U.S. Treasury Dept.

Press Releases

TREASURY DEPARTMENT

Washington

(The following address by Secretary Snyder before a meeting sponsored by the United Nations Council of Philadelphia, at the Academy of Music, Philadelphia, Pennsylvania, is scheduled for delivery at 9:00 P.M., E.S.T., Wednesday, April 2, 1947, and is for release at that time.)

It is a privilege to address you on the subject of America's foreign economic policy.

Only last November I had the pleasure of speaking here in Philadelphia before the Foreign Policy Association.

At that time I said that one of the things we must guard against is an attitude of impatience that might impel us into a "what's the use" psychology, and into a new frustration of isolationism which could dissipate our influence for world improvement.

I pointed out that we should have no illusions about the time and effort needed to cure the ills of our war-wrecked world. We must display forbearance, we must strive for sympathy and understanding with our neighbors. Above all, we must not become discouraged.

The events of the past few months have served to emphasize anew the magnitude of the task that the world faces, a task to which we as a nation have committed ourselves. It is a task which our position as one of the world's most powerful countries and which our own self-interest impels us to accept.

Even the elements seem to have conspired against us. The most terrible winter in many decades has served to make more difficult the position of the British, and to have increased many-fold the suffering throughout most of Europe.

It is not surprising that we are all disturbed by the recent manifestations of the seriousness of the world economic and political situation. Despite our own great sacrifice in blood and wealth to the winning of military victory, it is difficult for us to realize fully the widespread devastation in most of the rest of the world.

We must strive to attain that understanding, and exercise that leadership which the situation requires, we must accept responsibility in the knowledge of our own stake in the building of a sound and stable world economy.

The events of the past few weeks have emphasized anew that in our search for peace and security, political and economic stability are inseparable. It is indeed gratifying, and I think fortunate for our country and for the world that we have been able to attain substantial unity of thinking in our own political field in the charting of our course of cooperation with the other nations. Our policies have had the support of the leadership of both the major parties.

We have sought to exert our influence through the creation and support of the United Nations, its committees and its commissions, and the specialized international organizations. If our progress toward world amity seems slow and faltering at times we nevertheless have made, and are making constructive progress.

The efforts of Secretary Marshall, and of our representatives within the United Nations organizations, will be immeasurably strengthened by the continued whole-hearted support of the President's policies which has been manifested by the American people.

The broader aspects of our participation in world economic and financial stabilization efforts likewise have had substantial non-partisan support, and public endorsement.

With the imposing record of achievement in international economic and financial cooperation already made, there is basis, I am sure, for the hope that we may have -- with a full understanding on the part of the public, labor, and industry -- similar support for our efforts to eliminate discriminatory practices in international trade and to lower barriers to world commerce, such as restrictive quotas, and embargoes, and excessive duties and tariffs.

Let us review, for a moment, this nation's policies in the field of international economic and financial stabilization, and note just where the machinery we have provided fits into the pattern established since the end of hostilities.

It has been a broad program of financial assistance and cooperation to aid the reconstruction of war-devastated countries and to foster expansion of world trade on a multilateral basis, as well as to promote relative monetary stability.

Our program has included not only active participation in international organizations, but financial aid through the Export-Import Bank loans, through specific Congressional loans for the United Kingdom and the Philippine Republic, through credit arrangements covering sales to foreign Governments of surplus property located abroad, through lend-lease settlements, and through payment for currencies provided by foreign countries to our military forces during the war.

Pending the start of active lending operations by the International Bank, the Export-Import Bank, under the increased lending powers voted by the Congress, has authorized loans urgently needed by wartorn countries, in addition to continuing its normal functions of financing foreign trade.

The United States Government's program of international financial cooperation was further implemented by Congressional approval in July 1946 of a $3,750,000,000 line of credit to the United Kingdom for the purpose of aiding that country to restore her economy. So far, Britain has drawn some $1,300,000,000 of that credit to meet her more urgent needs.

As a part of the Anglo-American Financial and Commercial Agreement, provision was made for the relaxation by Britain of restrictive trade practices to which she was forced to resort because of the war drain on her financial resources. These provisions will loom more and more important as a stimulus to our own foreign trade in the months and years ahead.

The International Bank for Reconstruction and Development, and the International Monetary Fund, which this Government helped to create, now are entering the stage of active operations in their respective fields.

The International Monetary Fund came into existence at the end of a period marked by the accumulation of foreign exchange restrictions of various kinds, the dangers of competitive exchange alterations, and a maze of other obstacles which hamper the growth of world trade.

The purpose of the Fund is to promote exchange stability and to maintain orderly exchange arrangements among members by consultation and collaboration through the machinery of a permanent institution.

The International Monetary Fund, with 42 nations as members, is now in operation. As you know, on December 18, 1946, the Fund announced its schedule of initial par values, and that it would begin exchange transactions on March 1, 1947.

This is the first time that a large number of nations have submitted their exchange rates to consideration by an international organization. Thus, a new phase of international monetary cooperation has begun.

The International Bank came into existence at a period when the international investment of private capital was practically at a standstill, and when the economies of many of the countries of the world were greatly damaged and disrupted by war.

The purpose of the World Bank is to promote private foreign investment and to assist in the reconstruction and development of territories of members by facilitating the investment of capital for productive purposes.

I sincerely believe that these recent weeks, during which the top leadership of the Bank has been reconstituted, have placed the institution in a position to go forward along a clearly defined path of service.

The Fund and the Bank should make an important contribution to the expansion of world trade, and to the achievement and maintenance of high levels of employment, production, and purchasing power.

You will note that through these specialized international organizations, we have enlisted the cooperation and aid of over forty nations in joint efforts to meet pressing world economic problems.

The formulation and coordination of the foreign financial policies of the United States, which have been implemented through these various agencies and operations, have been effected through a National Advisory Council of Cabinet members and heads of United States financial agencies which was set up by the Congress. This has contributed greatly to the soundness of our program.

I have discussed our cooperative effort toward world recovery thus far, largely in terms of operations in the financial field.

There is another, and perhaps even more direct approach to which we are giving our support and encouragement. I refer to the International Trade Organization.

The charter of the International Trade Organization was conceived at the end of a period marked by great economic hostility among nations. I need not recite here the effects of the imposition of embargoes, of import quotas, of export subsidies, of exchange controls and restrictions, and of the maintenance of high and discriminatory tariffs.

The charter of the International Trade Organization is a practical alternative to such conditions. It would impose a code of fair conduct in trade and commerce on the participating members. It offers the chance for the countries of the world to work together for mutual advantage.

The world trade charter proffers the choice between the economic conflict of the past and the prospect of international cooperation in world trade, on which peace and security so clearly depend.

The United States took the lead in proposing a charter for world trade. A preparatory committee of 18 nations met in London late last year to draft provisions of this proposed agreement. The result was encouraging. A second meeting of the representatives of the nations is being held this month in Geneva to complete the work.

The adoption by the nations of a code of fair practices in international trade is vital to the success of the foreign policy of the United States, political and economic.

I should like to mention here the policy the Administration is pursuing toward lowering of trade barriers under the Reciprocal Trade Agreements Act. President Truman has set forth our objectives clearly and positively. Negotiations for the reciprocal reduction of tariffs will be carried on at Geneva simultaneously with consideration of the International Trade Charter.

We must make concessions if we are to obtain concessions. But there is no intention to sacrifice one group of our economy to benefit another group. Negotiations will be directed toward obtaining larger markets, both foreign and domestic, for the benefit of all. Action will be selective. The process will be one of considered, careful procedure, implemented by the most earnest effort to safeguard the interests of all our people.

I would say to those who fear that the trade agreement negotiations will prove disastrous to the interests of particular groups, that the whole history of our efforts at reciprocal action in this field refutes such fears.

If we do not have peaceful and expanding world trade, then most surely the nations of the world will resort to increasing use of the weapons of economic war. All of us know where that policy has led us in the recent past.

There is now pending before the Congress, and before the forum of American public opinion, a new and most important proposal. I refer to the President's request for authority to provide assistance to Greece and Turkey.

I feel that any detailed discussion of this proposal and its implications lies more appropriately in the province of the Chief Executive and the Department of State. They have given the Congress, and the people, the fullest possible information in that respect.

We have cause for gratification in the fact that the consideration of aid to Greece and Turkey is on a non-partisan basis.

Support of the cause of freedom anywhere in the world is a part of the framework of American foreign policy. Greco-Turkish assistance is consistent with that principle.

The cost of such a program naturally concerns all of us who realize the urgent need for curtailment of federal expenditures, and continuation of a program of debt reduction.

But this nation made a tremendous contribution to the winning of military victory.

The amount needed now, and what conceivably may be needed in the future, are necessary for the preservation of the fruits of that victory.

The vital issues are peace, freedom, and security for us, and for all the world.

And the three are indivisible.

It is not by accident that this nation has taken the leadership in the struggle for peace. We have emerged from the recent hostilities with great strength, amidst a world damaged and disorganized to a degree that cannot yet be measured.

Spared the extent of the sufferings and misfortunes of some of the other nations, we have accepted the enlarged role that inevitably befalls us.

Great masses of the people of the world look to us for guidance and direction. This direction and guidance we must give.

At the same time our new role in world affairs imposes on us vastly enlarged responsibilities toward the peoples of the world.

The people of this nation, and the leaders of both its great parties, have not hesitated to accept this new role. This heartening understanding among our people, this unity of purpose is the strongest augury for our success in these efforts. We will not fail.

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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.

ALPHA

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 April 10, 1947.
(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

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TREASURY DEPARTMENT

Washington

FOR RELEASE, MORNING NEWSPAPERS,
Thursday, April 3, 1947.

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 April 10, 1947, and will mature July 10, 1947, 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, April 7, 1947. 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.

TREASURY DEPARTMENT

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FOR RELEASE, MORNING NEWSPAPERS,
Thursday, April 3, 1947

Press Service
No. S-291

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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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Treasury Department
Fiscal Service
Washington, April 7, 1947

STATUTORY DEBT LIMITATION
AS OF MARCH 31, 1947

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 $275,000,000,000 outstanding at any one time. For purposes of this section the current redemption value of any obligation issued on a discount basis which is redeemable prior to maturity at the option of the holder shall be considered as its face amount."

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			$275,000,000,000
Outstanding March 31, 1947			
Obligations issued under Second Liberty Bond Act, as amended			
Interest-bearing			
Treasury bills..................	$ 17,038,386,000		
Certificates of indebtedness....	27,792,309,000		
Treasury notes..................	13,585,494,200	$ 58,416,189,200	
Bonds			
Treasury.....................	119,322,892,950		
Savings (current redemp.value)	50,944,949,842		
Depositary...................	341,776,000		
Armed Forces Leave...........	1,426,136,725	172,035,755,517	
Special Funds			
Certificates of indebtedness..	12,363,500,000		
Treasury notes...............	12,819,094,000	25,182,594,000	
Total interest-bearing............		255,634,538,717	
Matured, interest-ceased..................		302,026,355	
Bearing no interest			
War savings stamps............	72,492,355		
Excess profits tax refund bonds.	22,562,530		
Special notes of the United States:			
Internat'l Bank for Reconst. and Development series......	407,035,000		
Internat'l Monetary Fund series	1,782,000,000	2,284,089,885	
Total..................................		258,220,654,957	
Guaranteed obligations (not held by Treasury)			
Interest-bearing			
Debentures: F.H.A.	45,923,236		
Demand obligations: C.C.C.	129,545,949	175,469,185	
Matured, interest-ceased..................		6,915,500	
		182,384,685	
Grand total outstanding..................			258,403,039,64
Balance face amount of obligations issuable under above authority........			16,596,960,35

Reconcilement with Statement of the Public Debt - March 31, 1947
(Daily Statement of the United States Treasury, April 1, 1947)

Outstanding March 31, 1947	
Total gross public debt..................................	259,123,934,98
Guaranteed obligations not owned by the Treasury..................	182,384,68
Total gross public debt and guaranteed obligations..................	259,306,319,67
Deduct - other outstanding public debt obligations not subject to debt limitation..............................	903,280,02
	258,403,039,64

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STATUTORY DEBT LIMITATION
AS OF MARCH 31, 1947

April 8, 1947

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 $275,000,000,000 outstanding at any one time. For purposes of this section the current redemption value of any obligation issued on a discount basis which is redeemable prior to maturity at the option of the holder shall be considered as its face amount."

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Debentures: F.H.A.	45,923,236		
Demand obligations: C.C.C.	129,545,949	175,469,185	
Matured, interest-ceased....................		6,915,500	
		182,384,685	
Grand total outstanding........................			258,403,039,642
Balance face amount of obligations issuable under above authority....			16,596,960,358

Reconcilement with Statement of the Public Debt - March 31, 1947
(Daily Statement of the United States Treasury, April 1, 1947)

Outstanding March 31, 1947	
Total gross public debt..	259,123,934,985
Guaranteed obligations not owned by the Treasury	182,384,685
Total gross public debt and guaranteed obligations	259,306,319,670
Deduct - other outstanding public debt obligations not subject to debt limitation..........................	903,280,028
	258,403,039,642

S-292

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TREASURY DEPARTMENT
Washington

FOR RELEASE, MORNING NEWSPAPERS
April 4, 1947

Press Service
No. S-293

Secretary Snyder announced today the removal of Treasury Department controls on the importation of all currency.

As a result of today's action, it will no longer be necessary for persons receiving or importing currency of any denomination from foreign countries to submit it to a Federal Reserve Bank for examination under the import controls.

This change was in the form of an amendment to General License No. 87.

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TREASURY DEPARTMENT
Washington

FOR RELEASE, MORNING NEWSPAPERS
Friday, March 4, 1947

Press Service
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S-294

TREASURY DEPARTMENT
Washington

FOR RELEASE, MORNING NEWSPAPERS,
Tuesday, April 8, 1947.

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 April 10 and to mature July 10, 1947, which were offered on April 3, 1947, were opened at the Federal Reserve Banks on April 7.

The details of this issue are as follows:

Total applied for - $1,841,319,000
Total accepted - 1,314,459,000 (includes $20,834,000 entered on a fixed-price basis at 99.905 and accepted in full)
Average price - 99.905/ Equivalent rate of discount approx. 0.376% per annum

Range of accepted competitive bids:

High	- 99.907	Equivalent rate of discount approx.	0.368% per annum
Low	- 99.905	" " " " "	0.376% " "

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

Federal Reserve District	Total Applied for	Total Accepted
Boston	$ 27,870,000	$ 23,220,000
New York	1,375,090,000	972,340,000
Philadelphia	16,630,000	12,130,000
Cleveland	9,625,000	7,225,000
Richmond	3,595,000	3,145,000
Atlanta	1,550,000	1,550,000
Chicago	286,524,000	202,524,000
St. Louis	7,460,000	5,540,000
Minneapolis	1,040,000	1,040,000
Kansas City	15,590,000	13,400,000
Dallas	12,295,000	8,995,000
San Francisco	84,050,000	63,350,000
TOTAL	$1,841,319,000	$1,314,459,000

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St. Louis	7,460,000	5,540,000
Minneapolis	1,040,000	1,040,000
Kansas City	15,590,000	13,400,000
Dallas	12,295,000	8,995,000
San Francisco	84,050,000	63,350,000
TOTAL	$1,841,319,000	$1,314,459,000

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FOR IMMEDIATE RE
Tuesday, April 8

Secretary S
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the Internationa

March 31, 1947

Dear Mr. Secretary:

I am enclosing a copy of the resignation I am sending the President.

I want to take this opportunity to thank you and the National Advisory Council for the wise guidance and wholehearted cooperation you consistently gave me. In my judgment the Council has splendidly fulfilled the responsibilities imposed on it by Congress and has functioned as a model interdepartmental committee. It has been a satisfying experience to attend meetings so well prepared with technical material and so ably handled.

Permit me, Mr. Secretary, to wish the Council and you personally every success in your important tasks. I hope you will not hesitate to call on me if at any time I can be of assistance.

Sincerely yours,

/s/ Harry D. White

The Honorable
The Secretary of the Treasury
Washington, D. C.

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TO:

TREASURY [illegible]

Washin[illegible]

FOR IMMEDIATE RELEASE
Tuesday, April 8, 1947

Secretary Snyder today m[illegible] of correspondence between him[illegible] nection with the latter's res[illegible] the International Monetary Fu[illegible]

* [illegible]

INTERNATIONA[illegible]

Wash[illegible]

Dear Mr. Secretary:

I am enclosing a co[illegible] sending the President.

Mr. Shaeffer

I want to take this opportunity to thank you and the National Advisory Council for the wise guidance and wholehearted cooperation you consistently gave me. In my judgment the Council has splendidly fulfilled the responsibilities imposed on it by Congress and has functioned as a model interdepartmental committee. It has been a satisfying experience to attend meetings so well prepared with technical material and so ably handled.

Permit me, Mr. Secretary, to wish the Council and you personally every success in your important tasks. I hope you will not hesitate to call on me if at any time I can be of assistance.

Sincerely yours,

/s/ Harry D. White

The Honorable
The Secretary of the Treasury
Washington, D. C.

* * *

THE SECRETARY OF THE TREASURY

Washington

Dear Harry:

I want you to know that it was with the keenest feeling of regret that I learned of your intention to resign your position as U. S. Executive Director of the International Monetary Fund, although I realize the impelling nature of the considerations which have led you to take this step.

You have every reason to be proud of your career in Government service, and I am sure you will always look back on it with a great deal of personal satisfaction.

It is hardly necessary to say that your efforts while with the Treasury were responsible in no small measure for the creation of the International Bank for Reconstruction and Development and the International Monetary Fund. Nor is it necessary to do more than point out that the auspicious beginning made by the International Monetary Fund is a tribute to your unstinting labors as this Government's Executive Director.

With you go my very best wishes for success and the assurance of my warm personal regard.

Sincerely yours,

/s/ John W. Snyder
Secretary of the Treasury

Honorable Harry D. White
Executive Director
International Monetary Fund
Washington, D. C.

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FOR IMMEDIATE RELEASE
April 9, 1947

S-296

The Bureau of Customs announced today preliminary figures showing the imports for consumption of commodities on which quotas were prescribed by the Philippine Trade Act of 1946, from January 1, 1947, to March 29, 1947, inclusive, as follows:

Products of Philippine Islands	Established Quota Quantity	Unit of Quantity	Imports as of March 29, 1947
Buttons	850,000	Gross	25,702
Cigars	200,000,000	Number	2,977,533
Coconut Oil	448,000,000	Pound	7,779,245
Cordage	6,000,000	"	225,639
Rice	1,040,000	"	-
Sugars, refined	112,000,000	"	-
unrefined	1,792,000,000	"	-
Tobacco	6,500,000	"	419,012

TREASURY DEPARTMENT
Washington

FOR IMMEDIATE RELEASE
Wednesday, April 9, 1947

Press Service
No. S-296

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Rice	1,040,000	"	-
Sugars, refined	112,000,000	"	-
unrefined	1,792,000,000	"	-
Tobacco	6,500,000	"	419,012

S-297

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y figures showing the
imitations provided for
ta periods to March 29,

			Unit of Quantity	Imports as of March 29, 1947
		00	Gallon	1,740
Cream, fresh or sour	Calendar year	1,500,000	Gallon	315
Fish, fresh or frozen filleted, etc., cod, haddock, hake, pollock, cusk, and rosefish	Calendar year	15,000,000	Pound	5,356,590
White or Irish potatoes: certified seed	12 months from Sept. 15, 1946	90,000,000	Pound	Quota Filled
other		60,000,000	Pound	Quota filled
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	1,380,300	Square	472,636
Molasses and sugar sirups containing soluble non-sugar solids equal to more than 6% of total soluble solids	Calendar year	1,500,000	Gallon	47,383
Silver or black foxes, furs, and articles: Foxes valued under $250 each and whole furs and skins	Month of March Canada	17,500	Number	11,299
	Other than Canada	7,500	Number	2,785
Tails	12 months from Dec. 1, 1946	5,000	Piece	1
Paws, heads or other separated parts	"	500	Pound	---
Piece Plates	"	550	Pound	33
Articles, other than piece plates	"	500	Unit	20

5-297

Treasury

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itations provided for
periods to March 29,

			Unit of Quantity	Imports as of March 29, 1947
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S-297

FOR IMMEDIATE RELEASE
April 9, 1947

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 March 29, 1947, inclusive, as follows:

Commodity	Established Quota: Period and Country	Established Quota: Quantity	Unit of Quantity	Imports as of March 29, 1947
Whole Milk, fresh or sour	Calendar year	3,000,000	Gallon	1,740
Cream, fresh or sour	Calendar year	1,500,000	Gallon	315
Fish, fresh or frozen filleted, etc., cod, haddock, hake, pollock, cusk, and rosefish	Calendar year	15,000,000	Pound	5,356,590
White or Irish potatoes:	12 months from Sept. 15, 1946			
certified seed		90,000,000	Pound	Quota Filled
other		60,000,000	Pound	Quota filled
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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	Canada	17,500	Number	11,299
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TREASURY DEPARTMENT
Washington

FOR IMMEDIATE RELEASE
Wednesday, April 9, 1947

Press Service
No. S-297

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Tails	12 months from Dec. 1, 1946	5,000	Piece	1
Paws, heads or other separated parts	"	500	Pound	---
Piece Plates	"	550	Pound	33
Articles, other than piece plates	"	500	Unit	20

COTTON WASTES
(In pounds)

COTTON CARD STRIPS made from cotton 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: 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:

Country of Origin	Established TOTAL QUOTA	Total imports Sept. 20, 1946, to Mar. 29, 1947	Established 33-1/3% of Total Quota	Imports Sept. 20, 1946, to Mar. 29, 1947 1/
United Kingdom.....	4,323,457	-	1,441,152	-
Canada............	239,690	69,757	-	-
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	6,347	-	-
Cuba..............	6,544	-	-	-
Germany...........	76,329	-	25,443	-
Italy.............	21,263	-	7,088	-
Totals	5,482,509	145,731	1,599,886	-

1/ Included in total imports, column 2.

