said it was anticipated that the French delegation headed by M. Blum would arrive in Washington later in the month.

The financial aspect of the negotiations will be discussed by M. Blum and his colleagues with the United States Committee, consisting of the Secretary of the Treasury Fred M. Vinson, as Chairman; the Secretary of Commerce, Henry A. Wallace; the Assistant Secretary of State, William L. Clayton; the Chairman of the Board of Governors of the Federal Reserve System, Marriner S. Eccles, and the Chairman of the Board of Directors of the Export-Import Bank, William McChesney Martin, Jr. All of the members of this committee are members of the National Advisory Council on International Monetary and Financial Problems.

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MAR 5 1946

TREASURY DEPARTMENT

Washington

FOR IMMEDIATE RELEASE,
Tuesday, March 5, 1946.

Press Service
No. V-251

Secretary Vinson today made the following announcement:

The discussions which were scheduled to begin this week between representatives of the French Government and the United States Government on the external financial requirements of France have been postponed owing to the illness of M. Leon Blum, the head of the French delegation. Secretary Vinson said it was anticipated that the French delegation headed by M. Blum would arrive in Washington later in the month.

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Aus Mon 6, V-252

Cash grabbed in bank robberies will hereafter be "hot," thanks to a new Treasury Department regulation which permits banks to photograph paper money for record purposes.

Frank J. Wilson, Chief of the U. S. Secret Service, pointed out that currency films will aid ~~police~~ law officers in tracking down bank robbers by making it possible to identify stolen bills by serial numbers and other markings. Before the Secret Service initiated the action to amend the regulations, banks were authorized to make film records only of Government checks, bonds and warrants~~, but not paper money~~. The new ruling applies exclusively to banks and banking institutions and provides that the films may be projected upon a screen, but that no prints or enlargements may be made without special permission of the Secretary of the Treasury, Chief Wilson said.

As an aid to crime prevention, he also suggested that banks regularly make film records of money stocks which might tempt bandits, and that bankers let it be known locally that such procedure is customary.

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TREASURY DEPARTMENT

Washington

FOR RELEASE, MORNING NEWSPAPERS,
Wednesday, March 6, 1946.

Press Service
No. V-252

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Press Service
No. V - 253

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	tity in Pounds February 23, 1946
Signatory Countries:	
Brazil	591,833,018
Colombia	262,444,788
Costa Rica	8,471,964
Cuba	136
Dominican Republic	12,135,445
Ecuador	8,767,849
El Salvador	10,165,768
Guatemala	23,129,172
Haiti	9,655,284
Honduras	4,375,465
Mexico	16,642,233
Nicaragua	2,103,322
Peru	1,646,892
Venezuela	18,434,441
Non-Signatory Countries:	15,339,604
TOTAL	985,145,381

TREASURY DEPARTMENT

Washington

FOR IMMEDIATE RELEASE
Wednesday, March 5, 1946

Press Service
No. V-253

The Bureau of Customs announced today preliminary figures showing the quantities of coffee entered for consumption during the period commencing October 1, 1945, as follows:

Country of Production	Quantity in Pounds As of February 23, 1946
Signatory Countries:	
Brazil	591,833,018
Colombia	262,444,788
Costa Rica	8,471,964
Cuba	136
Dominican Republic	12,135,445
Ecuador	8,767,849
El Salvador	10,165,768
Guatemala	23,129,172
Haiti	9,655,284
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Mexico	16,642,233
Nicaragua	2,103,322
Peru	1,646,892
Venezuela	18,434,441
Non-Signatory Countries:	15,339,604
TOTAL	985,145,381

FOR IMMEDIATE RELEASE

6 2-0-4

The Bureau of Customs announced today that entries for consumption and withdrawals from warehouse for consumption of Cuban filler tobacco, not specially provided for, other than cigarette leaf tobacco, unstemmed or stemmed, and scrap tobacco filed at the opening moment of the quota year beginning January 2, 1946, covered a quantity of such tobacco in excess of the 22,000,000 pounds dutiable at the quota rates set forth in the supplementary Cuban Trade Agreement of December 1941.