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FOR IMMEDIATE RELEASE
April 9, 1947

5-298

The Bureau of Customs announced today that preliminary data on imports of cotton and cotton waste chargeable to the quotas established by the President's proclamation of September 5, 1939, as amended, for the period September 20, 1946, to March 29, 1947, are as follows:

COTTON (other than linters)
(In pounds)

Country of Origin	Under 1-1/8" other than rough or harsh under 3/4"		1-1/8" or more but less than 1-11/16" 4/	Less than 3/4" harsh or rough 5/
	Established Quota	Imports Sept. 20, 1946, to Mar. 29, 1947	Imports Sept. 20, 1946, to Mar. 29, 1947	Imports Sept. 20, 1946 to Mar. 29, 1947.
Egypt and the Anglo-Egyptian Sudan............	783,816	-	36,414,673	-
Peru............	247,952	247,952	9,209,346	-
British India....	2,003,483	1,127,996	-	20,781,474
China............	1,370,791	344	-	-
Mexico..........	8,883,259	8,883,259	-	-
Brazil..........	618,723	618,723	-	-
Union of Soviet Socialist Republics............	475,124	24,331	31,900	1,486,750
Argentina........	5,203	5,081	-	-
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	-	501	-
Nigeria..........	5,377	-	-	-
Other British West Africa 2/...	16,004	-	-	-
Other French Africa 3/........	689	-	-	-
Algeria and Tunisia	-	-	-	-
Kuwait	-	-	-	237,600
	14,516,882	10,907,686	45,656,420	22,505,824

1/ Other than Barbados, Bermuda, Jamaica, Trinidad, and Tobago.
2/ Other than Gold Coast and Nigeria.
3/ Other than Algeria, Tunisia, and Madagascar.
4/ Established Quota - 45,656,420.
5/ Established Quota - 70,000,000.

TREASURY DEPARTMENT
Washington

FOR IMMEDIATE RELEASE
Wednesday, April 9, 1947

Press Service
No. S-298

The Bureau of Customs announced today that preliminary data on imports of cotton and cotton waste chargeable to the quotas established by the President's proclamation of September 5, 1939, as amended, for the period September 20, 1946, to March 29, 1947, are as follows:

COTTON (other than linters)
(In pounds)

Country of Origin	Under 1-1/8" other than rough or harsh under 3/4": Established Quota	Under 1-1/8" other than rough or harsh under 3/4": Imports Sept. 20, 1946, to March 29, 1947	1-1/8" or more but less than 1-11/16" 4/: Imports Sept. 20, 1946, to March 29, 1947	Less than 3/4" harsh or rough 5/: Imports Sept. 20, 1946, to March 29, 1947
Egypt and the Anglo-Egyptian Sudan	783,816	-	36,414,673	-
Peru	247,952	247,952	9,209,346	-
British India	2,003,483	1,127,996	-	20,781,474
China	1,370,791	344	-	-
Mexico	8,883,259	8,883,259	-	-
Brazil	618,723	618,723	-	-
Union of Soviet Socialist Republics	475,124	24,331	31,900	1,486,750
Argentina	5,203	5,081	-	-
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	-	501	-
Nigeria	5,377	-	-	-
Other British West Africa 2/	16,004	-	-	-
Other French Africa 3/	689	-	-	-
Algeria and Tunisia	-	-	-	-
Kuwait	-	-	-	237,600
	14,516,882	10,907,686	45,656,420	22,505,824

1/ Other than Barbados, Bermuda, Jamaica, Trinidad, and Tobago.
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(In pounds)

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United Kingdom.......	4,323,457	-	1,441,152	-
Canada..............	239,690	69,757	-	-
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	6,347	-	-
Cuba.................	6,544	-	-	-
Germany..............	76,329	-	25,443	-
Italy................	21,263	-	7,088	-
Totals	5,482,509	145,731	1,599,886	-

1/ Included in total imports, column 2.

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S-299

FOR IMMEDIATE RELEASE,
April 8, 1947

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, 1946, as follows:

Country of Origin	Wheat: Established Quota	Wheat: Imports May 29, 1946, to March 29, 1947	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, 1946, to Mar. 29, 1947
	(Bushels)	(Bushels)	(Pounds)	(Pounds)
Canada	795,000	263	3,815,000	1,320,438
China	-	-	24,000	2,370
Hungary	-	--	13,000	-
Hong Kong	-	-	13,000	1,480
Japan	-	-	8,000	-
United Kingdom	100	-	75,000	-
Australia	-	-	1,000	32
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	1,000
Panama	-	-	1,000	-
Paruguay	-	-	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	263	4,000,000	1,325,320

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TREASURY DEPARTMENT
Washington

FOR IMMEDIATE RELEASE
Wednesday, April 9, 1947

Press Service
No. S-299

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, 1946, as follows:

Country of Origin	Wheat		Wheat flour, semolina, crushed or cracked wheat, and similar wheat products	
	Established Quota	Imports May 29, 1946, to March 29, 1947	Established Quota	Imports May 29, 1946, to March 29, 1947
	(Bushels)	(Bushels)	(Pounds)	(Pounds)
Canada	795,000	263	3,815,000	1,320,438
China	-	-	24,000	2,370
Hungary	-	-	13,000	-
Hong Kong	-	-	13,000	1,480
Japan	-	-	8,000	-
United Kingdom	100	-	75,000	-
Australia	-	-	1,000	32
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	1,000
Panama	-	-	1,000	-
Paraguay	-	-	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	263	4,000,000	1,325,320

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Secretary of the Treasury Snyder announced today that the offering of Treasury bills on April 17th will amount to $1,100 million. The total of bills maturing on that date is $1,300 million, so that the amount outstanding will be reduced by $200 million.

The Secretary said that this reduction of $200 million in bills is a continuation of the Treasury's policy for the retirement of debt held by the banking system. There are no other securities maturing until June 1 -- the May 1 certificate was paid off in full last year -- and since the Treasury has an ample cash balance, part of it is being applied to retire Treasury bills now.

The Secretary pointed out that the Treasury began its debt pay-off program on March 1, 1946 and that since that time the debt has been reduced by $22 billion.

In response to an inquiry, the Secretary stated that the retirement of bills has no relation to Treasury policy with respect to interest rates and that no change in policy is presently contemplated.

TREASURY DEPARTMENT

Washington

FOR IMMEDIATE RELEASE,
Wednesday, April 9, 1947.

Press Service
No. S-300

Secretary of the Treasury Snyder announced today that the offering of Treasury bills on April 17th will amount to $1,100,000,000. The total of bills maturing on that date is $1,300,000,000, so that the amount outstanding will be reduced by $200,000,000.

The Secretary said that this reduction of $200,000,000 in bills is a continuation of the Treasury's policy for the retirement of debt held by the banking system. There are no other securities maturing until June 1 -- the May 1 certificate was paid off in full last year -- and since the Treasury has an ample cash balance, part of it is being applied to retire Treasury bills now.

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great, principles, which in the final analysis are based on the premise of the greatest good to the greatest number.

In these Jefferson Day rallies throughout the country, Democrats turn with a renewed pledge of faith toward the man who carries our standard toward that goal. We gratefully and enthusiastically say: "Thank you, Mr. President."

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a conspicuous unity of ideals and purpose.

We can take honorable pride in the record of the Democratic party. But, we cannot rest on any past glories or achievements. What is accomplished in the immediate present, and in the future, will determine the strength of our party.

Let us then dedicate ourselves anew to those principles upon which the Democratic Party has become struggle will have been to no purpose.

Just as the President has resolutely placed this country against the forces of totalitarianism abroad, so at home he has stood unalterably against the exponents of ideologies subversive in character, and foreign to our way of life.

And in these endeavors, a great Democratic leader has succeeded in giving to our country step in implementing our world leadership. Recognizing the vital concern of the United States in the cause of freedom everywhere in the world, he has asked the Congress, and the American people, to support a program of assistance to Greece and Turkey.

The United States has contributed its wealth, and its blood, to the winning of military victory. We must preserve the fruits of that victory, or our credits to Great Britain and the Philippines. This assistance has also served to stimulate greatly our foreign trade.

Through the International Trade Organization, and through reciprocal tariff negotiations, we are making a further contribution to a healthier world economy, which in turn helps to insure a prosperous United States.

The President in recent weeks has taken a new and most important

Bank, which institutions we confidently expect to assume a major part in world reconstruction and development, and in the promotion of a prosperous world trade and monetary stability.

We have met the more urgent relief needs of the liberated countries through such media as UNRRA, and the more pressing reconstruction needs of foreign countries with credits of the Export-Import Bank and with direct diversities of the countries involved, we may be encouraged with our progress along the road to lasting peace.

Our foreign economic policy has been one commensurate with the position of world leadership that of necessity falls to the most powerful nation in the world. This Administration has played a most important role in the organization of the International Monetary Fund and the International political relationships, the President has set a course of tolerant firmness that has won the endorsement of the Nation and of its political leadership.

Support of the United Nations and its various commissions and committees has been a vital part of our foreign policy. At times, progress toward world amity under the charter of the United Nations seems painfully slow, but with full consideration of the great basic expediency. He has strongly advocated a reduction in our huge National debt during this time of high national income.

The American people understand the necessity for a sound fiscal program. Prudent retrenchment of government expenditures, along with adequate provision for reduction of the public debt, is the continuing policy of this administration.

In the field of foreign

year 1947 with the Federal budget in balance. Moreover, we are going to have a surplus.

I know that you who are here today, share with me the gratification at our having reached this goal of a balanced budget so soon. This accomplishment has been the direct result of the policies of President Truman and the Democratic Administration.

b/ The President has placed fiscal soundness ahead of any political stated my conviction that it was the responsibility of the Government to reduce expenditures in every possible way, to maintain adequate tax rates during the transition period, and to achieve a balanced budget -- or better -- for 1947.

I considered the furthering of the President's program in that respect to be a most important goal for the Treasury Department.

I can proudly tell you that we <u>are</u> going to end this fiscal substantial reduction, to $37,500,000,000 for fiscal 1948.

This economy was effected during the difficult transition period from war to peace. Billions of dollars in expenditures previously authorized by the Congress were frozen, and recommendations for rescission of this previously approved spending were made to the Congress.

When I took office last June as Secretary of the Treasury, I security, without injustice to our veterans, and without curtailing the necessary social services to which our people are entitled.

The budget expenditures of our Government were reduced from a peak of more than $100,000,000,000 for the 1945 fiscal year, to $63,700,000,000 in fiscal 1946. Expenditures for the fiscal year 1947 will be lower than the January estimate of $42,500,000,000. The President has recommended a further as he was diligent to protect the nation against the impact of industrial warfare.

Our fiscal affairs provided further challenge to the Democratic administration. There was the problem of liquidating the war machine, of meeting the financial burden of the aftermath of war, of managing our swollen public debt.

The President has sought to effect all possible economies without danger to our National prices and higher wages. This, of course, meant labor-management disputes. President Truman's policy was one of fairness, and conciliation, yet one of firmness when the welfare of the nation was at issue.

5/ His courageous actions saved the country from disastrous strikes in rail and coal industries. Yet he was diligent and will remain alert to protect the rights of labor in this time of stress, even confidence that with the exercise of moderation and good sense, the soaring national production will result in a true and lasting stability.

There have been, in recent weeks, significant price reductions in some vital fields, trends that hold promise of an easing of inflationary pressures.

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It was feared by many that it would take years to accomplish the re-weaving of our economy into a peacetime pattern. In actual fact, our accomplishments in this respect since VJ-Day have been phenomenal.

Demobilization and reconversion for all practical purposes have been completed. The war plants are cleared, and the war contracts nearly settled. Industrial production is at new peacetime highs, We had to guard, at the same time, against the perils of deflation and the threat of inflation. We had to insure a speedy balancing of the budget, and to provide properly for the post-war management of our national debt.

It might be well to remind some people that the administration actively prepared for the transition period, even while concentrating upon the war effort itself.

The end of fighting found our President, and the Nation, facing problems fully as serious as those of warfare itself. We had to reconvert industry to ways of peace. We had to stage the greatest demobilization in history. The orderly dismantling of our vast military machine, and the absorption of returning service men into civilian life are today recognized among the greatest achievements in all the annals of free people anywhere.

For Harry Truman grasped the torch of leadership with firmness. He has since carried it high. He brought to the Presidency courage, practical competence, and a national perspective developed by years of distinguished service in the United States Senate.

One principle now guides the earnest efforts of President Truman -- and that is to place the welfare of the American people above every other consideration.

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Under the guidance of Franklin D. Roosevelt, the rapidity of the mobilization of our national resources for war added a new page to the record of American spirit and achievement.

At the climax of our war effort, we lost a great leader, but there was not the slightest slackening of our determined endeavor.

We cannot overlook the substantia[l] progress on the material side we made in this period. Our economy has regained and surpassed its previous levels. National production has increased, and we have attained the highest standard of living the world has ever known.

Far-sighted, too, was the leadership of the Democratic Administration that launched a preparedness program so that when farming industry on a sounder basis, and made provisions for the conservation of the land, and of other vital national resources.

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And, looking over the recent critical years -- we can review with pride the accomplishments and services of the Democratic Party to the nation.

Fourteen years ago, the Democratic administration, taking office, found the United States in the depth of depression. Ten million people were out of work.

Harry S. Truman is today the champion of those Democratic ideals. In President Truman, the Democratic Party is fortunate to have, in these crucial times, a leader in the forefront of the fight for human rights, not only for our people, but for the people of all nations.

And, today, we solemnly pledge to our President, the wholehearted and enthusiastic support of the Democratic party.

The purpose of our present program, as always, is to insure the

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There have been other valiant defenders of popular rights, who, as representatives of our great party, have vigorously supported the ideals of Jefferson and of Jackson in their administration of public affairs.

his vision in arranging the purchase of the Louisiana Territory, which nearly doubled our land area and assured that a young and growing nation would become a mighty one.

And surely, no Democratic gathering in this city could fail to pay homage to that hero of New Orleans, Andrew Jackson, whose birthday has been the occasion for national party observance in previous years. For, as we honor Jefferson as the founder of Democracy, we honor "Old Hickory" as its protector.

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In New Orleans and Louisiana, Jefferson is doubly honored for rights -- here at home and in world affairs.

There was no greater contributor to the philosophy that guides us than Thomas Jefferson, the anniversary of whose birth we celebrate tomorrow. Statesman and patriot, a bold and fearless thinker, the truths he outlined will endure as a beacon for the hopes of mankind.

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An Address by the Secretary of the Treasury
Prepared for Delivery on Jefferson Day
at New Orleans

April 12, 1947

I am privileged to join with the Democrats of New Orleans and of Louisiana, in this annual rededication of our party to the principles of freedom and democracy.

Historic decisions are ahead of us, and we must make sure that the tenets of the Democratic party continue to play a vital part in the assertion of fundamental human

TREASURY DEPARTMENT

Washington

(The following address by Secretary Snyder at a Jefferson Day Luncheon at the Roosevelt Hotel, New Orleans, Louisiana, is scheduled for delivery at 1:30 P.M., Eastern Standard time, Saturday, April 12, 1947, and is for release at that time.)

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There have been, in recent weeks, significant price reductions in some vital fields, trends that hold promise of an easing of inflationary pressures.

In the wake of war, it was inevitable that the country should face pressures for higher prices and higher wages. This, of course, meant labor-management disputes. President Truman's policy was one of fairness, and conciliation, yet one of firmness when the welfare of the Nation was at issue.

His courageous actions saved the country from disastrous strikes in rail and coal industries. Yet he was diligent and will remain alert to protect the rights of labor in this time of stress, even as he was diligent to protect the Nation against the impact of industrial warfare.

Our fiscal affairs provided further challenge to the Democratic administration. There was the problem of liquidating the war machine, of meeting the financial burden of the aftermath of war, of managing our swollen public debt.

The President has sought to effect all possible economies without danger to our national security, without injustice to our veterans, and without curtailing the necessary social services to which our people are entitled.

The budget expenditures of our Government were reduced from a peak of more than $100,000,000,000 for the 1945 fiscal year, to $63,700,000,000 in fiscal 1946. Expenditures for the fiscal year 1947 will be lower than the January estimate of $42,500,000,000. The President has recommended a further substantial reduction, to $37,500,000,000 for fiscal 1948.

This economy was effected during the difficult transition period from war to peace. Billions of dollars in expenditures previously authorized by the Congress were frozen, and recommendations for rescission of this previously approved spending were made to the Congress.

When I took office last June as Secretary of the Treasury, I stated my conviction that it was the responsibility of the Government to reduce expenditures in every possible way, to maintain adequate tax rates during the transition period, and to achieve a balanced budget - or better - for 1947.

I considered the furthering of the President's program in that respect to be a most important goal for the Treasury Department.

I can proudly tell you that we are going to end this fiscal year 1947 with the Federal budget in balance. Moreover, we are going to have a surplus.

I know that you who are here today, share with me the gratification at our having reached this goal of a balanced budget so soon. This accomplishment has been the direct result of the policies of President Truman and the Democratic administration.

The President has placed fiscal soundness ahead of any political expediency. He has strongly advocated a reduction in our huge national debt during this time of high national income.

The American people understand the necessity for a sound fiscal program. Prudent retrenchment of Government expenditures, along with adequate provision for reduction of the public debt, is the continuing policy of this administration.

In the field of foreign political relationships, the President has set a course of tolerant firmness that has won the endorsement of the Nation and of its political leadership.

Support of the United Nations and its various commissions and committees has been a vital part of our foreign policy. At times, progress toward world amity under the charter of the United Nations seems painfully slow, but with full consideration of the great basic diversities of the countries involved, we may be encouraged with our progress along the road to lasting peace.

Our foreign economic policy has been one commensurate with the position of world leadership that of necessity falls to the most powerful nation in the world. This administration has played a most important role in the organization of the International Monetary Fund and the International Bank, which institutions we confidently expect to assume a major part in world reconstruction and development, and in the promotion of a prosperous world trade and monetary stability.

We have met the more urgent relief needs of the liberated countries through such media as UNRRA, and the more pressing reconstruction needs of foreign countries with credits of the Export-Import Bank and with direct credits to Great Britain and the Philippines. This assistance has also served to stimulate greatly our foreign trade.

Through the International Trade Organization, and through reciprocal tariff negotiations, we are making a further contribution to a healthier world economy, which in turn helps to insure a prosperous United States.

The President in recent weeks has taken a new and most important step in implementing our world leadership. Recognizing the vital concern of the United States in the cause of freedom everywhere in the world, he has asked the Congress, and the American people, to support a program of assistance to Greece and Turkey.

The United States has contributed its wealth, and its blood, to the winning of military victory. We must preserve the fruits of that victory, or our struggle will have been to no purpose.

Just as the President has resolutely placed this country against the forces of totalitarianism abroad, so at home he has stood unalterably against the exponents of ideologies subversive in character, and foreign to our way of life.

And in these endeavors, a great Democratic leader has succeeded in giving to our country a conspicuous unity of ideals and purpose.

We can take honorable pride in the record of the Democratic Party. But, we cannot rest on any past glories or achievements. What is accomplished in the immediate present, and in the future, will determine the strength of our party.

Let us then dedicate ourselves anew to those principles upon which the Democratic Party has become great, principles, which in the final analysis are based on the premise of the greatest good to the greatest number.

In these Jefferson Day rallies throughout the country, Democrats turn with a renewed pledge of faith toward the man who carries our standard toward that goal. We gratefully and enthusiastically say: "Thank you, Mr. President".

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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.

ALPHA

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 April 17, 1947.

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

5-302

ALPHA

TREASURY DEPARTMENT

Washington

FOR RELEASE, MORNING NEWSPAPERS,
Friday, April 11, 1947
(1x)

The Secretary of the Treasury, by this public notice, invites tenders for $1,100,000,000 (2x), or thereabouts, of 91 (3x) -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 April 17, 1947 (4x), and will mature July 17, 1947 (5x), 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, April 14, 1947 (6x). 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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TREASURY DEPARTMENT

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FOR RELEASE, MORNING NEWSPAPERS
Friday, April 11, 1947

Press Service
No. S-302

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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 April 17, 1947.

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April 9, 1947

TO MR. BARTELT:

The following market transactions were made during the month of March, 1947, in direct and guaranteed securities of the Government for Treasury investment and other accounts:

Sales	$4,700,000
Purchases	none
Net sales	$4,700,000

(Signed) R. W. Maxwell

R. W. Maxwell
Commissioner of Accounts

CC to: Mr. Heffelfinger
Mr. Shaeffer
Miss Sanford

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TREASURY DEPARTMENT

Washington

FOR IMMEDIATE RELEASE,
~~Friday, March 14, 1947.~~
Tuesday, April 15, 1947

Press Service
No. S-~~271~~
S-303

~~There were no~~ market transactions during the month of ~~February~~ March 1947, in direct and guaranteed securities of the Government for Treasury investment and other accounts ~~, Secretary Snyder announced today.~~ resulted in net sales of \$4,700,000, Secretary Snyder announced today.

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TREASURY DEPARTMENT

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FOR IMMEDIATE RELEASE
Tuesday, April 15, 1947

Press Service
No. S-303

Market transactions during the month of March, 1947, in direct and guaranteed securities of the Government for Treasury investment and other accounts resulted in net sales of $4,700,000, Secretary Snyder announced today.

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TREASURY DEPARTMENT
Washington

S-304

FOR RELEASE, MORNING NEWSPAPERS,
Tuesday, April 15, 1947.

Press Service

The Secretary of the Treasury announced last evening that the tenders for $1,100,000,000, or thereabouts, of 91-day Treasury bills to be dated April 17 and to mature July 17, 1947, which were offered on April 11, 1947, were opened at the Federal Reserve Banks on April 14.

The details of this issue are as follows:

Total applied for - $1,693,278,000
Total accepted - 1,108,078,000 (includes $20,798,000 entered on a fixed-price basis at 99.905 and accepted in full)
Average price - 99.905/ Equivalent rate of discount approx. 0.376% per annum

Range of accepted competitive bids:

High - 99.907 Equivalent rate of discount approx. 0.368% per annum
Low - 99.905 " " " " " 0.376% " "

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

Federal Reserve District	Total Applied for	Total Accepted
Boston	$ 8,100,000	$ 5,400,000
New York	1,264,958,000	816,578,000
Philadelphia	20,177,000	15,425,000
Cleveland	22,667,000	15,467,000
Richmond	10,321,000	9,781,000
Atlanta	5,500,000	3,700,000
Chicago	261,377,000	170,313,000
St. Louis	17,920,000	12,016,000
Minneapolis	10,205,000	6,893,000
Kansas City	12,510,000	9,882,000
Dallas	3,930,000	3,570,000
San Francisco	55,613,000	39,053,000
TOTAL	$1,693,278,000	$1,108,078,000

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San Francisco	55,613,000	39,053,000
TOTAL	$1,693,278,000	$1,108,078,000

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NAME OF BOND ISSUES (Continued)	Bonds outstanding on July 4, 1946	Bonds Delivered to Secretary of the Treasury for Destruction	Bonds Retired Subsequent to July 4, 1946	Bonds Remaining Outstanding	Bonds Held in the Special Trust Account Established in the U.S. Treasury Pursuant to Section 6 (g)(4).
Bonds of Direct Issue:					
1/Muncipality of Santa Cruz, Laguna, Sewer and Waterworks, 5% loan of 1919 (1929-1949)(R)	$45,000	---	---	$45,000	---
1/Majayjay, Laguna, Sewer and Waterworks, 5% loan of 1919 (1929-1949)(R)	20,000	---	---	20,000	---
1/Bangued, Abra, Sewer and Waterworks, 5% loan of 1919 (1929-1949)(R).............	20,000	---	---	20,000	---
City of Manila Public Improvement Act 3456, First Series, 4½% loan of 1929 (due 1959)(C)	468,000	$370,000	---	98,000	$70,000
Total	$39,132,850	$13,150,500	$2,024,000	$23,958,350	$1,001,000

1/ Peso bonds payable at the Philippine Treasury. Amounts shown in dollars.
2/ These issues sometimes listed collectively under designation "Collateral 4½s due 1957, Provincial".

NAME OF BOND ISSUES (continued)	Bonds outstanding on July 4, 1946	Bonds Delivered to Secretary of the Treasury for Destruction	Bonds Retired Subsequent to July 4, 1946	Bonds Remaining Outstanding	Bonds Held in the Special Trust Account Established in the U.S. Treasury Pursuant to Section 6 (g)(4).
National Collateral Bonds: (Continued)					
Province of Laguna Public Improvement, $4\frac{1}{2}\%$ collateral loan of 1927 (due 1957)(R).....	$92,000	$6,000	—	$86,000	$5,000
2/Province and 1 Municipality of Ilocos Sur Public Improvement, $4\frac{1}{2}\%$ collateral loan of 1927 (due 1957)(C)........................	144,000				
2/Province of Bulacan Public Improvement, $4\frac{1}{2}\%$ collateral loan of 1927 (due 1957)(C).....	175,000				
2/Province of Nueva Ecija Public Improvement, $4\frac{1}{2}\%$ collateral loan of 1927 (due 1957)(C).	212,000	375,000	—	638,000	64,000
2/Province of Pampanga Public Improvement, $4\frac{1}{2}\%$ collateral loan of 1927 (due 1957)(C).	355,000				
2/Province of Tarlac Public Improvement, $4\frac{1}{2}\%$ collateral loan of 1927 (due 1957)(C).....	127,000				
Province and 4 Municipalities of Camarines Sur Public Improvement, $4\frac{1}{2}\%$ collateral loan of 1927 (1937-57)(C).................	99,000	98,000	—	1,000	—
Province of La Union Public Improvement, $4\frac{1}{2}\%$ collateral loan of 1928 (due 1958)(C).	110,000	—	—	110,000	—
1/Province of Occidental Negros Public Improvement, First Series 5% collateral loan of 1933 (due 1963)(R & C)....................	638,850	—	—	638,850	—

NAME OF BOND ISSUES (continued)	Bonds outstanding on July 4, 1946	Bonds Delivered to Secretary of the Treasury for Destruction	Bonds Retired Subsequent to July 4, 1946	Bonds Remaining Outstanding	Bonds Held in the Special Trust Account Established in the U.S. Treasury Pursuant to Section 6 (g)(4).
National Bonds: (Continued)					
1/Metropolitan Water District Purchase, Act 3255, Second Series, 4½% loan of 1931 (1941-1961)(R)	$250,000	—	—	$250,000	—
National Collateral Bonds:					
City of Manila Public Improvement, Act 3051, 4½% collateral loan of 1922, (due 1950)(C)	1,721,000	$513,000	—	1,208,000	$33,000
City of Manila Lowland Improvement, 4½% collateral loan of 1928 (due 1958)(C).....	442,000	442,000	—	—	—
Province and 9 Municipalities of Iloilo Public Improvement, 4½% collateral loan of 1926, (1936-1956)(R)	801,000	649,500	—	151,500	—
Province of Pangasinan Public Improvement, 4½% collateral loan of 1926 (due 1956)(R).	350,500	320,000	—	30,500	—
Province of Occidental Negros Public Improvement, 4½% collateral loan of 1926 (due 1956)(R)	360,000	355,000	—	5,000	—
Province and 3 Municipalities of Ilocos Norte Public Improvement, 4½% collateral loan of 1926 (due 1956)(R)	232,000	227,000	—	5,000	—
Province of Marinduque Public Improvement, 4½% collateral loan of 1926 (due 1956)(R)	53,500	53,000	—	500	—

Statement of Philippine Government Bonds issued prior to May 1, 1934 Remaining Outstanding after Delivery of Bonds Representing Sinking Fund Investments to the United States Treasury for Destruction pursuant to Section 6 (g)(4) of the Philippine Independence Act as amended.

NAME OF BOND ISSUE	Bonds outstanding on July 4, 1946	Bonds Delivered to Secretary of the Treasury for Destruction	Bonds Retired Subsequent to July 4, 1946	Bonds Remaining Outstanding	Bonds Held in the Special Trust Account Established in the U.S. Treasury Pursuant to Section 6 (g)(4).
National Bonds:					
Manila Railroad Company Purchase, 4% loan of 1916 (1926-1946)(R)	$2,245,000	$221,000	$2,024,000	—	—
Financial Interest Protection, 5% loan of 1922 (due 1952)(C)	3,261,000	1,370,000	—	$1,891,000	$32,000
Irrigation and Permanent Public Works (Sundry Purpose), 4½% loan of 1922 (due 1952)(C)..	6,939,000	2,892,000	—	4,047,000	258,000
Currency, 4½% loan of 1922 (due 1952)(C)....	12,557,000	3,177,000	—	9,380,000	373,000
Cebu Port Works, First Series, 4½% loan of 1928, (due 1958)(C)	584,000	514,000	—	70,000	43,000
Cebu Port Works, Second Series, 4½% loan of 1929, (due 1959)(C)	679,000	426,000	—	253,000	41,000
Cebu Port Works, Third Series, 4½% loan of 1930 (due 1960)(C)	500,000	—	—	500,000	—
Iloilo Port Works, First Series, 4½% loan of 1928 (due 1958)(C)	587,000	352,000	—	235,000	36,000
Iloilo Port Works, Second Series, 4½% loan of 1929 (due 1959)(C)	475,000	21,000	—	454,000	6,000
Iloilo Port Works, Third Series, 4½% loan of 1930 (due 1960)(C)	925,000	—	—	925,000	—
Metropolitan Water District Purchase Act 3204, 5% loan of 1925 (1935-1955)(C)	2,323,000	483,000	—	1,840,000	21,000
Metropolitan Water District Purchase Act 3255, First Series, 4½% loan of 1929 (due 1959)(C)	1,342,000	286,000	—	1,056,000	19,000

Until the balance in the special trust account is sufficient to enable the Secretary of the Treasury to service and retire all outstanding Philippine Government bonds issued prior to May 1, 1934, the Act of August 7, 1939 provides that the Philippine Government will provide annually the necessary funds for the payment of interest and principal on such bonds.

Philippine dollar bonds, all of which were issued prior to May 1, 1934, are already serviced by the United States Treasury with funds provided by the Philippine Government. In this connection there are now on deposit with the Treasurer of the United States such funds totalling $1,423,753.75 which are held for the payment of matured Philippine Government bonds not presented for payment and for interest not claimed. For the time being arrangements have been made for the Philippine Government to continue the servicing in Manila of the five issues of peso bonds issued prior to May 1, 1934.

Further details regarding outstanding Philippine Government bonds issued prior to May 1, 1934 are contained in the attached statement.

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TREASURY DEPARTMENT

Washington

FOR IMMEDIATE RELEASE

Press Service
No. S-303-

Secretary Snyder announced today that arrangements are being completed for the delivery of securities totalling $19,420,250 face amount to the Secretary of the Treasury by the Philippine Government under the provisions of the Philippine Independence Act, as amended. This Act, also known as the Tydings-McDuffie Act, required that all bonds of the Philippines, its Provinces, cities and municipalities, issued prior to May 1, 1934, under authority of Acts of Congress, which were held in sinking funds of such outstanding bond issues as of July 4, 1946, should be delivered to the Secretary of the Treasury for destruction. It also required that all other assets of sinking funds maintained by the Philippine Government for pre-1934 bonds, together with proceeds of the Supplementary Sinking Fund which had been established for such bonds in the United States Treasury under the provisions of the same Act, should be deposited in a special trust account in the name of the Secretary of the Treasury for the payment of future principal and interest on pre-1934 Philippine Government bonds.

The delay in the physical delivery of securities to the Secretary of the Treasury was occasioned as a result of the war with Japan and the necessity of reconciling Philippine accounts after reoccupation of Manila. However, the Philippine securities representing sinking fund assets have been held by the United States agencies having such securities in custody subject to the sole order of the Secretary of the Treasury since July 4, 1946 pending the determination, from available records, of the specific securities to be delivered to the Secretary. This determination has now been completed.

Of the securities to be delivered to the Secretary of the Treasury a total of $13,150,500 are pre-1934 Philippine Government bonds which will be cancelled. This, together with the retirement of bonds which matured December 1, 1946, reduces the outstanding Philippine Government debt on account of bonds issued prior to May 1, 1934, which amounted to $39,132,850 on July 4, 1946, to $23,958,350. Of this outstanding amount, it is understood that a total of $3,296,450 face amount has been repurchased and is held by the Philippine Government.

The remainder of the securities to be delivered, representing Philippine sinking fund investments, will be deposited in the special trust account under control of the Secretary of the Treasury as provided in the Philippine Independence Act, as amended. The assets available in this account (excluding accrued interest) after receipt of the sinking fund investments referred to above, are as follows:

Cash with Treasurer of United States as of April 1 , 1947 ..	$767,294.66
Philippine Government Bonds (Par Value $1,001,000)	1,063,716.07
U. S. Treasury Bonds (Par Value $6,269,750)	6,269,750.00
Total book value of assets 1/....................	$8,100,760.73

1/ In addition, the special trust account holds 862 shares of stock of the Bank of the Philippine Islands having a par value of 100 pesos per share.

TREASURY DEPARTMENT
FISCAL SERVICE
Washington

FISCAL ASSISTANT SECRETARY

APR 14 1947

MEMORANDUM TO MR. SHAEFFER:

There is attached a statement for release as soon as possible regarding the status of arrangements under the Philippine Independence Act with respect to Philippine Government bonds and the sinking funds available for the payment of such bonds.

This is the statement which you recently initialled and which Secretary Snyder approved on March 28. It has also been cleared with the Philippine Embassy.

I would appreciate it if you would have one hundred copies of the release delivered to Mr. Handy of ~~my office in room 3458~~ so that we may supply the Philippine Embassy with fifty copies and have the balance available for use in answering correspondence.

E. F. Bartelt

E. F. Bartelt
Fiscal Assistant Secretary

TREASURY DEPARTMENT

Washington

FOR RELEASE, MORNING NEWSPAPERS,
Wednesday, April 16, 1947.

Press Service
No. S-305

Secretary Snyder announced today that arrangements are being completed for the delivery of securities totalling $19,420,250 face amount to the Secretary of the Treasury by the Philippine Government under the provisions of the Philippine Independence Act, as amended. This Act, also known as the Tydings-McDuffie Act, required that all bonds of the Philippines, its Provinces, cities and municipalities, issued prior to May 1, 1934, under authority of Acts of Congress, which were held in sinking funds of such outstanding bond issues as of July 4, 1946, should be delivered to the Secretary of the Treasury for destruction. It also required that all other assets of sinking funds maintained by the Philippine Government for pre-1934 bonds, together with proceeds of the Supplementary Sinking Fund which had been established for such bonds in the United States Treasury under the provisions of the same Act, should be deposited in a special trust account in the name of the Secretary of the Treasury for the payment of future principal and interest on pre-1934 Philippine Government bonds.

The delay in the physical delivery of securities to the Secretary of the Treasury was occasioned as a result of the war with Japan and the necessity of reconciling Philippine accounts after reoccupation of Manila. However, the Philippine securities representing sinking fund assets have been held by the United States agencies having such securities in custody subject to the sole order of the Secretary of the Treasury since July 4, 1946 pending the determination, from available records, of the specific securities to be delivered to the Secretary. This determination has now been completed.

Of the securities to be delivered to the Secretary of the Treasury a total of $13,150,500 are pre-1934 Philippine Government bonds which will be cancelled. This, together with the retirement of bonds which matured December 1, 1946, reduces the outstanding Philippine Government debt on account of bonds issued prior to May 1, 1934, which amounted to $39,132,850 on July 4, 1946, to $23,958,350. Of this outstanding amount, it is understood that a total of $3,296,450 face amount has been repurchased and is held by the Philippine Government.

The remainder of the securities to be delivered, representing Philippine sinking fund investments, will be deposited in the special trust account under control of the Secretary of the Treasury as provided in the Philippine Independence Act, as amended. The assets available in this account (excluding accrued interest) after receipt of the sinking fund investments referred to above, are as follows:

Cash with Treasurer of United States as of April 1, 1947	$ 767,294.66
Philippine Government Bonds (Par Value $1,001,000)	1,063,716.07
U. S. Treasury Bonds (Par Value $6,269,750)	6,269,750.00
Total book value of assets 1/	$8,100,760.73

Until the balance in the special trust account is sufficient to enable the Secretary of the Treasury to service and retire all outstanding Philippine Government bonds issued prior to May 1, 1934, the Act of August 7, 1939 provides that the Philippine Government will provide annually the necessary funds for the payment of interest and principal on such bonds.

Philippine dollar bonds, all of which were issued prior to May 1, 1934, are already serviced by the United States Treasury with funds provided by the Philippine Government. In this connection there are now on deposit with the Treasurer of the United States such funds totalling $1,423,753.75 which are held for the payment of matured Philippine Government bonds not presented for payment and for interest not claimed. For the time being arrangements have been made for the Philippine Government to continue the servicing in Manila of the five issues of peso bonds issued prior to May 1, 1934.

Further details regarding outstanding Philippine Government bonds issued prior to May 1, 1934 are contained in the attached statement.

1/ In addition, the special trust account holds 862 shares of stock of the Bank of the Philippine Islands having a par value of 100 pesos per share.

Statement of Philippine Government Bonds issued prior to May 1, 1934 Remaining Outstanding after Delivery of Bonds Representing Sinking Fund Investments to the United States Treasury for Destruction pursuant to Section 6 (g) (4) of the Philippine Independence Act as amended.