The Bureau has determined and advised the collectors of customs that 94% of each entry and withdrawal of such tobacco filed at the opening of the quota on January 2 is dutiable at the quota rates.

TREASURY DEPARTMENT

Washington

FOR IMMEDIATE RELEASE
Wednesday, March 6, 1946

Press Service
No. V-254

The Bureau of Customs announced today that entries for consumption and withdrawals from warehouse for consumption of Cuban filler tobacco, not specially provided for, other than cigarette leaf tobacco, unstemmed or stemmed, and scrap tobacco filed at the opening moment of the quota year beginning January 2, 1946, covered a quantity of such tobacco in excess of the 22,000,000 pounds dutiable at the quota rates set forth in the supplementary Cuban Trade Agreement of December 1941.

The Bureau has determined and advised the collectors of customs that 94% of each entry and withdrawal of such tobacco filed at the opening of the quota on January 2 is dutiable at the quota rates.

In original

TREASURY DEPARTMENT

Washington

STATEMENT BY SECRETARY VINSON ON WORLD WAR I DEBT OF THE UNITED KINGDOM TO THE UNITED STATES

March 6, 1946

1. How much did Britain borrow?

The United States acquired United Kingdom obligations amounting to $4,277,000,000 between April 1917 and July 1919.

About 86 percent of this total was loaned before the Armistice, and 14 percent after the Armistice:

April, 1917-November 11, 1918 ...	$3,696,000,000
November 11, 1918-July, 1919	581,000,000
Total	$4,277,000,000

2. How much did Britain pay on these obligations?

The debt was funded in June, 1923. Before that date, Britain had paid $202,181,641.56 on principal and $357,896,657.11 on interest.

After funding, Britain met all payments on interest and amortization on schedule, until the moratorium proposed by President Hoover became effective on July 1, 1931. Payments under the funding agreement were as follows:

Principal	$ 232,000,000.00
Interest	1,232,770,518.42
Total ...	$1,464,770,518.42

It should be noted that Britain paid us, before and after funding, a total of $434,181,641.56 on principal, and $1,590,667,175.53 on interest, or a total of $2,0~~1~~4,848,817.09.
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3. What is the present amount of the obligation?

At the time of funding in 1923, the total obligation was fixed at $4,600,000,000. This has been reduced by the principal repayments shown in the preceding paragraph to $4,368,000,000.

Interest accrued since the moratorium year amounts at present to $2,123,614,782.58.

The total present obligation, principal and accrued interest, is therefore $6,491,614,782.58.

4. <u>What evaluation should be given to Britain's payment record on the World War I debt?</u>

In evaluating Britain's record on repayment of its World War I indebtedness to the United States, one must not forget the relation of this debt to reparations payments from Germany: it was indissolubly linked to German reparations. It was anticipated that Britain would meet her payments to the United States in large part by payments to be exacted from Germany.

The Honorable Andrew Mellon, Secretary of the Treasury at the time of the funding of the World War I debts, acknowledged this relationship when, in a letter to President Hibben of Princeton University, dated March 15, 1927, he said:

> "...it is obvious that your statement that the debt agreements which we have made impose a tremendous burden of taxation for the next two generations on friendly countries is not accurate, since the sums paid us will not come from taxation but will be more than met by the payments to be exacted from Germany."

When reparations payments ceased, Britain's ability to continue payments on her World War I debt was greatly diminished.

In view of this, and the fact that the years after 1929 brought in their train a world-wide economic depression, diminishing trade, military aggression in one quarter of the world after another and, finally, a global conflict in which the freedom-loving nations fought for their lives against fascist aggressors, it is not surprising that Britain's payments have been discontinued.

Furthermore, all but a small part of the World War I debt was used by England in its war effort. During this war, we have adopted the policy of lend-lease, which is based upon the philosophy that the cost of war materials consumed in fighting a common enemy should not be charged against the user as a loan bearing a high rate of interest, but should be allocated equitably as part of the cost of the joint effort. Had this philosophy prevailed during the first World War, we should probably have held the United Kingdom accountable only for the $581,000,000 loaned after the Armistice.