NAME OF BOND ISSUE	Bonds outstanding on July 4, 1946	Bonds Delivered to Secretary of the Treasury for Destruction	Bonds Retired Subsequent to July 4, 1946	Bonds Remaining Outstanding	Bonds Held in the Special Trust Account Established in the U. S. Treasury Pursuant to Section 6 (g) (4).
National Bonds:					
Manila Railroad Company Purchase, 4% loan of 1916 (1926-1946) (R)	$2,245,000	$221,000	$2,024,000	--	--
Financial Interest Protection, 5% loan of 1922 (due 1952) (C)	3,261,000	1,370,000	--	$1,891,000	$32,000
Irrigation and Permanent Public Works (Sundry Purpose), 4½% loan of 1922 (due 1952) (C) ..	6,939,000	2,892,000	--	4,047,000	258,000
Currency, 4½% loan of 1922 (due 1952) (C)	12,557,000	3,177,000	--	9,380,000	373,000
Cebu Port Works, First Series, 4½% loan of 1928, (due 1958) (C)	584,000	514,000	--	70,000	43,000
Cebu Port Works, Second Series, 4½% loan of 1929, (due 1959) (C)	679,000	426,000	--	253,000	41,000
Cebu Port Works, Third Series, 4½% loan of 1930 (due 1960) (C)	500,000	--	--	500,000	--
Iloilo Port Works, First Series, 4½% loan of 1928 (due 1958) (C)	587,000	352,000	--	235,000	36,000
Iloilo Port Works, Second Series, 4½% loan of 1929 (due 1959) (C)	475,000	21,000	--	454,000	6,000
Iloilo Port Works, Third Series, 4½% loan of 1930 (due 1960) (C)	925,000	--	--	925,000	--
Metropolitan Water District Purchase Act 3204, 5% loan of 1925 (1935-1955) (C)	2,323,000	483,000	--	1,840,000	21,000
Metropolitan Water District Purchase Act 3255, First Series, 4½% loan of 1929 (due 1959) (C)	1,342,000	286,000	--	1,056,000	19,000

NAME OF BOND ISSUES (continued)	Bonds outstanding on July 4, 1946	Bonds Delivered to Secretary of the Treasury for Destruction	Bonds Retired Subsequent to July 4, 1946	Bonds Remaining Outstanding	Bonds Held in the Special Trust Account Established in the U. S. Treasury Pursuant to Section 6 (g) (4).
National Bonds: (Continued)					
1/ Metropolitan Water District Purchase, Act 3255, Second Series, 4½% loan of 1931 (1941-1961)(R)	$250,000	--	--	$250,000	--
National Collateral Bonds:					
City of Manila Public Improvement, Act 3051, 4½% collateral loan of 1922, (Due 1950) (C)	1,721,000	$513,000	---	1,208,000	$33,000
City of Manila Lowland Improvement, 4½% collateral loan of 1928 (due 1958) (C)	442,000	442,000	---	---	---
Province and 9 Municipalities of Iloilo Public Improvement, 4½% collateral loan of 1926, (1936-1956) (R)	801,000	649,500	---	151,500	---
Province of Pangasinan Public Improvement, 4½% collateral loan of 1926 (due 1956) (R) .	350,500	320,000	---	30,500	---
Province of Occidental Negros Public Improvement, 4½% collateral loan of 1926 (due 1956) (R)	360,000	355,000	---	5,000	---
Province and 3 Municipalities of Ilocos Norte Public Improvement, 4½% collateral loan of 1926 (due 1956) (R)	232,000	227,000	---	5,000	---
Province of Marinduque Public Improvement, 4½% collateral loan of 1926 (due 1956) (R)	53,500	53,000	---	500	---

NAME OF BOND ISSUES (continued)	Bonds outstanding on July 4, 1946	Bonds Delivered to Secretary of the Treasury for Destruction	Bonds Retired Subsequent to July 4, 1946	Bonds Remaining Outstanding	Bonds Held in the Special Trust Account Established in the U. S. Treasury Pursuant to Section 6 (g) (4).
National Collateral Bonds: (Continued)					
Province of Laguna Public Improvement, 4½% collateral loan of 1927 (due 1957) (R)	$92,000	$6,000	--	$86,000	$5,000
2/ Province and 1 Municipality of Ilocos Sur Public Improvement, 4½% collateral loan of 1927 (due 1957) (C)	144,000)				
2/ Province of Bulacan Public Improvement, 4½% collateral loan of 1927 (due 1957) (C)	175,000)				
2/ Province of Nueva Ecija Public Improvement, 4½% collateral loan of 1927 (due 1957) (C) .	212,000)	375,000	--	638,000	64,000
2/ Province of Pampanga Public Improvement, 4½% collateral loan of 1927 (due 1957) (C) .	355,000)				
2/ Province of Tarlac Public Improvement, 4½% collateral loan of 1927 (due 1957) (C)	127,000)				
Province and 4 Municipalities of Camarines Sur Public Improvement, 4½% collateral loan of 1927 (1937-57) (C)	99,000	98,000	--	1,000	--
Province of La Union Public Improvement, 4½% collateral loan of 1928 (due 1958) (C) .	110,000	--	--	110,000	--
1/ Province of Occidental Negros Public Improvement, First Series 5% collateral loan of 1933 (due 1963) (R & C)	638,850	--	--	638,850	--

NAME OF BOND ISSUES (Continued)	Bonds outstanding on July 4, 1946	Bonds Delivered to Secretary of the Treasury for Destruction	Bonds Retired Subsequent to July 4, 1946	Bonds Remaining Outstanding	Bonds Held in the Special Trust Account Established in the U. S. Treasury Pursuant to Section 6 (g) (4).
Bonds of Direct Issue:					
1/ Muncipality of Santa Cruz, Laguna, Sewer and Waterworks, 5% loan of 1919 (1929-1949) (R)	$45,000	--	--	$45,000	--
1/ Majayjay, Laguna, Sewer and Waterworks, 5% loan of 1919 (1929-1949) (R)	20,000	--	--	20,000	--
1/ Bangued, Abra, Sewer and Waterworks, 5% loan of 1919 (1929-1949) (R)	20,000	--	--	20,000	--
City of Manila Public Improvement Act 3456, First Series, 4½% loan of 1929 (due 1959)(C)	468,000	$370,000	--	98,000	$70,000
Total	$39,132,850	$13,150,500	$2,024,000	$23,958,350	$1,001,000

1/ Peso bonds payable at the Philippine Treasury. Amounts shown in dollars.
2/ These issues sometimes listed collectively under designation "Collateral 4½s due 1957, Provincial".

TREASURY DEPARTMENT
Washington

FOR RELEASE MORNING NEWSPAPERS
Friday, April 18, 1947.

Press Service
No. S-306

The Secretary of the Treasury announced today that proposals are being invited for furnishing distinctive paper required for printing currency and public debt securities of the United States for the fiscal year 1948, for which bids will be opened at the Treasury Department on May 13, 1947.

The estimated quantity of paper required for currency is 124,468,000 sheets, or about 1503 tons, and for public debt securities 15,200,000 sheets, or about 287 tons.

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TREASURY DEPARTMENT

Washington

FOR RELEASE, MORNING NEWSPAPERS
Friday, April 18, 1947

Press Service
No. S-306

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The estimated quantity of paper required for currency is 124,468,000 sheets, or about 1503 tons, and for public debt securities 15,200,000 sheets, or about 287 tons.

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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.

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 April 24, 1947.
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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

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TREASURY DEPARTMENT

Washington

FOR RELEASE, MORNING NEWSPAPERS,
Friday, April 18, 1947.
(1)

The Secretary of the Treasury, by this public notice, invites tenders for $1,100,000,000 (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 April 24, 1947 (4), and will mature July 24, 1947 (5), when the face amount will be payable without interest. They will be issued in bearer form only, and in denominations of $1,000, $5,000, $10,000, $100,000, $500,000, and $1,000,000 (maturity value).

Tenders will be received at Federal Reserve Banks and Branches up to the closing hour, two o'clock p.m., Eastern Standard time, Monday, April 21, 1947 (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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TREASURY DEPARTMENT

Washington

FOR RELEASE, MORNING NEWSPAPERS
Friday, April 18, 1947

Press Service
No. S-307

The Secretary of the Treasury, by this public notice, invites tenders for $1,100,000,000, 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 April 24, 1947, and will mature July 24, 1947, 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, April 21, 1947. 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 two 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 April 24, 1947.

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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	1946	1945	Change since 1945
Recoveries:			
On securities..........................	33,816	54,153	-20,337
On loans..............................	41,313	37,392	+ 3,921
All other.............................	29,010	26,784	+ 2,226
TOTAL RECOVERIES..................	104,139	118,329	-14,190
Profits on securities sold or redeemed....	110,518	141,803	-31,285
TOTAL RECOVERIES AND PROFITS ON SECURITIES SOLD OR REDEEMED.....	214,657	260,132	-45,475
Losses and charge-offs:			
On securities..........................	74,620	74,627	-7
On loans..............................	44,520	29,652	+14,868
All other.............................	36,569	27,688	+8,881
TOTAL LOSSES AND CHARGE-OFFS........	155,709	131,967	+23,742
PROFITS BEFORE INCOME TAXES.............	680,890	660,699	+20,191
Taxes on net income:			
Federal...............................	174,454	159,374	+15,080
State.................................	11,538	11,192	+346
TOTAL TAXES ON NET INCOME........	185,992	170,566	+15,426
NET PROFITS BEFORE DIVIDENDS............	494,898	490,133	+ 4,765
Dividends declared:			
On preferred stock.....................	2,427	4,131	- 1,704
On common stock:			
Cash dividends......................	167,702	151,525	+16,177
Stock dividends.....................	28,165	77,308	-49,143
TOTAL DIVIDENDS DECLARED.........	198,294	232,964	-34,670
Number of banks 1/........................	5,013	5,023	-10
Rate of net profits:	Percent	Percent	Percent
To capital funds 1/......................	9.61	10.53	-.92
Rate of cash dividends:			
To capital funds 1/......................	3.30	3.34	-.04

1/ At end of period.

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EARNINGS, EXPENSES, AND DIVIDENDS OF NATIONAL BANKS FOR YEARS ENDED DECEMBER 31, 1946 and 1945
(Amounts in thousands of dollars)

	1946	1945	Change since 1945
Capital stock, par value: 1/			
Preferred	$41,789	$70,394	-28,605
Common	1,714,982	1,588,656	+126,326
TOTAL CAPITAL STOCK	1,756,771	1,659,050	+97,721
Capital funds 1/	5,149,799	4,655,737	+494,062
Earnings from current operations:			
Interest and dividends:			
On U. S. Government obligations	701,612	651,592	+50,020
On other securities	102,614	92,992	+9,622
Interest and discount on loans	507,212	374,117	+133,095
Service charges on deposit accounts	69,387	61,204	+8,183
Other service charges, commissions, fees and collection and exchange charges	52,766	52,337	+429
Trust department	50,399	40,761	+9,638
Other current earnings	89,524	76,219	+13,305
TOTAL EARNINGS FROM CURRENT OPERATIONS	1,573,514	1,349,222	+224,292
Current operating expenses:			
Salaries and wages:			
Officers	158,789	135,377	+23,412
Employees other than officers	284,834	229,412	+55,422
Fees paid to directors and members of executive, discount, and advisory committees	8,206	7,206	+1,000
Interest on time deposits (including savings deposits)	144,514	124,567	+19,947
Taxes other than on net income	54,319	54,886	-567
Recurring depreciation on banking house, furniture and fixtures	23,265	23,468	-203
Other current operating expenses	277,645	241,772	+35,873
TOTAL CURRENT OPERATING EXPENSES	951,572	816,688	+134,884
NET EARNINGS FROM CURRENT OPERATIONS	621,942	532,534	+ 89,408

securities in 1946 totaling $75,000,000 were the same as in the year before. Losses charged off on loans and discounts of $45,000,000 were $15,000,000 more than in 1945. Taxes on net income, Federal and State, in the year 1946 totaling $186,000,000 exceeded the amount of such taxes paid in the preceding year by $15,000,000.

Cash dividends declared on common and preferred stock in 1946 totaled $170,000,000 in comparison with $156,000,000 in 1945. The annual rate of cash dividends was 3.30 percent of capital funds. The cash dividends to stockholders in 1946 were 34.38 percent of the net profits available for the year. The remaining 65.62 percent of net profits, or $325,000,000, was retained by the banks in their capital funds.

On December 31, 1946 there were 5,013 national banks in operation as compared to 5,023 at the end of 1945.

TREASURY DEPARTMENT
Comptroller of the Currency
Washington

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FOR RELEASE, MORNING NEWSPAPERS,
~~Thursday~~, April ~~17~~, 1947
Saturday, April 19, 1947

Press Service
No. S-308

Comptroller of the Currency Preston Delano announced today that the national banks in the United States and possessions reported net profits after income taxes of $495,000,000 for the year ended December 31, 1946, an increase of nearly $5,000,000 over the year 1945.

Net operating earnings, before income taxes, were $622,000,000. Adding to the net operating earnings, profits on securities sold of $111,000,000 and recoveries on loans and securities, etc., previously charged off of $104,000,000, and deducting therefrom losses and charge-offs of $156,000,000 and taxes on net income of $186,000,000, the net profits before dividends for the year 1946 amounted to the $495,000,000 mentioned above, which at an annual rate amounts to 9.61 percent of capital funds.

The principal items of operating earnings for 1946 were $702,000,000 from interest on U. S. Government obligations and $102,000,000 interest and dividends on other securities, a total of $804,000,000, which was an increase of $60,000,000 over the figures for 1945; and interest and discount on loans of $507,000,000, an increase of $133,000,000. The principal operating expenses were $452,000,000 for salaries and wages of officers and employees and fees paid to directors, an increase of $80,000,000 over 1945; and $145,000,000 expended in the form of interest on time and savings deposits, an increase of $20,000,000. Gross earnings of $1,574,000,000 were reported for 1946. This represents an increase of $224,000,000 over the gross earnings for 1945. Operating expenses were $952,000,000, as against $817,000,000 in 1945.

Profits on securities sold during 1946 aggregating $111,000,000 were $31,000,000 less than in the preceding year, and losses and depreciation on

TREASURY DEPARTMENT
Comptroller of the Currency
Washington

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ENDED DECEMBER 31, 1946 and 1945
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TOTAL CURRENT OPERATING EXPENSES	951,572	816,688	+134,884
NET EARNINGS FROM CURRENT OPERATIONS	621,942	532,534	+ 89,408

	1946	1945	Change since 1945
Recoveries:			
On securities	33,816	54,153	-20,337
On loans	41,313	37,392	+ 3,921
All other	29,010	26,784	+ 2,226
TOTAL RECOVERIES	104,139	118,329	-14,190
Profits on securities sold or redeemed	110,518	141,803	-31,285
TOTAL RECOVERIES AND PROFITS ON SECURITIES SOLD OR REDEEMED	214,657	260,132	-45,475
Losses and charge-offs:			
On securities	74,620	74,627	-7
On loans	44,520	29,652	+14,868
All other	36,569	27,688	+8,881
TOTAL LOSSES AND CHARGE-OFFS	155,709	131,967	+23,742
PROFITS BEFORE INCOME TAXES	680,890	660,699	+20,191
Taxes on net income:			
Federal	174,454	159,374	+15,080
State	11,538	11,192	+346
TOTAL TAXES ON NET INCOME	185,992	170,566	+15,426
NET PROFITS BEFORE DIVIDENDS	494,898	490,133	+ 4,765
Dividends declared:			
On preferred stock	2,427	4,131	- 1,704
On common stock:			
Cash dividends	167,702	151,525	+16,177
Stock dividends	28,165	77,308	-49,143
TOTAL DIVIDENDS DECLARED	198,294	232,964	-34,670
Number of banks 1/	5,013	5,023	-10
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Rate of cash dividends:			
To capital funds 1/	3.30	3.34	-.04

1/ At end of period.

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TREASURY DEPARTMENT

INTER OFFICE COMMUNICATION

DATE April 16, 1947

TO Hon. E. H. Foley, Jr.,
Assistant Secretary of the Treasury.

FROM Mr. H. J. Anslinger,
Commissioner of Narcotics.

At a meeting yesterday of the Committee on Drug Addiction of the National Research Council, it was agreed that Secretary Snyder should give the attached statement concerning Metopon to the press. Formal announcement will be made in the medical journals. This announcement is particularly fitting in view of the drive being made for funds during the month of April by the American Cancer Society.

HJAnslinger

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S-309

Immediate Friday ~~Draft of Proposed Statement by the Secretary, when Metopon is released.~~

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Secretary Snyder announced today that ~~The~~ the Treasury Department has arranged to ~~the~~ release ~~of~~ the new drug Metopon (methyldihydromorphinone) hydrochloride for use by members of the medical profession in the treatment of cancer cases. This drug was developed under the auspices of the National Research Council. The Committee in charge of this work was composed of Dr. William Charles White, long a leader of the National Tuberculosis Association; Commissioner of Narcotics Harry J. Anslinger ~~of this Department~~; and Dr. Nathan B. Eddy and Dr. Lyndon F. Small, both of the U. S. Public Health Service, the latter having discovered the drug. Metopon has been found to have certain advantages in the treatment of cancer, and distribution will be limited to that use only, in accordance with a plan to be announced to the medical profession by the U. S. Public Health Service. All inquiries from the medical profession should be directed to Dr. Nathan B. Eddy of the U. S. Public Health Service. The release of the drug under this plan makes available, under medical supervision, a more advantageous pain-relieving agent to sufferers from this ~~dreaded~~ disease.

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TREASURY DEPARTMENT

Washington

FOR IMMEDIATE RELEASE,
Friday, April 18, 1947

Press Service
No. S-309

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The release of the drug under this plan makes available, under medical supervision, a more advantageous pain-relieving agent to sufferers from this disease.

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tax forms. The different rates of reduction from tentative tax, the "notch" rate, and the provision for the aged involving the partial inclusion of income now excluded would be confusing to many taxpayers. There would be an increase in refunds, particularly for low income taxpayers.

Conclusion

In my opinion, H.R. 1 should not be enacted. It would make reduction in revenues of almost \$4 billion and necessitate an increase in expenditures of \$751 million for tax refunds at a time when a balanced budget and substantial debt reduction should be our first objective. By concentrating a large reduction in one tax, H.R. 1 would make later well-balanced tax revision more difficult, and perhaps impossible. H.R. 1 would not be an equitable tax reduction. It would unnecessarily complicate the individual income tax.

In conclusion, I wish to repeat that, in my judgment, economic conditions, budgetary uncertainties, and the size of the public debt all call for maintaining present tax rates in 1947. Under present conditions, it is sound financial policy to achieve as large a surplus as possible. The Administration will continue to make every effort to hold Government expenditures for the fiscal year 1948 to the lowest level possible in view of our national obligations and public needs. I am sure, however, that any surplus that is likely to be realized in 1948 could best be applied to the reduction of the public debt.

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tax-exempt, such as social security old-age benefits, railroad retirement benefits, and retirement pay of armed forces personnel retired for disability. This modification is a complication of the original provision, which does not meet the fundamental objections to such a special exemption. I do not believe that exclusions of particular kinds of income from the tax base are an appropriate means of bringing relief to special groups. As I told the Ways and Means Committee, I am opposed to extension of present exclusions from the individual income tax base. I do not believe that it would be fair to increase income tax exemptions for persons over 65 years of age and not for similarly situated persons under 65.

H.R. 1 is not only deficient from the standpoint of equity. It is not the well-balanced approach to the important problem of maintaining incentives and markets, which will be essential when a tax reduction is appropriate. In a tax reduction program, the whole problem of incentives and markets merit broad and careful consideration. The problem is not merely one of individual income tax rates. It includes other phases of the tax system and many features of the individual income tax not treated in H.R. 1. Subjects that will need to be considered include the taxation of dividend income, tax treatment of different forms of business, loss carrybacks and carryforwards, depreciation, treatment of family income, exemptions and other matters.

Enactment of H.R. 1 would complicate the individual income tax and increase administrative costs. It would cancel a part of the great progress that has been made in recent years toward simplification of

The second time a flat percentage cut in taxes was made was in the Revenue Act of 1945. But I want to emphasize the important differences between the 1945 Act and the kind of reduction proposed in H.R. 1. The 5-percent cut under the Revenue Act of 1945 was only one of three important changes in the individual income tax. It accounted for less than one-fourth of the total reduction of the individual income tax. The remaining three-fourths of the 1945 reduction was made in the form of an increase in the normal-tax exemptions and a reduction of 3 percentage points in each surtax bracket.

There is a significant difference between a flat percentage cut in existing tax rates and a uniform reduction of a certain number of percentage points in each bracket. A 20-percent flat reduction would reduce rates 17 percentage points in an 85-percent rate bracket, but only 4 percentage points in a 20-percent rate bracket. In contrast, a 5-percentage point reduction in each surtax rate, which would lose about the same amount of revenue, would give a 5.9-percent reduction in an 85-percent bracket rate, and a 25-percent reduction in a 20-percent bracket rate. An across-the board percentage cut of the type in H.R. 1 decreases the progressivity of the income tax.

The $500-special tax exemption for persons over 65 years of age included in H.R. 1 is addressed to the special problem of one group. The bill as amended would partially offset the additional exemption by the requirement that taxpayers include in their gross income the first $500 of certain types of pension and retirement income now fully

H.R. 1 would not reduce taxes in the same way that we increased them during the war. This can be clearly seen in Exhibit 2, which compares taxes at different net incomes under the 1939 law, present law, and H.R. 1. To illustrate, H.R. 1 would eliminate 22 percent of the difference between present taxes and 1939 taxes for a married person with no dependents and a net income of $5,000. But at a net income of $1,000,000, the bill would wipe out 69 percent of the tax increase since 1939. Taxes at the $5,000 level would still be 8 times as high as in 1939, but at the $1,000,000, taxes would be only a little higher than in 1939. H.R. 1 would reduce taxes on very high incomes to a level only a little higher than that before the war. It would leave taxes on lower and middle incomes much higher than before the war.

Despite modifications at both the lower and upper extremes, H.R. 1 still provides in the main a flat percentage cut in present taxes. Of the $3,769 million reduction, $2,262 million is attributable to the 20-percent reduction, $724 million is attributable to the 30-percent reduction, $520 million to the notch area of 20-30 percent reduction, $118 million to the $10\frac{1}{2}$-20 percent reduction, and $145 million to the exemption for persons over 65.

So far as I know, a flat percentage cut in individual income taxes has been made only twice before in the history of the Federal income tax. The first time was in the Revenue Act of 1924, applicable to 1923 incomes. That act made a flat 25-percent reduction, but exemptions were greater and rates on lower incomes were much less than under present law.

Since H.R. 1 is retroactive to January 1, 1947, its enactment would reduce receipts in the fiscal year 1948 by more than the amount of one year's reduction in tax liabilities and would also necessitate a large amount of additional tax refunds. It is estimated that the House bill would reduce receipts in the fiscal year 1948 by $3,994 million. It would increase refunds by $751 million. In considering the effect of H.R. 1 on the budget for the fiscal year 1948, it is necessary to combine the decrease in receipts of $3,994 million with the increase in expenditures of $751 million for additional refunds. H.R. 1 would weaken the budget for the fiscal year 1948 by $4,745 million.

As I have already said, I do not believe that a tax reduction is now appropriate. I now wish to point to some inequities in H.R. 1 as a tax reduction measure. Although the bill has been somewhat modified since it was originally introduced, it would still provide relatively too little tax reduction for low and middle incomes as compared with high incomes. As I said to the Ways and Means Committee, it seems to me that if a 1947 tax bill has any place at all in the management of our financial affairs, it should aim primarily at bringing relief to taxpayers who have borne extraordinarily heavy burdens during the war and postwar transition years and should give consideration to inequities. I do not believe that H.R. 1 accomplishes these objectives.

taper off to 10.5 percent above $5,000,000. The rate reductions in the amended bill are identical with those in the original bill for all taxable net incomes in excess of $1,396. Only about 1,100 taxpayers would get less than a 20-percent rate reduction. About 14.4 million taxpayers would get a 20-percent rate reduction. About 8.5 million would get between 20 and 30 percent. The remaining 24.8 million taxpayers would get a 30-percent rate reduction.

H. R. 1 grants a special additional exemption of $500 to persons over 65 years of age. 1/ This additional exemption is subject to the limitation that persons qualifying for it must include in their gross income for tax purposes the first $500 received from certain types of periodic pension or retirement annuity benefits that are now fully exempt from taxation. It is estimated that this additional exemption would reduce the income tax of 2.8 million persons over 65, of whom 825 thousand would be made non-taxable.

It is estimated that the bill would reduce tax liabilities by $3,769 million for a full year. This is $280 million more than the original bill. Of the total reduction in liabilities $3,624 million would be attributable to rate reductions and $145 million to the increase in exemptions for taxpayers over 65. 2/

1/ In the case of joint returns, the special additional exemption would be $1,000 where both husband and wife are over 65 and each has $500 or more gross income.

2/ Estimates of tax liabilities for the calendar year 1947.

Many such fundamental tax revisions will involve substantial revenue reduction. If we now make a major reduction along the lines of H. R. 1, we may later find that we are not able to adopt many of the basic revisions in the individual income tax and the other taxes that are necessary for a sound postwar tax system.

Specific Discussion of H. R. 1

I turn now to a more specific examination of H. R. 1, as passed by the House. For the use of the Committee, I have appended to my statement several exhibits and an appendix. This material includes a variety of statistical data on the composition of the individual income tax base and other information that I believe will be helpful in your consideration of H. R. 1 and other proposals for tax reduction.

H. R. 1 includes a general reduction of individual income tax rates and a special additional exemption for taxpayers over 65 years of age. It would reduce the income tax by 30 percent for taxpayers whose net income in excess of exemptions is $1,000 or less, and by an amount which under the notch provision would rapidly fall to 20 percent at a net income of $1,396 after exemptions. For net income after exemptions between $1,396 and about $302,400, the reductions would be 20 percent. For higher incomes the reduction would gradually problems to which I refer are not solely, or even primarily, ones of tax rates. They relate rather to tax structure. These problems now need careful consideration, especially in view of the high level of current and prospective revenue requirements.

Although I do not believe that the time has yet come for revisions involving major tax reductions, it is not too early to begin studies of desirable tax changes to take effect at a later date. The Treasury Department has been studying a large number of important tax problems, working on many of them in close collaboration with the staff of the Joint Committee on Internal Revenue Taxation. The Treasury stands ready to assist the Congress in any way possible.

In anticipation of later tax reductions, we should review the whole tax system. We should re-examine not only the individual income tax, but also the corporation income tax, excise taxes, and estate and gift taxes. Such a comprehensive review should aim at revisions that will fit all major taxes together into a system that will produce adequate revenue, will be fair and equitable, will interfere as little as possible with incentives to work and invest, and will help maintain mass markets for mass production.

There is danger that if we act prematurely by reducing the rates of one tax, without consideration of other problems, we shall make it difficult or impossible to ~~adopt~~ adopt many needed changes at a later time.

Public Debt

We have emerged from the war and immediate transition period with a public debt of approximately $258 billion. The size of the debt is a strong argument against a tax reduction at this time. Under present conditions, I believe it will be sound financial policy to achieve as large a budget surplus as is possible and to apply that surplus against the public debt. When national income is high, as it now is, it is prudent to reduce the public debt as rapidly as possible. The present situation gives us an opportunity to make further reduction in the debt. I believe that we should now prove our determination to retire public debt by making as big a payment on it as we can. If we do so, there will be less cause for concern if in some future years we find it desirable to postpone temporarily further debt retirement.

Comprehensive Tax Revisions Later

During recent years, when attention was necessarily devoted almost exclusively to urgent matters of war finance, a great number of technical tax problems have been accumulating. Moreover, much interest has developed in a series of fundamental tax problems. The contribute to further price rises and to economic instability. If we cut taxes too soon we shall probably find it impossible to reverse our action. On the other hand, it will be time enough to cut taxes when it becomes clear that conditions call for such action.

Budgetary Situation

The current budgetary situation also calls for the maintenance of existing taxes. I am gratified that the latest estimates indicate a budgetary surplus for the fiscal year 1947. If taxes are not reduced we shall also be able to achieve a budgetary surplus in the fiscal year 1948. It is by no means clear, however, that the surplus in the fiscal year 1948 will exceed the amount foreseen in the President's budget, except for the effect of the subsequent adoption by the Congress of the President's recommendation for extension of the so-called war excise tax rates. Under existing law, revenues for the fiscal year 1948 are estimated at $38.8 billion. The President's budget puts expenditures for the fiscal year 1948 at $37.5 billion. A Conference Committee of the House and Senate is still considering various legislative budget estimates of expenditures. We still do not have any clear evidence that expenditures in the coming fiscal year can be reduced below the President's budget figures of $37.5 billion. In my opinion, it would be unwise to reduce the revenues before we have a clear picture of what expenditures will be authorized.

high, and national income continues to reach new peacetime levels. Under these favorable economic conditions present taxes do not impose an excessive hardship on the American people.

Under present conditions, I do not believe that a tax reduction would bring about any significant increase in production, nor do I believe that a tax reduction is necessary at this time to assure continued high-level production. The rapid and sustained growth of employment and output achieved in 1946 and the early months of 1947 was accomplished with present tax rates. 2 During that period, millions of demobilized veterans found civilian jobs, and there was a rapid increase in the number of new small business firms. Business as a whole is now operating virtually at capacity. Production is now limited by shortages of materials and labor rather than by lack of venture capital or markets. All of these facts are evidence of the vigor and adaptability of our free enterprise system. Employment and output will undoubtedly rise still higher in the future with the normal growth of the economy.

Inflationary pressures have still not subsided. Prices and production have not yet fully adjusted to one another. So long as inflationary pressures exist, there is good economic reason for maintaining high taxes. If we should cut taxes prematurely, we could easily

~~April 21, 1947~~

~~Draft of Statement of Secretary Snyder before the Senate Finance Committee~~

I am glad to have this opportunity to appear before the Senate Finance Committee. You have before you H. R. 1, a bill which would make the second major postwar tax reduction. I have previously stated my views on tax reduction in my recent appearance before the House Ways and Means Committee. Today, I wish to repeat some of the reasons why I believe that no general tax reduction is advisable at this time and also to comment in more detail on certain specific aspects of H. R. 1.

I am convinced that a general tax reduction at this time is neither necessary nor appropriate. I believe that this conclusion is supported by a careful examination of both the current economic conditions and the budgetary situation. The desirability of maintaining present tax rates for this year is emphasized by the size of the public debt. Moreover, premature reduction of one tax, such as is proposed in H. R. 1, might make later achievement of a comprehensive revision of the tax system difficult or impossible. Finally, even if tax reduction were now appropriate, H. R. 1 does not make the right approach to a tax reduction program.

Economic Conditions

Present economic conditions do not call for a tax reduction. The American economy has already made a remarkably rapid transition from record wartime production to record peacetime output. Employment is

TREASURY DEPARTMENT

Washington

Statement by ~~Fred M. Vinson~~, Secretary Snyder
~~of the Treasury~~, before ~~the House~~ Senate Finance
Committee ~~on Banking and Currency.~~

10:30 A.M., Tuesday, ~~May 14, 1946.~~ April 22, 1947

I am very glad to appear before this Committee and to explain what, in my judgment, the proposed Financial Agreement with the United Kingdom means to America and to the world.

With the end of the war we in the Administration and you in Congress have a new responsibility to our people. The sacrifices they have borne will have been largely meaningless unless we do all in our power to achieve lasting peace and sound prosperity. This is the one reward of victory that our people and the people of all the United Nations ask - a world in which countries work and live together in peace and prosperity.

As you are well aware, world peace and prosperity are interlinked. The world cannot have a stable, enduring peace while devastation and hunger stalk the earth. This country cannot prosper in a world torn by fear and strife. No country, no matter how big or strong, can remain either in political or economic isolation.

Maintaining peace requires constant vigilance by the people of all countries. We know, at long last, that enduring peace does not follow automatically the victory of our armed forces. Our people have learned that peace as well as prosperity does not come to those who merely sit and wait.

We must work for peace as we worked to win the war. We must all work, and work constantly, to settle the problems that might lead to conflict and war. That is the responsibility of the United Nations - and that means Russia and England, as well as the United States and the other countries. We must do this job.

We must have international cooperation on political problems. That is most important, but it is not enough. The economic causes of conflict must be eliminated. The every-day relations between the businessmen of all countries must be carried on in a fair and friendly way, conducive to good will and mutually beneficial trade.

~~V-325~~

TREASURY DEPARTMENT

Washington

Statement by Secretary Snyder before the Senate Finance Committee, on H.R. 1

10:30 A.M., Tuesday, April 22, 1947

I am glad to have this opportunity to appear before the Senate Finance Committee. You have before you H.R. 1, a bill which would make the second major postwar tax reduction. I have previously stated my views on tax reduction in my recent appearance before the House Ways and Means Committee. Today, I wish to repeat some of the reasons why I believe that no general tax reduction is advisable at this time and also to comment in more detail on certain specific aspects of H.R. 1.

I am convinced that a general tax reduction at this time is neither necessary nor appropriate. I believe that this conclusion is supported by a careful examination of both the current economic conditions and the budgetary situation. The desirability of maintaining present tax rates for this year is emphasized by the size of the public debt. Moreover, premature reduction of one tax, such as is proposed in H.R. 1, might make later achievement of a comprehensive revision of the tax system difficult or impossible. Finally, even if tax reduction were now appropriate, H.R. 1 does not make the right approach to a tax reduction program.

Economic Conditions

Present economic conditions do not call for a tax reduction. The American economy has already made a remarkably rapid transition from record wartime production to record peacetime output. Employment is high, and national income continues to reach new peacetime levels. Under these favorable economic conditions present taxes do not impose an excessive hardship on the American people.

Under present conditions, I do not believe that a tax reduction would bring about any significant increase in production, nor do I believe that a tax reduction is necessary at this time to assure continued high-level production. The rapid and sustained growth of employment and output achieved in 1946 and the early months of 1947 was accomplished with present tax rates.

During that period, millions of demobilized veterans found civilian jobs, and there was a rapid increase in the number of new small business firms. Business as a whole is now operating virtually at capacity. Production is now limited by shortages of materials and labor rather than by lack of venture, capital or markets. All of these facts are evidence of the vigor and adaptability of our free enterprise system. Employment and output will undoubtedly rise still higher in the future with the normal growth of the economy.

Inflationary pressures have still not subsided. Prices and production have not yet fully adjusted to one another. So long as inflationary pressures exist, there is good economic reason for maintaining high taxes. If we should cut taxes prematurely, we could easily contribute to further price rises and to economic instability. If we cut taxes too soon we shall probably find it impossible to reverse our action. On the other hand, it will be time enough to cut taxes when it becomes clear that conditions call for such action.

Budgetary Situation

The current budgetary situation also calls for the maintenance of existing taxes. I am gratified that the latest estimates indicate a budgetary surplus for the fiscal year 1947. If the taxes are not reduced we shall also be able to achieve a budgetary surplus in the fiscal year 1948. It is by no means clear, however, that the surplus in the fiscal year 1948 will exceed the amount foreseen in the President's budget, except for the effect of the subsequent adoption by the Congress of the President's recommendation for extension of the so-called war excise tax rates. Under existing law, revenues for the fiscal year 1948 are estimated at $38.8 billion. The President's budget puts expenditures for the fiscal year 1948 at $37.5 billion. A Conference Committee of the House and Senate is still considering various legislative budget estimates of expenditures. We still do not have any clear evidence that expenditures in the coming fiscal year can be reduced below the President's budget figures of $37.5 billion. In my opinion, it would be unwise to reduce the revenues before we have a clear picture of what expenditures will be authorized.

Public Debt

We have emerged from the war and immediate transition period with a public debt of approximately $258 billion. The size of the debt is a strong argument against a tax reduction at this time. Under present conditions, I believe it will be sound financial policy to achieve as large a budget surplus as is possible and to apply that surplus against the public debt. When national income is high, as it now is, it is prudent to reduce the public debt as rapidly as possible. The present situation gives us an opportunity to make further reduction in the debt. I believe that we should now prove our determination to retire public debt by making as big a payment on it as we can. If we do so, there will be less cause for concern if in some future years we find it desirable to postpone temporarily further debt retirement.

Comprehensive Tax Revisions Later

During recent years, when attention was necessarily devoted almost exclusively to urgent matters of war finance, a great number of technical tax problems have been accumulating. Moreover, much interest has developed in a series of fundamental tax problems. The problems to which I refer are not solely, or even primarily, ones of tax rates. They relate rather to tax structure. These problems now need careful consideration, especially in view of the high level of current and prospective revenue requirements.

Although I do not believe that the time has yet come for revisions involving major tax reductions, it is not too early to begin studies of desirable tax changes to take effect at a later date. The Treasury Department has been studying a large number of important tax problems, working on many of them in close collaboration with the staff of the Joint Committee on Internal Revenue Taxation. The Treasury stands ready to assist the Congress in any way possible.

In anticipation of later tax reductions, we should review the whole tax system. We should re-examine not only the individual income tax, but also the corporation income tax, excise taxes, and estate and gift taxes. Such a comprehensive review should aim at revisions that will fit all major taxes together into a system that will produce adequate revenue, will be fair and equitable, will interfere as little as possible with incentives to work and invest, and will help maintain mass markets for mass production.

There is danger that if we act prematurely by reducing the rates of one tax, without consideration of other problems, we shall make it difficult or impossible to adopt many needed changes at a later time. Many such fundamental tax revisions will involve substantial revenue reduction. If we now make a major reduction along the lines of H.R. 1, we may later find that we are not able to adopt many of the basic revisions in the individual income tax and the other taxes that are necessary for a sound postwar tax system.

Specific Discussion of H.R. 1

I turn now to a more specific examination of H.R. 1, as passed by the House. For the use of the Committee, I have appended to my statement several exhibits and an appendix. This material includes a variety of statistical data on the composition of the individual income tax base and other information that I believe will be helpful in your consideration of H.R. 1 and other proposals for tax reduction.

H.R. 1 includes a general reduction of individual income tax rates and a special additional exemption for taxpayers over 65 years of age. It would reduce the income tax by 30 percent for taxpayers whose net income in excess of exemptions is $1,000 or less, and by an amount which under the notch provision would rapidly fall to 20 percent at a net income of $1,396 after exemptions. For net income after exemptions between $1,396 and about $302,400, the reductions would be 20 percent. For higher incomes the reduction would gradually taper off to 10.5 percent above $5,000,000. The rate reductions in the amended bill are identical with those in the original bill for all taxable net incomes in excess of $1,396. Only about 1,100 taxpayers would get less than a 20-percent rate reduction. About 14.4 million taxpayers would get a 20-percent rate reduction. About 8.5 million would get between 20 and 30 percent. The remaining 24.8 million taxpayers would get a 30-percent rate reduction.

H.R. 1 grants a special additional exemption of $500 to persons over 65 years of age. 1/ This additional exemption is subject to the limitation that persons qualifying for it must include in their gross income for tax purposes the first $500 received from certain types of periodic pension or retirement annuity benefits that are now fully exempt from taxation. It is estimated that this additional exemption would reduce the income tax of 2.8 million persons over 65, of whom 825 thousand would be made non-taxable.

It is estimated that the bill would reduce tax liabilities by $3.769 million for a full year. This is $280 million more than the original bill. Of the total reduction in liabilities $3,624 million would be attributable to rate reductions and $145 million to the increase in exemptions for taxpayers over 65. 2/

1/ In the case of joint returns, the special additional exemption would be $1,000 where both husband and wife are over 65 and each has $500 or more gross income.

2/ Estimates of tax liabilities for the calendar year 1947.

Since H.R. 1 is retroactive to January 1, 1947, its enactment would reduce receipts in the fiscal year 1948 by more than the amount of one year's reduction in tax liabilities and would also necessitate a large amount of additional tax refunds. It is estimated that the House bill would reduce receipts in the fiscal year 1948 by $3,994 million. It would increase refunds by $751 million. In considering the effect of H.R. 1 on the budget for the fiscal year 1948, it is necessary to combine the decrease in receipts of $3,994 million with the increase in expenditures of $751 million for additional refunds. H.R. 1 would weaken the budget for the fiscal year 1948 by $4,745 million.

As I have already said, I do not believe that a tax reduction is now appropriate. I now wish to point to some inequities in H.R. 1 as a tax reduction measure. Although the bill has been somewhat modified since it was originally introduced, it would still provide relatively too little tax reduction for low and middle incomes as compared with high incomes. As I said to the Ways and Means Committee, it seems to me that if a 1947 tax bill has any place at all in the management of our financial affairs, it should aim primarily at bringing relief to taxpayers who have borne extraordinarily heavy burdens during the war and postwar transition years and should give consideration to inequities. I do not believe that H.R. 1 accomplishes these objectives.

H.R. 1 would not reduce taxes in the same way that we increased them during the war. This can be clearly seen in Exhibit 2, which compares taxes at different net incomes under the 1939 law, present law, and H.R. 1. To illustrate, H.R. 1 would eliminate 22 percent of the difference between present taxes and 1939 taxes for a married person with no dependents and a net income of $5,000. But at a net income of $1,000,000, the bill would wipe out 69 percent of the tax increase since 1939. Taxes at the $5,000 level would still be eight times as high as in 1939, but at the $1,000,000, taxes would be only a little higher than in 1939. H.R. 1 would reduce taxes on very high incomes to a level only a little higher than that before the war. It would leave taxes on lower and middle incomes much higher than before the war.

Despite modifications at both the lower and upper extremes, H.R. 1 still provides in the main a flat percentage cut in present taxes. Of the $3,769 million reduction, $2,262 million is attributable to the 20-percent reduction, $724 million is attributable to the 30-percent reduction, $520 million to the notch area of 20-30 percent reduction, $118 million to the 10½-20 percent reduction, and $145 million to the exemption for persons over 65.

So far as I know, a flat percentage cut in individual income taxes has been made only twice before in the history of the Federal income tax. The first time was in the Revenue Act of 1924, applicable to 1923 incomes. That act made a flat 25-percent reduction, but exemptions were greater and rates on lower incomes were much less than under present law. The second time a flat percentage cut in taxes was made was in the Revenue Act of 1945. But I want to emphasize the important differences between the 1945 Act and the kind of reduction proposed in H.R. 1. The 5-percent cut under the Revenue Act of 1945 was only one of three important changes in the individual income tax. It accounted for less than one-fourth of the total reduction of the individual income tax. The remaining three-fourths of the 1945 reduction was made in the form of an increase in the normal-tax exemptions and a reduction of 3 percentage points in each surtax bracket.