The United States has received from the United Kingdom $434,181,641.56 as principal repayments on the loans made in connection with the first World War. This is a repayment of almost four-fifths of the principal amount loaned after the Armistice. In addition, we have received $1,590,667,175.53 of interest. In other words, we have received payments from the United Kingdom aggregating more than $2,000,000,000 or more than 300 percent of the sum available to Britain for post-war purposes after World War I.

Under the terms of the Financial Agreement, Britain will be required to pay only about 160 percent of the sum available for post-war purposes this time. The financial burden which the Agreement will place upon the Government of the United Kingdom is a much more reasonable one than that imposed after the last war, and one w hich it should be able to meet.

For these reasons, the failure of Britain to maintain payments on the World War I debt provides no basis for believing that they will default on the proposed credit.

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STATUTORY DEBT LIMITATION
AS OF FEBRUARY 28, 1946

~~V-255~~
March 7, 1946

Section 21 of the Second Liberty Bond Act, as amended, provides that the face amount of obligations issued under authority of that Act, and the face amount of obligations guaranteed as to principal and interest by the United States (except such guaranteed obligations as may be held by the Secretary of the Treasury), "shall not exceed in the aggregate $300,000,000,000 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			$300,000,000,0
Outstanding February 28, 1946			
Obligations issued under Second Liberty Bond Act, as amended			
Interest-bearing			
Bonds			
Treasury	$121,634,582,450		
Savings (maturity value)*	59,508,480,150		
Depositary	470,888,000		
Adjusted Service	500,157,956	$182,114,108,556	
Treasury notes	39,380,802,200		
Certificates of indebtedness	50,022,389,000		
Treasury bills	17,031,826,000	106,435,017,200	
Total interest-bearing		288,549,125,756	
Matured, interest-ceased		231,418,582	
Bearing no interest			
War Savings Stamps	116,854,512		
Excess profits tax refund bonds	142,565,136	259,419,648	
Total		289,039,963,986	
Guaranteed obligations (not held by Treasury)			
Interest-bearing			
Debentures: F.H.A.	39,317,636		
Demand obligations: C.C.C.	499,446,965	538,764,601	
Matured, interest-ceased		12,045,850	
		550,810,451	
Grand total outstanding			289,590,774,4
Balance face amount of obligations issuable under above authority			10,409,225,5

Reconcilement with Statement of the Public Debt - February 28, 1946
(Daily Statement of the United States Treasury, March 1, 1946)

Outstanding February 28, 1946		
Total gross public debt		279,213,558,8
Guaranteed obligations not owned by the Treasury		550,810,4
Total gross public debt and guaranteed obligations		279,764,369,3
Add - unearned discount on U.S. Savings Bonds (Difference between maturity value and current redemption value)	10,816,329,991	
Deduct - other outstanding public debt obligations not subject to debt limitation	989,924,902	9,826,405,0
		289,590,774,4

* Approximate face or maturity value; current redemption value $48,692,150,159.

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STATUTORY DEBT LIMITATION
AS OF FEBRUARY 28, 1946

March 7, 1946

Section 21 of the Second Liberty Bond Act, as amended, provides that the face amount of obligations issued under authority of that Act, and the face amount of obligations guaranteed as to principal and interest by the United States (except such guaranteed obligations as may be held by the Secretary of the Treasury), "shall not exceed in the aggregate $300,000,000,000 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			$300,000,000,000
Outstanding February 28, 1946			
Obligations issued under Second Liberty Bond Act, as amended			
Interest-bearing			
Bonds			
Treasury................	$121,634,582,450		
Savings (maturity value)*	59,508,480,150		
Depositary..............	470,888,000		
Adjusted Service........	500,157,956	$182,114,108,556	
Treasury notes............	39,380,802,200		
Certificates of indebtedness	50,022,389,000		
Treasury bills............	17,031,826,000	106,435,017,200	
Total interest-bearing..................		288,549,125,756	
Matured, interest-ceased....................		231,413,582	
Bearing no interest			
War Savings Stamps.........	116,854,512		
Excess profits tax refund bonds..................	142,565,136	259,419,648	
Total.....................................		289,039,963,986	
Guaranteed obligations (not held by Treasury)			
Interest-bearing			
Debentures: F.H.A.	39,317,636		
Demand obligations: C.C.C.	499,446,965	538,764,601	
Matured, interest-ceased....................		12,045,850	
		550,810,451	
Grand total outstanding..			289,590,774,437
Balance face amount of obligations issuable under above authority..			10,409,225,563