There is a significant difference between a flat percentage cut in existing tax rates and a uniform reduction of a certain number of percentage points in each bracket. A 20-percent flat reduction would reduce rates 17 percentage points in an 85-percent rate bracket, but only 4 percentage points in a 20-percent rate bracket. In contrast, a 5-percentage point reduction in each surtax rate, which would lose about the same amount of revenue, would give a 5.9-percent reduction in an 85-percent bracket rate, and a 25-percent reduction in a 20-percent bracket rate. An across-the-board percentage cut of the type in H.R. 1 decreases the progressivity of the income tax.

The $500-special tax exemption for persons over 65 years of age included in H.R. 1 is addressed to the special problem of one group. The bill as amended would partially offset the additional exemption by the requirement that taxpayers include in their gross income the first $500 of certain types of pension and retirement income now fully tax-exempt, such as social security old-age benefits, railroad retirement benefits, and retirement pay of armed forces personnel retired for disability. This modification is a complication of the original provision, which does not meet the fundamental objections to such a special exemption. I do not believe that exclusions of particular kinds of income from the tax base are an appropriate means of bringing relief to special groups. As I told the Ways and Means Committee, I am opposed to extension of present exclusions from the individual income tax base. I do not believe that it would be fair to increase income tax exemptions for persons over 65 years of age and not for similarly situated persons under 65.

H.R. 1 is not only deficient from the standpoint of equity. It is not the well-balanced approach to the important problem of maintaining incentives and markets, which will be essential when a tax reduction is appropriate. In a tax reduction program, the whole problem of incentives and markets merit broad and careful consideration. The problem is not merely one of individual income tax rates. It includes other phases of the tax system and many features of the individual income tax not treated in H.R. 1. Subjects that will need to be considered include the taxation of dividend income, tax treatment of different forms of business, loss carrybacks and carryforwards, depreciation, treatment of family income, exemptions and other matters.

Enactment of H.R. 1 would complicate the individual income tax and increase administrative costs. It would cancel a part of the great progress that has been made in recent years toward simplification of tax forms. The different rates of reduction from tentative tax, the "notch" rate, and the provision for the aged involving the partial inclusion of income now excluded would be confusing to many taxpayers. There would be an increase in refunds, particularly for low income taxpayers.

Conclusion

In my opinion, H.R. 1 should not be enacted. It would make reduction in revenues of almost $4 billion and necessitate an increase in expenditures of $751 million for tax refunds at a time when a balanced budget and substantial debt reduction should be our first objective. By concentrating a large reduction in one tax, H.R. 1 would make later well-balanced tax revision more difficult, and perhaps impossible. H.R. 1 would not be an equitable tax reduction. It would unnecessarily complicate the individual income tax.

In conclusion, I wish to repeat that, in my judgment, economic conditions, budgetary uncertainties, and the size of the public debt all call for maintaining present tax rates in 1947. Under present conditions, it is sound financial policy to achieve as large a surplus as possible. The Administration will continue to make every effort to hold Government expenditures for the fiscal year 1948 to the lowest level possible in view of our national obligations and public needs. I am sure, however, that any surplus that is likely to be realized in 1948 could best be applied to the reduction of the public debt.

EXHIBITS

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EXHIBIT 1

Table 1

Comparison of combined normal tax and surtax rates under present law 1/ and the House bill (H.R. 1)

Surtax net income		Combined normal tax and surtax rates			Percentage-point decrease (-) or increase (+) in rates compared with present law
		Present law		Rates after reductions under House bill (H.R. 1)	
Exceeding	Not exceeding	Tentative rates	Rates after 5-percent reduction		
$ 0	$ 1,000	)		(13.30%	- 5.70%
1,000	1,396 2/	) 20%	19.00%	(20.00	+ 1.00
1,396	2,000	)		(15.20	- 3.80
2,000	4,000	22	20.90	16.72	- 4.18
4,000	6,000	26	24.70	19.76	- 4.94
6,000	8,000	30	28.50	22.80	- 5.70
8,000	10,000	34	32.30	25.84	- 6.46
10,000	12,000	38	36.10	28.88	- 7.22
12,000	14,000	43	40.85	32.68	- 8.17
14,000	16,000	47	44.65	35.72	- 8.93
16,000	18,000	50	47.50	38.00	- 9.50
18,000	20,000	53	50.35	40.28	- 10.07
20,000	22,000	56	53.20	42.56	- 10.64
22,000	26,000	59	56.05	44.84	- 11.21
26,000	32,000	62	58.90	47.12	- 11.78
32,000	38,000	65	61.75	49.40	- 12.35
38,000	44,000	69	65.55	52.44	- 13.11
44,000	50,000	72	68.40	54.72	- 13.68

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EXHIBIT 1

Table 1 - concluded

Comparison of combined normal tax and surtax rates under present law 1/ and the House bill (H.R. 1)

Surtax net income: Exceeding	Surtax net income: Not exceeding	Combined normal tax and surtax rates: Present law: Tentative rates	Combined normal tax and surtax rates: Present law: Rates after 5-percent reduction	Combined normal tax and surtax rates: Rates after reductions under House bill (H.R. 1)	Percentage-point decrease (-) or increase (+) in rates compared with present law
$ 50,000	$ 60,000	75%	71.25%	57.00%	- 14.25%
60,000	70,000	78	74.10	59.28	- 14.82
70,000	80,000	81	76.95	61.56	- 15.39
80,000	90,000	84	79.80	63.84	- 15.96
90,000	100,000	87	82.65	66.12	- 16.53
100,000	150,000	89	84.55	67.64	- 16.91
150,000	200,000	90	85.50	68.40	- 17.10
200,000	302,396 3/)			(69.16	- 17.29
302,396 and over	)	91	86.45 4/	(77.35 5/	- 9.10

Treasury Department

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1/ Internal Revenue Code, as amended by Revenue Act of 1945.
2/ Indicates area of the notch provision under the House bill. The 33.5-percent reduction of present law tentative tax ends at $1,000 of surtax net income and the 24-percent reduction of present law tentative tax takes effect at $1396.
3/ Point at which 15-percent reduction of present law tentative tax takes effect under the House bill.
4/ Subject to a maximum effective rate limitation of 85.5 percent.
5/ Subject to a maximum effective rate limitation of 76.5 percent.

EXHIBIT 1

Table 2

Comparison of individual income taxes under present law 1/ and under the House bill (H.R. 1), for specified amounts of net income

Single person - no dependents

Net income before personal exemption	Amounts of tax: Present law	Amounts of tax: House bill (H.R. 1) 2/	Effective rates: Present law	Effective rates: House bill (H.R. 1) 2/	Decrease compared with present law: Amounts	Decrease compared with present law: Effective rates	Decrease as a percentage of: Present law tax	Decrease as a percentage of: Net income after present law tax
$ 600	$ 19	$ 13	3.2%	2.2%	$ 6	1.0%	30.0%	1.0%
800	57	40	7.1	5.0	17	2.1	30.0	2.3
1,000	95	67	9.5	6.7	29	2.9	30.0	3.1
1,200	133	93	11.1	7.8	40	3.3	30.0	3.7
1,500 3/	190	133	12.7	8.9	57	3.8	30.0	4.4
1,600 3/	209	153	13.1	9.6	56	3.5	26.8	4.0
1,700 3/	228	173	13.4	10.2	55	3.2	24.1	3.7
1,800 3/	247	193	13.7	10.7	54	3.0	21.9	3.5
1,896 3/	265	212	14.0	11.2	53	2.8	20.0	3.3
2,000	285	228	14.3	11.4	57	2.9	20.0	3.3
2,500	380	304	15.2	12.2	76	3.0	20.0	3.6
3,000	485	388	16.2	12.9	97	3.2	20.0	3.9
4,000	694	555	17.3	13.9	139	3.5	20.0	4.2
5,000	922	737	18.4	14.7	184	3.7	20.0	4.5
6,000	1,169	935	19.5	15.6	234	3.9	20.0	4.8
8,000	1,720	1,376	21.5	17.2	344	4.3	20.0	5.5
10,000	2,347	1,877	23.5	18.8	469	4.7	20.0	6.1
15,000	4,270	3,416	28.5	22.8	854	5.7	20.0	8.0
20,000	6,645	5,316	33.2	26.6	1,329	6.7	20.0	10.0
25,000	9,362	7,490	37.5	30.0	1,872	7.5	20.0	12.0
50,000	25,137	20,110	50.3	40.2	5,027	10.1	20.0	20.2
75,000	43,477	34,781	58.0	46.4	8,695	11.6	20.0	27.6

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Table 2 - concluded

Comparison of individual income taxes under present law 1/ and under the House bill (H.R. 1), for specified amounts of net income

Single person - no dependents

Net income before personal exemption	Amounts of tax: Present law	Amounts of tax: House bill (H. R. 1) 2/	Effective rates: Present law	Effective rates: House bill (H. R. 1) 2/	Decrease compared with present law: Amounts	Decrease compared with present law: Effective rates	Decrease as a percentage of: Present law tax	Decrease as a percentage of: Net income after present law tax
$ 100,000	$ 63,541	$ 50,833	63.5%	50.8%	$12,708	12.7%	20.0%	34.9%
250,000	191,772	153,417	76.7	61.4	38,354	15.3	20.0	65.9
302,896 4/	237,500	190,000	78.4	62.7	47,500	15.7	20.0	72.6
350,000	278,222	226,435	79.5	64.7	51,787	14.8	18.6	72.1
500,000	407,897	342,460	81.6	68.5	65,437	13.1	16.0	71.0
750,000	624,022	535,835	83.2	71.4	88,187	11.8	14.1	70.0
1,000,000	840,147	729,210	84.0	72.9	110,937	11.1	13.2	69.4
2,000,000	1,704,647	1,502,710	85.2	75.1	201,937	10.1	11.8	68.4
3,000,000	2,565,000 5/	2,276,210	85.5	75.9	288,790	9.6	11.3	66.4
4,000,000	3,420,000 5/	3,049,710	85.5	76.2	370,290	9.3	10.8	63.8
5,000,000	4,275,000 5/	3,823,210	85.5	76.5	451,790	9.0	10.6	62.3
6,000,000	5,130,000 5/	4,590,000 6/	85.5	76.5	540,000	9.0	10.5	62.1

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1/ Internal Revenue Code, as amended by the Revenue Act of 1945.
2/ Assumes taxpayer is under 65 years of age.
3/ These income levels are within the area of the notch provision under the House bill. The 33.5-percent reduction of present law tentative tax ends at $1,500 of net income before personal exemption and the 24-percent reduction of present law tentative tax takes effect at $1,896.
4/ Point at which 15-percent reduction of present law tentative tax takes effect under House bill.
5/ Taking into account maximum effective rate limitation of 85.5 percent.
6/ Taking into account maximum effective rate limitation of 76.5 percent.

Note: Computations were made from unrounded figures and will not necessarily agree with figures computed from the rounded amounts and percentages shown.

EXHIBIT 1

Table 3

Comparison of individual income taxes under present law 1/ and under the House bill (H.R. 1), for specified amounts of net income

Married person 2/ - No dependents

Net income before personal exemption	Amounts of tax: Present law	Amounts of tax: House bill (H.R. 1) 3/	Effective rates: Present law	Effective rates: House bill (H.R. 1) 3/	Decrease compared with present law: Amounts	Decrease compared with present law: Effective rates	Decrease as a percentage of: Present law tax	Decrease as a percentage of: Net income after present law tax
$ 1,200	$ 38	$ 27	3.2%	2.2%	$ 11	1.0%	30.0%	1.0%
1,500	95	67	6.3	4.4	29	1.9	30.0	2.0
2,000 4/	190	133	9.5	6.7	57	2.9	30.0	3.1
2,100 4/	209	153	10.0	7.3	56	2.7	26.8	3.0
2,200 4/	228	173	10.4	7.9	55	2.5	24.1	2.8
2,300 4/	247	193	10.7	8.4	54	2.3	21.9	2.6
2,396 4/	265	212	11.1	8.9	53	2.2	20.0	2.5
2,500	285	228	11.4	9.1	57	2.3	20.0	2.6
3,000	380	304	12.7	10.1	76	2.5	20.0	2.9
4,000	589	471	14.7	11.8	118	2.9	20.0	3.5
5,000	798	638	16.0	12.8	160	3.2	20.0	3.8
6,000	1,045	836	17.4	13.9	209	3.5	20.0	4.2
8,000	1,577	1,262	19.7	15.8	315	3.9	20.0	4.9
10,000	2,185	1,748	21.9	17.5	437	4.4	20.0	5.6
15,000	4,047	3,238	27.0	21.6	809	5.4	20.0	7.4
20,000	6,394	5,115	32.0	25.6	1,279	6.4	20.0	9.4
25,000	9,082	7,266	36.3	29.1	1,816	7.3	20.0	11.4
50,000	24,795	19,836	49.6	39.7	4,959	9.9	20.0	19.7
75,000	43,092	34,474	57.5	46.0	8,618	11.5	20.0	27.0

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Table 3 - concluded

Comparison of individual income taxes under present law 1/ and under the House bill (H.R. 1), for specified amounts of net income

Married person 2/ - No dependents

Net income before personal exemption	Amounts of tax: Present law	Amounts of tax: House bill (H.R. 1) 3/	Effective rates: Present law	Effective rates: House bill (H.R. 1) 3/	Decrease compared with present law: Amounts	Decrease compared with present law: Effective rates	Decrease as a percentage of: Present law tax	Decrease as a percentage of: Net income after present law tax
$ 100,000	$ 63,128	$ 50,502	63.1%	50.5%	$12,626	12.6%	20.0%	34.2%
250,000	191,340	153,072	76.5	61.2	38,268	15.3	20.0	65.2
303,396 5/	237,500	190,000	78.3	62.6	47,500	15.7	20.0	72.1
350,000	277,790	226,049	79.4	64.6	51,741	14.8	18.6	71.7
500,000	407,465	342,074	81.5	68.4	65,391	13.1	16.0	70.7
750,000	623,590	535,449	83.2	71.4	88,141	11.8	14.1	69.7
1,000,000	839,715	728,824	84.0	72.9	110,891	11.1	13.2	69.2
2,000,000	1,704,215	1,502,324	85.2	75.1	201,891	10.1	11.8	68.3
3,000,000	2,565,000 6/	2,275,824	85.5	75.9	289,177	9.6	11.3	66.5
4,000,000	3,420,000 6/	3,049,324	85.5	76.2	370,677	9.3	10.8	63.9
5,000,000	4,275,000 6/	3,822,824	85.5	76.5	452,177	9.0	10.6	62.4
6,000,000	5,130,000 6/	4,590,000 7/	85.5	76.5	540,000	9.0	10.5	62.1

Treasury Department April 1947

1/ Internal Revenue Code, as amended by Revenue Act of 1945.
2/ Assumes only one spouse has income.
3/ Assumes taxpayer is under 65 years of age.
4/ These income levels are within the area of the notch provision under the House bill. The 33.5-percent reduction of present law tentative tax ends at $2,000 of net income before personal exemption and the 24-percent reduction of present law tentative tax takes effect at $2,396.
5/ Point at which 15-percent reduction of present law tentative tax takes effect under the House bill.
6/ Taking into account maximum effective rate limitation of 85.5 percent.
7/ Taking into account maximum effective rate limitation of 76.5 percent.
Note: Computations were made from unrounded figures and will not necessarily agree with figures computed from the rounded amounts and percentages shown.

EXHIBIT 1

Table 4

Comparison of individual income taxes under present law 1/ and under the House bill (H.R. 1), for specified amounts of net income

Married person 2/ - Two dependents

Net income before personal exemption	Amounts of tax: Present law	Amounts of tax: House bill (H.R. 1) 3/	Effective rates: Present law	Effective rates: House bill (H.R. 1) 3/	Decrease compared with present law: Amounts	Decrease compared with present law: Effective rates	Decrease as a percentage of: Present law tax	Decrease as a percentage of: Net income after present law tax
$ 2,500	$ 95	$ 67	3.8%	2.7%	$ 29	1.1%	30.0%	1.2%
3,000 4/	190	133	6.3	4.4	57	1.9	30.0	2.0
3,100 4/	209	153	6.7	4.9	56	1.8	26.8	1.9
3,200 4/	228	173	7.1	5.4	55	1.7	24.1	1.9
3,300 4/	247	193	7.5	5.8	54	1.6	21.9	1.8
3,396 4/	265	212	7.8	6.2	53	1.6	20.0	1.7
4,000	380	304	9.5	7.6	76	1.9	20.0	2.1
5,000	589	471	11.8	9.4	118	2.4	20.0	2.7
6,000	798	638	13.3	10.6	160	2.7	20.0	3.1
8,000	1,292	1,034	16.2	12.9	258	3.2	20.0	3.9
10,000	1,862	1,490	18.6	14.9	372	3.7	20.0	4.6
15,000	3,639	2,911	24.3	19.4	728	4.9	20.0	6.4
20,000	5,890	4,712	29.5	23.6	1,178	5.9	20.0	8.3
25,000	8,522	6,817	34.1	27.3	1,704	6.8	20.0	10.3
50,000	24,111	19,289	48.2	38.6	4,822	9.6	20.0	18.6
75,000	42,323	33,858	56.4	45.1	8,465	11.3	20.0	25.9
100,000	62,301	49,841	62.3	49.8	12,460	12.5	20.0	33.1
250,000	190,475	152,380	76.2	61.0	38,095	15.2	20.0	64.0
304,396 5/	237,500	190,000	78.0	62.4	47,500	15.6	20.0	71.0
350,000	276,925	225,275	79.1	64.4	51,650	14.8	18.7	70.7

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EXHIBIT 1

Table 4 - concluded

Comparison of individual income taxes under present law 1/ and under the House bill (H.R. 1), for specified amounts of net income

Married person 2/ - Two dependents

Net income before personal exemption	Amounts of tax: Present law	Amounts of tax: House bill (H.R. 1) 3/	Effective rates: Present law	Effective rates: House bill (H.R. 1) 3/	Decrease compared with present law: Amounts	Decrease compared with present law: Effective rates	Decrease as a percentage of: Present law tax	Decrease as a percentage of: Net income after present law tax
$ 500,000	$ 406,600	$ 341,300	81.3%	68.3%	$65,300	13.1%	16.1%	69.9%
750,000	622,725	534,675	83.0	71.3	88,050	11.7	14.1	69.2
1,000,000	838,850	728,050	83.9	72.8	110,800	11.1	13.2	68.8
2,000,000	1,703,350	1,501,550	85.2	75.1	201,800	10.1	11.8	68.0
3,000,000	2,565,000 6/	2,275,050	85.5	75.8	289,950	9.7	11.3	66.7
4,000,000	3,420,000 6/	3,048,550	85.5	76.2	371,450	9.3	10.9	64.0
5,000,000	4,275,000 6/	3,822,050	85.5	76.4	452,950	9.1	10.6	62.5
6,000,000	5,130,000 6/	4,590,000 7/	85.5	76.5	540,000	9.0	10.5	62.1

Treasury Department April 1947

1/ Internal Revenue Code, as amended by Revenue Act of 1945.
2/ Assumes only one spouse has income.
3/ Assumes taxpayer is under 65 years of age.
4/ These income levels are within the area of the notch provision under the House bill. The 33.5-percent reduction of present law tentative tax ends at $3,000 of net income before personal exemption and the 24-percent reduction of present law tentative tax takes effect at $3,396.
5/ Point at which 15-percent reduction of present law tentative tax takes effect under the House bill.
6/ Taking into account maximum effective rate limitation of 85.5 percent.
7/ Taking into account maximum effective rate limitation of 76.5 percent.

Note: Computations were made from unrounded figures and will not necessarily agree with figures computed from the rounded amounts and percentages shown.