Reconcilement with Statement of the Public Debt - February 28,1946
(Daily Statement of the United States Treasury, March 1,1946)

Outstanding February 28, 1946		
Total gross public debt..		279,213,558,897
Guaranteed obligations not owned by the Treasury.................		550,810,451
Total gross public debt and guaranteed obligations...............		279,764,369,348
Add - unearned discount on U.S. Savings Bonds (Difference between maturity value and current redemption value)	10,816,329,991	
Deduct - other outstanding public debt obligations not subject to debt limitation..........	989,924,902	9,826,405,089
		289,590,774,437

* Approximate face or maturity value; current redemption value $48,692,150,159.

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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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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. Subject to these reservations, tenders for $200,000 or less from any one bidder at 99.905 entered on a fixed-price basis will be accepted in full. 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 March 14, 1946.

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

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TREASURY DEPARTMENT

Washington

FOR RELEASE, MORNING NEWSPAPERS,
Friday, March 8, 1946 .
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The Secretary of the Treasury, by this public notice, invites tenders for $ 1,300,000,000 , or thereabouts, of 91 -day Treasury bills, to be issued on a discount basis under competitive and fixed-price bidding as hereinafter provided. The bills of this series will be dated March 14, 1946 , and will mature June 13, 1946 , 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, March 11, 1946 . 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 2 percent of the face amount of Treasury bills applied for, unless the tenders are accompanied by an express guaranty of payment by an incorporated bank or trust company.

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

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TREASURY DEPARTMENT
Washington

FOR RELEASE, MORNING NEWSPAPERS,
Friday, March 8, 1946

The Secretary of the Treasury, by this public notice, invites tenders for $1,300,000,000, or thereabouts, of 91-day Treasury bills, to be issued on a discount basis under competitive and fixed-price bidding as hereinafter provided. The bills of this series will be dated March 14, 1946, and will mature June 13, 1946, 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 or reject any or all tenders, in whole or in part, and his action in any such respect shall be final. Subject to these reservations, tenders for $200,000 or less from any one bidder at 99.905 entered on a fixed-price basis will be accepted in full. 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 March 14, 1946.

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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it is reasonably comparable to what it costs the United States Government to borrow money.

The repayment of the loan and the interest, moreover, is not all of the consideration or benefit that the United States receives under this Financial Agreement. Britain promises, in addition to repaying the loan with interest, to remove currency restrictions. Moreover, Britain promises to avoid trade controls which would discriminate against American products. On top of this Britain has agreed with the United States on the principles that should be followed by a proposed International Trade Organization to improve world trade practices.

In addition to these benefits which the United States receives, a general purpose of the loan, as stated in the Agreement, "is to facilitate purchases by the United Kingdom of goods and services in the United States." This will be a real contribution to our domestic program of high production, employment and national income.

A strong case could be made that in view of these benefits to the United States which I have mentioned last -- the expansion of our markets abroad, the principles for an International Trade Organization -- the elimination of trade discriminations -- the abolition of monetary controls which restrict trade -- that in view of these substantial gains, we could have made the $3,750,000,000 a gift instead of a loan. While $3,750,000,000 is a lot of money, it is a small investment if it contributes to an expansion of world trade and to peace and to general prosperity.

Some may ask that if it could be claimed that these considerations fully supported a gift, why did we bargain for a loan and an interest-bearing one at that. The answer is simple. The Administration wanted to make the best Agreement possible from our viewpoint and to offer a plan which would be acceptable to our people and the Congress.

Now in regard to this Financial Agreement we have an anomalous situation. If the benefits are as great as I have indicated, and they are, why is there as much opposition as there is? The only explanation, I believe, is that there are so many benefits extending in so many directions in so many direct and indirect ways that the total picture appears to be complex, whereupon, particular economic isolationist or defeatist groups muddy the water and parade their pet prejudices in picturesque and sometimes demagogic language.