EXHIBIT 2

Comparison of amounts and effective rates of individual income tax in 1939 with present law 1/ and the House bill (H.R. 1), for specified amounts of net income

Married person 2/ - No dependents

Net income before personal exemption	Amounts of tax			Effective rates			Percent of the increase in tax under present law over 1939 removed by House bill
	1939 3/	Present law	House bill (H.R.1) 4/	1939 3/	Present law	House bill (H.R.1) 4/	
$ 1,200	-	$ 38	$ 27	-	3.2%	2.2%	30.0%
1,500	-	95	67	-	6.3	4.4	30.0
2,000 5/	-	190	133	-	9.5	6.7	30.0
2,100 5/	-	209	153	-	10.0	7.3	26.8
2,200 5/	-	228	173	-	10.4	7.9	24.1
2,300 5/	-	247	193	-	10.7	8.4	21.9
2,396 5/	-	265	212	-	11.1	8.9	20.0
2,500	-	285	228	-	11.4	9.1	20.0
3,000	$ 8	380	304	.3%	12.7	10.1	20.4
4,000	44	589	471	1.1	14.7	11.8	21.6
5,000	80	798	638	1.6	16.0	12.8	22.2
6,000	116	1,045	836	1.9	17.4	13.9	22.5
8,000	248	1,577	1,262	3.1	19.7	15.8	23.7
10,000	415	2,185	1,748	4.2	21.9	17.5	24.7
15,000	924	4,047	3,238	6.2	27.0	21.6	25.9
20,000	1,589	6,394	5,115	7.9	32.0	25.6	26.6
25,000	2,489	9,082	7,266	10.0	36.3	29.1	27.6
50,000	8,869	24,795	19,836	17.7	49.6	39.7	31.1
75,000	18,779	43,092	34,474	25.0	57.5	46.0	35.4

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EXHIBIT 2 - concluded

Comparison of amounts and effective rates of individual income tax in 1939 with present law 1/ and the House bill (H.R. 1), for specified amounts of net income

Married person 2/ - No dependents

Net income before personal exemption	Amounts of tax: 1939 3/	Amounts of tax: Present law	Amounts of tax: House bill (H.R.1) 4/	Effective rates: 1939 3/	Effective rates: Present law	Effective rates: House bill (H.R.1) 4/	Percent of the increase in tax under present law over 1939 removed by House bill
$ 100,000	$ 32,469	$ 63,128	$ 50,502	32.5%	63.1%	50.5%	41.2%
250,000	128,294	191,340	153,072	51.3	76.5	61.2	60.7
303,396 6/	164,571	237,500	190,000	54.2	78.3	62.6	65.1
350,000	197,194	277,790	226,049	56.3	79.4	64.6	64.2
500,000	304,144	407,465	342,074	60.8	81.5	68.4	63.3
750,000	489,094	623,590	535,449	65.2	83.1	71.4	65.5
1,000,000	679,044	839,715	728,824	67.9	84.0	72.9	69.0
2,000,000	1,449,019	1,704,215	1,502,324	72.5	85.2	75.1	79.1
3,000,000	2,228,994	2,565,000 7/	2,275,824	74.3	85.5	75.9	86.1
4,000,000	3,008,994	3,420,000 7/	3,049,324	75.2	85.5	76.2	90.2
5,000,000	3,788,994	4,275,000 7/	3,822,824	75.8	85.5	76.5	93.0
6,000,000	4,578,969	5,130,000 7/	4,590,000 8/	76.3	85.5	76.5	98.0

Treasury Department April 1947

1/ Internal Revenue Code, as amended by Revenue Act of 1945.
2/ Assumes only one spouse has income.
3/ Assumes maximum earned net income.
4/ Assumes taxpayer is under 65 years of age.
5/ These income levels are within the area of the notch provision under the House bill. The 33.5-percent reduction of present law tentative tax ends at $2,000 of net income before personal exemption and the 24-percent reduction of present law tentative tax takes effect at $2,396.
6/ Point at which 15-percent reduction of present law tentative tax takes effect under the House bill.
7/ Taking into account maximum effective rate limitation of 85.5 percent.
8/ Taking into account maximum effective rate limitation of 76.5 percent.

Note: Computations were made from unrounded figures and will not necessarily agree with figures computed from the rounded amounts and percentages shown.

EXHIBIT 3

Comparison of net income after individual income tax in 1939 with present law 1/ and the House bill (H. R. 1), for specified amounts of net income

Married person 2/ - No dependents

Net income before personal exemption	Net income after tax		
	1939 3/	Present law	House bill (H.R.1) 4/
$ 1,200	$ 1,200	$ 1,162	$ 1,173
1,500	1,500	1,405	1,434
2,000 5/	2,000	1,810	1,867
2,100 5/	2,100	1,891	1,947
2,200 5/	2,200	1,972	2,027
2,300 5/	2,300	2,053	2,107
2,396 5/	2,396	2,131	2,184
2,500	2,500	2,215	2,272
3,000	2,992	2,620	2,696
4,000	3,956	3,411	3,529
5,000	4,920	4,202	4,362
6,000	5,884	4,955	5,164
8,000	7,752	6,423	6,738
10,000	9,585	7,815	8,252
15,000	14,076	10,953	11,762
20,000	18,411	13,607	14,885
25,000	22,511	15,918	17,734
50,000	41,131	25,205	30,164
75,000	56,221	31,908	40,526

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EXHIBIT 3 - concluded

Comparison of net income after individual income tax in 1939 with present law 1/ and the House bill (H. R. 1), for specified amounts of net income

Married person 2/ - No dependents

Net income before personal exemption	Net income after tax		
	1939 3/	Present law	House bill (H.R.1) 4/
$ 100,000	$ 67,531	$ 36,873	$ 49,498
250,000	121,706	58,661	96,928
303,396 6/	138,825	65,896	113,396
350,000	152,806	72,211	123,952
500,000	195,856	92,536	157,927
750,000	260,906	126,411	214,552
1,000,000	320,956	160,286	271,177
2,000,000	550,981	295,786	497,677
3,000,000	771,006	435,000 7/	724,177
4,000,000	991,006	580,000 7/	950,677
5,000,000	1,211,006	725,000 7/	1,177,177
6,000,000	1,421,031	870,000 7/	1,410,000 8/

Treasury Department April 1947

1/ Internal Revenue Code, as amended by the Revenue Act of 1945.
2/ Assumes only one spouse has income.
3/ Assumes maximum earned net income.
4/ Assumes taxpayer is under 65 years of age.
5/ These income levels are within the area of the notch provision under the House bill. The 33.5-percent reduction of present law tentative tax ends at $2,000 of net income before personal exemption and the 24-percent reduction of present law tentative tax takes effect at $2,396.
6/ Point at which 15-percent reduction of present law tentative tax takes effect under House bill (H. R. 1).
7/ Taking into account maximum effective rate limitation of 85.5 percent.
8/ Taking into account maximum effective rate limitation of 76.5 percent.

EXHIBIT 4

Estimated revenue loss from each provision of the House bill (H. R. 1), distributed by net income classes, in calendar year 1947

(Assuming income payments of $166 billion)

Net income classes ($000)	Total tax liability under: Present law 1/	Total tax liability under: House bill (H.R. 1)	Total decrease in tax liability from present law	Decrease in total tax liability from present law resulting from each provision of the House bill (H.R.1): Reduction of tentative normal tax and surtax by 33.5% 2/	$67 3/	24% 4/	15% 5/	Additional exemption for persons over 65 years of age 6/
	(In millions)							
$ 0 - $1	$ 299.5	$ 206.4	$ 93.1	$ 89.9	-	-	-	$ 3.2
1 - 2	2,839.6	2,033.9	805.7	499.3	$ 273.4	$ .4	-	32.6
2 - 3	3,692.3	2,846.9	845.4	120.5	210.9	475.9	-	38.1
3 - 4	1,827.7	1,411.8	415.9	13.5	33.3	328.0	-	41.1
4 - 5	775.9	609.0	166.9	.9	2.1	152.8	-	11.1
Under 5	9,435.0	7,108.0	2,327.0	724.1	519.7	957.1	-	126.1
5 - 10	1,318.0	1,042.1	275.9	-	-	263.6	-	12.3
10 - 25	1,874.4	1,495.3	379.1	-	-	374.4	-	4.7
25 - 50	1,435.5	1,157.6	277.9	-	-	276.6	-	1.3
50 - 100	1,183.6	959.5	224.1	-	-	223.5	-	.6
100 - 250	915.2	747.9	167.3	-	-	167.1	-	.2
250 - 500	328.9	274.1	54.8	-	-	51.2	$ 3.6	7/
500 - 1000	234.5	202.3	32.2	-	-	20.8	11.4	7/
1,000 and over	276.2	245.5	30.7	-	-	8.5	22.2	7/
5 and over	7,566.3	6,124.3	1,442.0	-	-	1,385.7	37.2	19.1
Total	17,001.3	13,232.3	3,769.0	724.1	519.7	2,342.8	37.2	145.2

Treasury Department April 1947

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EXHIBIT 4 - concluded

Estimated revenue loss from each provision of the House bill (H. R. 1), distributed by net income classes, in calendar year 1947

Footnotes

1/ Internal Revenue Code, as amended by the Revenue Act of 1945.
2/ Applicable to tentative tax of $200 or less.
3/ Applicable to tentative tax of more than $200 but not more than $279.17.
4/ Applicable to tentative tax of more than $279.17 but not more than $250,000.
5/ Applicable to amounts of tentative tax exceeding $250,000.
6/ Under the House bill, exemptions of taxpayers who have attained the age of 65 are raised by $500. In the case of joint returns, exemptions are raised by $1,000 where both husband and wife have attained the age of 65 and each has $500 or more gross income. Taxpayers with gross income of $500 or more who qualify for the special exemption of $500 must include in their gross income any amounts up to $500 received during the taxable year as railroad retirement or social security benefits (other than lump-sum payments), and certain other pension, annuity or retirement payments which are wholly tax exempt under present law.
7/ Less than $50,000.

EXHIBIT 5

Estimated number of taxable income recipients distributed by the various rate reductions provided under the House bill (H. R. 1), in calendar year 1947

(Assuming income payments of $166 billion)

Reduction of tentative normal tax and surtax by		Surtax net income classes	Number of taxable income recipients: Total	Persons over 65 years of age receiving additional exemption 1/	Other taxable income recipients
			(In thousands)		
33.5%	2/	$ 0 - $1,000	24,847.2	1,098.8	23,748.4
$67	3/	1,000 - 1,395.83	8,511.1	601.2	7,909.9
24%	4/	1,395.83 - 302,395.60	14,360.2	309.6	14,050.6
15%	5/	302,395.60 and over	1.1	6/	1.1
Total			47,719.6	2,009.6	45,710.0

Treasury Department April 1947

1/ Under the House bill, exemptions of taxpayers who have attained the age of 65 are raised by $500. In the case of joint returns, exemptions are raised by $1,000 where both husband and wife have attained the age of 65 and each has $500 or more gross income. Taxpayers with gross income of $500 or more who qualify for the special exemption of $500 must include in their gross income any amounts up to $500 received during the taxable year as railroad retirement or social security benefits (other than lump-sum payments), and certain other pension, annuity or retirement payments which are wholly tax exempt under present law.

2/ Applicable to tentative tax of $200 or less.

3/ Applicable to tentative tax of more than $200 but not more than $279.17.

4/ Applicable to tentative tax of more than $279.17 but not more than $250,000.

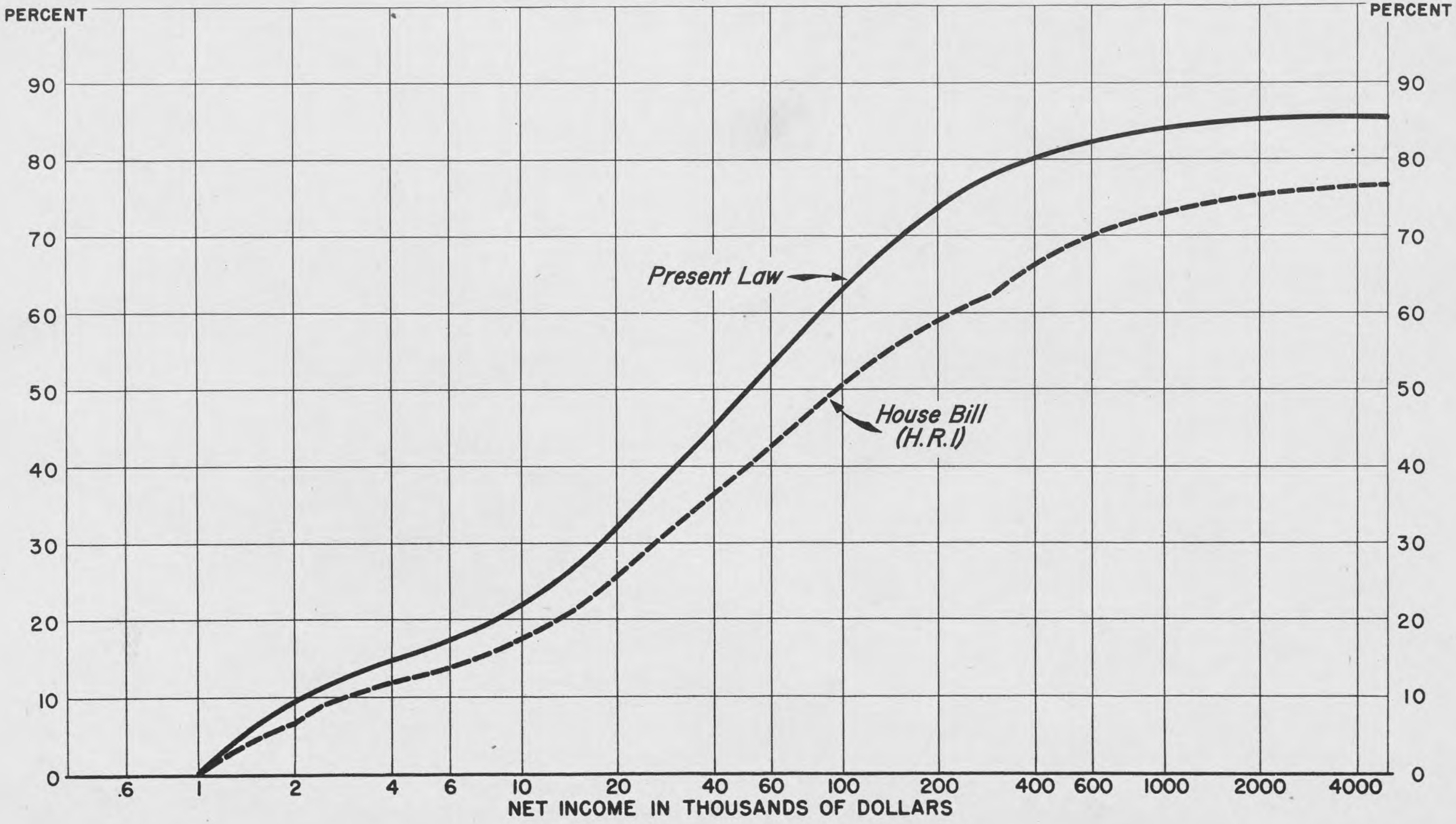
5/ Applicable to amounts of tentative tax exceeding $250,000.

6/ Less than 50.

Chart I

EFFECTIVE RATES OF INDIVIDUAL INCOME TAX

Present Law, and House Bill (H. R. I)
Married Person, No Dependents



Office of the Secretary of the Treasury

APPENDIX

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Table A

Estimated income payments, adjusted gross income, net income before exemptions, and net income subject to surtax and to normal tax under present law, 1/ in calendar year 1947

		Amount of income (billions of dollars)
Total income payments		$ 166
Subtract: Portion of income payments not included in adjusted gross income 2/	25	
Add: Portion of adjusted gross income not included in income payments 3/	3	
Subtract: Net adjustment		22
Total adjusted gross income		144
Subtract: Deductions		17
Net income before exemptions		127
Subtract: Exemptions	58	
Income subject to alternative tax but not to surtax (applicable to net long-term capital gains)	1	
Subtract: Portion of net income before exemptions not subject to surtax		58
Net income subject to surtax		69
Subtract: Partially tax-exempt interest subject to surtax but not to normal tax		*
Net income subject to normal tax		69

Treasury Department April 1947

1/ Internal Revenue Code, as amended by the Revenue Act of 1945.
2/ Includes Government transfer payments, nontaxable pay of armed forces, interest and dividend payments not currently taxable, and other exclusions.
3/ Includes net capital gains and employees' contributions to Government retirement and Social Security funds.

* Less than $50 million.

Note: Figures are rounded to the nearest billion dollars and will not necessarily add to totals.

Table B

Estimated number of taxable and nontaxable income recipients, their income and individual income tax liabilities under present law, 1/ in calendar year 1947

(Assuming income payments of $166 billion)

	Number of income recipients (thousands)	Amount of income (millions of dollars)	Tax liability (millions of dollars)
Total, all income recipients	65,300	$127,300 2/	$17,001
Nontaxable income recipients	16,755	13,267 2/	--
Taxable income recipients	48,545	114,033 2/	17,001
Subject to surtax	48,545	69,114 4/	14,723
Subject to normal tax	48,545 3/	69,087 5/	1,969
Subject to alternative tax	37	619 6/	309

Treasury Department April 1947

1/ Internal Revenue Code, as amended by the Revenue Act of 1945.
2/ Net income before exemptions.
3/ The number of persons paying normal tax is estimated to be less than 500 smaller than the number paying surtax.
4/ Surtax net income.
5/ Normal tax net income.
6/ Net long-term capital gains subject to alternative tax.

Table C

Estimated number of taxable income recipients under present law, 1/ their surtax net income and combined normal tax and surtax, distributed by surtax net income brackets, in calendar year 1947

(Assuming income payments of $166 billion)

Surtax net income brackets ($000)	Taxable income recipients cumulated from highest bracket: Number	Taxable income recipients cumulated from highest bracket: Percent	Surtax net income in bracket: Amount	Surtax net income in bracket: Percent	Combined normal tax and surtax in bracket 2/: Amount	Combined normal tax and surtax in bracket 2/: Percent
	(Number of income recipients in thousands; money amounts in millions)					
0 - .5	$48,544.6	100.00%	$21,019.5	30.41%	$3,993.6	23.93%
.5 - 1.0	35,707.7	73.56	14,557.6	21.06	2,765.8	16.57
1.0 - 1.5	22,871.4	47.11	8,937.1	12.93	1,697.9	10.17
1.5 - 2.0	13,357.9	27.52	5,089.7	7.36	967.0	5.79
2 - 4	7,317.9	15.07	6,562.1	9.49	1,371.4	8.22
4 - 6	1,688.9	3.48	2,508.1	3.63	619.5	3.71
6 - 8	1,042.1	2.15	1,650.3	2.39	470.3	2.82
8 - 10	723.1	1.49	1,199.7	1.74	387.5	2.32
10 - 12	537.7	1.11	907.6	1.31	327.6	1.96
12 - 14	412.8	.85	714.9	1.03	292.0	1.75
14 - 16	329.5	.68	580.4	.84	259.2	1.55
16 - 18	269.9	.56	480.4	.70	228.2	1.37
18 - 20	224.9	.46	404.0	.58	203.4	1.22
20 - 22	190.2	.39	342.6	.50	182.2	1.09
22 - 26	160.6	.33	539.4	.78	302.3	1.81
26 - 32	117.6	.24	612.8	.89	360.9	2.16
32 - 38	87.1	.18	435.6	.63	269.0	1.61
38 - 44	61.4	.13	332.4	.48	217.8	1.30
44 - 50	48.7	.10	258.9	.37	177.1	1.06
50 - 60	39.5	.08	321.3	.46	229.0	1.37
60 - 70	27.4	.06	231.2	.33	171.3	1.03
70 - 80	19.5	.04	169.0	.24	130.0	.78
80 - 90	15.3	.03	135.2	.20	107.9	.65
90 - 100	11.8	.02	101.9	.15	84.3	.51
100 - 150	9.5	.02	313.9	.45	265.4	1.59
150 - 200	4.0	.01	139.1	.20	119.0	.71
Over 200	2.2	*	569.8	.82	492.6	2.95
Total			69,114.3	100.00	16,692.0	100.00

Treasury Department April 1947

1/ Internal Revenue Code, as amended by the Revenue Act of 1945.
2/ Normal tax and surtax were obtained separately by applying the appropriate rates to normal tax and surtax net income. Since normal tax net income is somewhat less than surtax net income, these amounts will differ slightly from the result obtained by applying the combined rates to surtax net income.
* Less than .005 percent.

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

Table D

Estimated number of taxable income recipients under present law, 1/ their net income before exemptions, surtax net income and total tax liability, distributed by net income classes, in calendar year 1947

(Assuming income payments of $166 billion)

Net income classes ($000)	Taxable income recipients: Number	Taxable income recipients: Percent	Net income before exemptions: Amount	Net income before exemptions: Percent	Surtax net income: Amount	Surtax net income: Percent	Total tax liability 2/: Amount	Total tax liability 2/: Percent
	(Number of income recipients in thousands; money amounts in millions)							
$ 0 - 1	6,352.3	13.1%	$4,738.6	4.2%	$1,576.8	2.3%	$ 299.5	1.8%
1 - 2	20,138.9	41.5	29,590.1	25.9	14,946.5	21.6	2,839.6	16.7
2 - 3	14,322.0	29.5	35,257.9	30.9	19,394.8	28.1	3,692.3	21.7
3 - 4	4,655.5	9.6	15,903.5	13.9	9,472.6	13.7	1,827.7	10.8
4 - 5	1,333.2	2.7	5,892.7	5.2	3,944.0	5.7	775.9	4.6
Under 5	46,801.8	96.4	91,382.8	80.1	49,334.7	71.4	9,435.0	55.5
5 - 10	1,126.9	2.3	7,628.2	6.7	6,107.0	8.8	1,318.0	7.8
10 - 25	470.2	1.0	6,920.4	6.1	6,328.3	9.2	1,874.4	11.0
25 - 50	101.2	.2	3,426.1	3.0	3,174.3	4.6	1,435.5	8.4
50 - 100	32.7	.1	2,185.6	1.9	2,018.9	2.9	1,183.6	7.0
100 - 250	9.8	*	1,392.7	1.2	1,222.7	1.8	915.2	5.4
250 - 500	1.3	*	451.1	.4	372.9	.5	328.9	1.9
500 - 1,000	.4	*	302.4	.3	258.0	.4	234.5	1.4
1,000 and over	.2	*	344.0	.3	297.6	.4	276.2	1.6
Over 5	1,742.8	3.6	22,650.5	19.9	19,779.6	28.6	7,566.3	44.5
Grand total	48,544.6	100.0	114,033.3	100.0	69,114.3	100.0	17,001.3	100.0

Treasury Department — April 1947

1/ Internal Revenue Code, as amended by the Revenue Act of 1945.
2/ Includes normal tax, surtax, and alternative tax on net long-term capital gains.
* Less than .05 percent.

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

Table E

Estimated number of taxable income recipients and their total tax liability under present law, 1/ the House bill (H.R. 1), and the House bill (H.R. 1) without the special provision for the aged, 2/ distributed by net income classes, in calendar year 1947

(Assuming income payments of $166 billion)

Net income classes ($000)	Number of taxable income recipients: Present law	Number of taxable income recipients: House bill (H.R. 1) 4/	Total tax liability 3/: Under present law	Under House bill (H.R. 1): Amount	Under House bill (H.R. 1): Decrease from present law: Amount	Under House bill (H.R. 1): Decrease from present law: Percent distribution	Under House bill (H.R. 1) without the special provision for the aged: Amount	Without the special provision for the aged: Decrease from present law: Amount	Without the special provision for the aged: Decrease from present law: Percent distribution
	(Number of income recipients in thousands; money amounts in millions)								
0 - 1	6,352.3	5,992.3	$ 299.5	$ 206.4	$ 93.1	2.5%	$ 209.6	$ 89.9	2.5%
1 - 2	20,138.9	19,768.9	2,839.6	2,033.9	805.7	21.4	2,066.5	773.1	21.3
2 - 3	14,322.0	14,227.0	3,692.3	2,846.9	845.4	22.4	2,885.0	807.3	22.3
3 - 4	4,655.5	4,655.5	1,827.7	1,411.8	415.9	11.0	1,452.9	374.8	10.3
4 - 5	1,333.2	1,333.2	775.9	609.0	166.9	4.4	620.1	155.8	4.3
Under 5	46,801.8	45,976.8	9,435.0	7,108.0	2,327.0	61.7	7,234.1	2,200.9	60.7
5 - 10	1,126.9	1,126.9	1,318.0	1,042.1	275.9	7.3	1,054.4	263.6	7.3
10 - 25	470.2	470.2	1,874.4	1,495.3	379.1	10.1	1,500.0	374.4	10.4
25 - 50	101.2	101.2	1,435.5	1,157.6	277.9	7.4	1,158.9	276.6	7.6
50 - 100	32.7	32.7	1,183.6	959.5	224.1	5.9	960.1	223.5	6.2
100 - 250	9.8	9.8	915.2	747.9	167.3	4.4	748.1	167.1	4.6
250 - 500	1.3	1.3	328.9	274.1	54.8	1.5	274.1	54.8	1.5
500 - 1,000	.4	.4	234.5	202.3	32.2	.9	202.3	32.2	.9
1,000 and over	.2	.2	276.2	245.5	30.7	.8	245.5	30.7	.8
Over 5	1,742.8	1,742.8	7,566.3	6,124.3	1,442.0	38.3	6,143.4	1,422.9	39.3
Grand total	48,544.6	47,719.6	17,001.3	13,232.3	3,769.0	100.0	13,377.5	3,623.8	100.0

Treasury Department

April 1947

Footnotes on next page.

Table E - concluded

Estimated number of taxable income recipients and their total tax liability under present law, 1/ the House bill (H.R. 1), and the House bill (H.R. 1) without the special provision for the aged, 2/ distributed by net income classes, in calendar year 1947

Footnotes

1/ Internal Revenue Code, as amended by the Revenue Act of 1945.

2/ Under the House bill, exemptions of taxpayers who have attained the age of 65 are raised by $500. In the case of joint returns, exemptions are raised by $1,000 where both husband and wife have attained the age of 65 and each has $500 or more gross income. Taxpayers with gross income of $500 or more who qualify for the special exemption of $500 must include in their gross income any amounts up to $500 received during the taxable year as railroad retirement or social security benefits (other than lump sum payments), and certain other pension, annuity or retirement payments which are wholly tax exempt under present law.

3/ Includes normal tax, surtax and alternative tax on net long-term capital gains.

4/ The number of taxable income recipients under H.R. 1 without the special provision for the aged would be the same as under present law.

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

Table F

Estimated number of taxable income recipients, their surtax net income and combined normal tax and surtax under various exemptions, in calendar year 1947

(Assuming income payments of $166 billion)

Exemptions			Taxable income recipients			Surtax net income			Combined normal tax & surtax		
Single person	Married couple	Dependents	Number	Decrease from present law		Amount	Decrease from present law		Amount	Decrease from present law	
				Number	Percent		Amount	Percent		Amount	Percent
(Number of income recipients in thousands; money amounts in millions)											
$500 1/	$1,000 1/	$500 1/	48,544.6	-	-	$69,114.3	-	-	$16,692.0	-	-
600	1,200	600	43,816.7	4,727.9	9.7%	60,820.9	$8,293.4	12.0%	15,046.1	$1,645.9	9.9%
700	1,400	700	38,017.0	10,527.6	21.7	53,851.7	15,262.6	22.1	13,658.3	3,033.7	18.2
800	1,600	400 2/	39,491.6	9,053.0	18.6	52,329.1	16,785.2	24.3	13,383.2	3,308.8	19.8
1,000	2,000	500 2/	29,803.2	18,741.4	38.6	41,771.8	27,342.5	39.6	11,280.6	5,411.4	32.4

Treasury Department

April 1947

1/ Present law: Internal Revenue Code, as amended by the Revenue Act of 1945.
2/ Assuming the first dependent of a single person would qualify the single person as a head of family, entitled to a married couple's exemption.

Table G

Estimated number of taxable income recipients and their combined normal tax and surtax under various exemptions, distributed by net income classes, in calendar year 1947

(Assuming income payments of $166 billion)

Net income classes ($000)	Exemptions for single persons, married couples and dependents, respectively									
	$500, $1,000, $500 (Present law 1/)		$600, $1,200, $600		$700, $1,400, $700		$800, $1,600, $400 2/		$1,000, $2,000, $500 2/	
	Number of taxable income recipients	Combined normal tax and surtax	Number of taxable income recipients	Combined normal tax and surtax	Number of taxable income recipients	Combined normal tax and surtax	Number of taxable income recipients	Combined normal tax and surtax	Number of taxable income recipients	Combined normal tax and surtax
	(Number of income recipients in thousands; money amounts in millions)									
0 - 1	6,352.3	$ 299.5	5,752.3	$ 179.5	3,234.8	$ 105.2	3,146.0	$ 46.4	47.2	$ 2.2
1 - 2	20,138.9	2,839.6	17,549.8	2,332.5	15,170.0	1,923.8	15,489.5	1,615.6	12,634.5	1,048.8
2 - 3	14,322.0	3,692.3	12,930.2	3,134.1	12,343.9	2,659.6	13,175.8	2,578.7	9,817.1	1,805.1
3 - 4	4,655.5	1,827.7	4,520.3	1,585.8	4,240.2	1,368.8	4,604.2	1,446.2	4,249.2	1,076.2
4 - 5	1,333.2	775.9	1,321.3	696.5	1,285.4	621.2	1,333.2	660.4	1,312.5	536.3
Under 5	46,801.8	9,435.0	42,074.0	7,928.4	36,274.2	6,678.6	37,748.8	6,347.3	28,060.4	4,468.5
5 - 10	1,126.9	1,318.0	1,126.9	1,244.3	1,126.9	1,171.6	1,126.9	1,199.1	1,126.9	1,081.5
10 - 25	470.2	1,864.5	470.2	1,819.4	470.2	1,774.8	470.2	1,790.7	470.2	1,717.2
25 - 50	101.2	1,365.7	101.2	1,352.3	101.2	1,338.9	101.2	1,346.9	101.2	1,325.5
50 - 100	32.7	1,117.7	32.7	1,112.6	32.7	1,107.3	32.7	1,110.7	32.7	1,102.6
100 - 250	9.8	835.1	9.8	833.4	9.8	831.8	9.8	832.8	9.8	830.2
250 - 500	1.3	290.5	1.3	290.3	1.3	290.0	1.3	290.2	1.3	289.8
500 - 1,000	.4	212.5	.4	212.5	.4	212.4	.4	212.5	.4	212.3
1,000 and over	.2	253.0	.2	253.0	.2	253.0	.2	253.0	.2	253.0
Over 5	1,742.8	7,257.0	1,742.8	7,117.7	1,742.8	6,979.8	1,742.8	7,035.9	1,742.8	6,812.1
Grand Total	48,544.6	16,692.0	43,816.7	15,046.1	38,017.0	13,658.3	39,491.6	13,383.2	29,803.2	11,280.6

Treasury Department

April 1947

1/ Internal Revenue Code, as amended by the Revenue Act of 1945.
2/ Assuming the first dependent of a single person would qualify the single person as a head of family, entitled to a married couple's exemption.

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

Table H

Number of taxable individual and fiduciary returns, tax and net income, 1913-1945 and estimated for 1946-1947

Year	Number of returns	Tax	Net income
		(In thousands of dollars)	
1913	1/	$ 28,254 2/	3/
1914	1/	41,046 2/	3/
1915	1/	67,944 2/	3/
1916	362,970	173,387	$ 6,037,233
1917	2,707,234	795,381 4/	10,592,987 5/
1918	3,392,863	1,127,722	13,892,776
1919	4,231,181	1,269,630	17,691,620
1920	5,518,310	1,075,054	20,228,959
1921	3,589,985	719,387	13,409,685
1922	3,681,249	861,057	15,043,514
1923	4,270,121	661,666 6/	17,497,383
1924	4,489,698	704,265	19,468,724
1925	2,501,166	734,555	17,471,219
1926	2,470,990	732,475	17,422,633
1927	2,440,941	830,639	18,090,065
1928	2,523,063	1,164,254	21,031,634
1929	2,458,049	1,001,938	20,493,491
1930	2,037,645	476,715	13,692,584
1931	1,525,546	246,127	9,297,018
1932	1,936,095	329,962	7,919,588
1933	1,747,740	374,120	7,372,660
1934	1,795,920	511,400	8,343,558
1935	2,110,890	657,439	10,034,106
1936	2,861,108	1,214,017	14,218,854
1937	3,371,443	1,141,569	15,264,162
1938	3,048,545	765,833	12,671,537
1939	3,959,297	928,694	15,803,945
1940	7,504,649	1,496,403	23,558,030
1941	17,587,471	3,907,951	45,902,884
1942	27,718,534	8,926,712	67,060,862
1943	40,337,293	14,590,018 7/	98,150,189
1944 prel.	42,446,538	16,346,568	3/
1945	42,890,679 8/	18,265,000 9/	3/
1946 9/	39,500,000	16,391,000	3/
1947 9/	43,500,000	17,001,260	114,033,302

Treasury Department April 1947

Source: Data for 1916-42 from "Statistics of Income"; data for 1943 and 1944 compiled by the Bureau of Internal Revenue.

Footnotes on next page

Table H - concluded

Number of taxable individual and fiduciary returns, tax and net income, 1913-1945 and estimated for 1946-1947

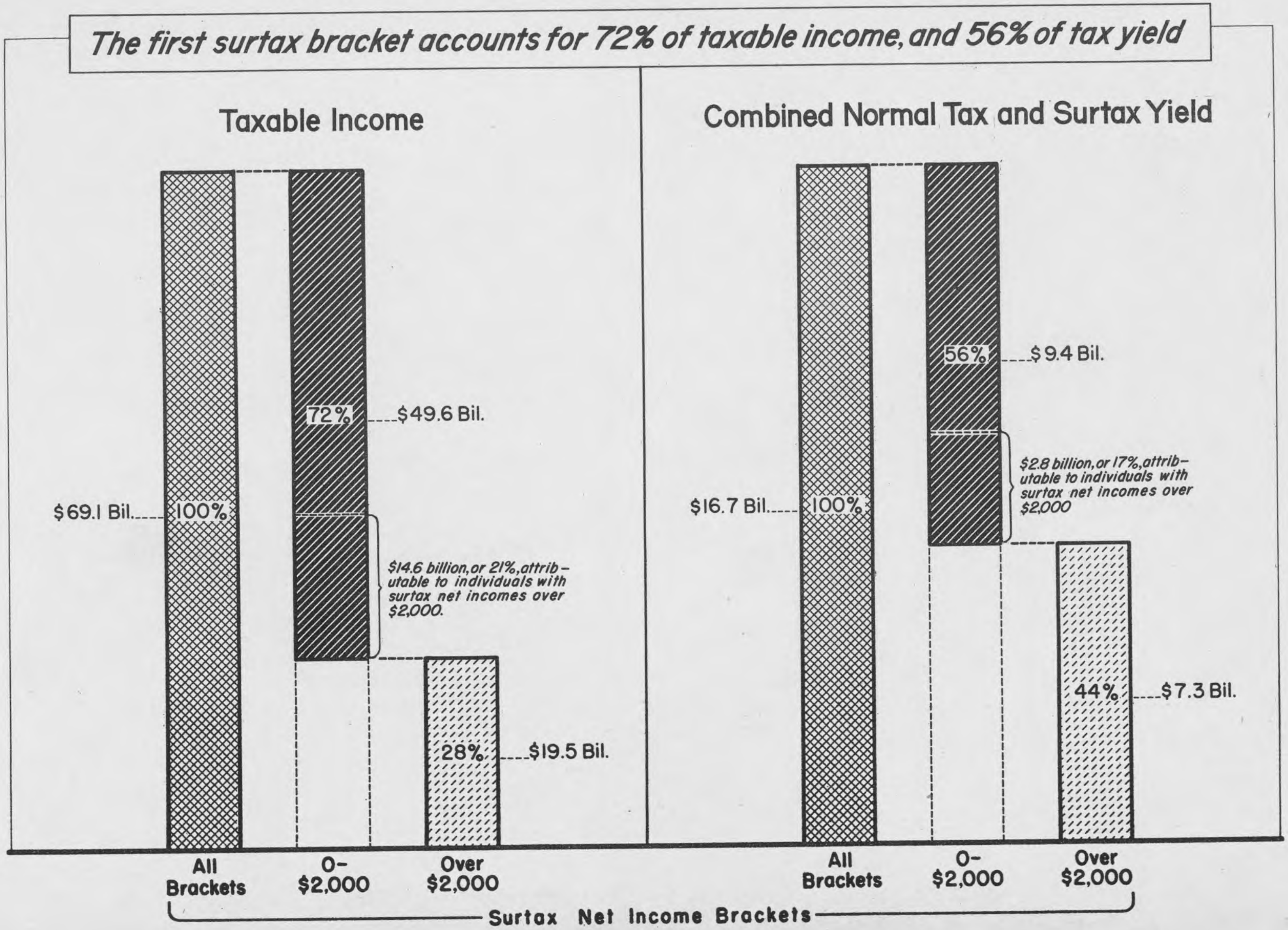
Footnotes

1/ Not available. The total number of taxable and nontaxable returns filed were as follows: 1913, 357,598; 1914, 357,515; and 1915, 336,652.
2/ Receipts (including fines, penalties, additional assessments, etc.) for the fiscal year ended June 30 immediately following, as shown in annual reports of the Commissioner of Internal Revenue.
3/ Not available.
4/ Includes war excess-profits taxes of $101,249,781 on individuals and $103,887,984 on partnerships.
5/ Tax base for taxable returns with net incomes of $2,000 and over. There were 1,591,518 taxable returns with net incomes of $2,000 and over, for which the tax amounted to $675,249,450.
6/ Amount after the 25-percent reduction provided by Section 1200(a), Revenue Act of 1924.
7/ Excludes additions to liability under the Current Tax Payment Act of 1943 amounting to $2,555,894,000.
8/ Obtained from Collectors' Monthly Report to Commissioner of Returns Filed.
9/ Estimated.

Chart A

INDIVIDUAL INCOME TAX ESTIMATES FOR 1947

At $166 Billion Income Payments; Under Present Law



Office of the Secretary of the Treasury

TREASURY DEPARTMENT
Washington

FOR RELEASE, MORNING NEWSPAPERS,
Tuesday, April 22, 1947.

Press Service

The Secretary of the Treasury announced last evening that the tenders for $1,100,000,000, or thereabouts, of 91-day Treasury bills to be dated April 24 and to mature July 24, 1947, which were offered on April 18, 1947, were opened at the Federal Reserve Banks on April 21.

The details of this issue are as follows:

Total applied for - $1,665,272,000
Total accepted - 1,100,390,000 (includes $17,557,000 entered on a fixed-price basis at 99.905 and accepted in full)
Average price - 99.905/ Equivalent rate of discount approx. 0.376% per annum

Range of accepted competitive bids:

High - 99.907 Equivalent rate of discount approx. 0.368% 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		$ 9,000,000	$ 6,095,000
New York		1,280,700,000	839,175,000
Philadelphia		13,574,000	9,357,000
Cleveland		22,790,000	15,440,000
Richmond		15,960,000	12,985,000
Atlanta		700,000	700,000
Chicago		258,788,000	169,538,000
St. Louis		5,850,000	4,310,000
Minneapolis		3,745,000	2,800,000
Kansas City		5,795,000	4,920,000
Dallas		2,220,000	1,870,000
San Francisco		46,150,000	33,200,000
	TOTAL	$1,665,272,000	$1,100,390,000

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TREASURY DEPARTMENT

Washington

FOR RELEASE, MORNING NEWSPAPERS,
Tuesday, April 22, 1947.

Press Service
No. S-311

The Secretary of the Treasury announced last evening that the tenders for $1,100,000,000, or thereabouts, of 91-day Treasury bills to be dated April 24 and to mature July 24, 1947, which were offered on April 18, 1947, were opened at the Federal Reserve Banks on April 21.

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St. Louis	5,850,000	4,310,000
Minneapolis	3,745,000	2,800,000
Kansas City	5,795,000	4,920,000
Dallas	2,220,000	1,870,000
San Francisco	46,150,000	33,200,000
TOTAL	$1,665,272,000	$1,100,390,000

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FOR RELEASE,
Thursday, Apr

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The first new agent was asked to look over a routine partnership case. He discovered irregularities in the conversion of a former corporation into the partnership, and obtained a voluntary agreement to pay $237,000 of evaded taxes.

The second new agent was told to make a routine check of the financial affairs of a small packing house. He found a secret bank account containing black market profits, on which $350,000 in additional taxes will be assessed. In addition, criminal prosecutions may result.

The third new agent was assigned to investigate the tax return of a retail store chain. The return was so well prepared that its audit was undertaken without a trace of suspicion. The new agent, however, found that the chain had concealed much of its income, and a $500,000 additional tax is being assessed. This finding caused investigation of a similar chain, and another large tax payment is in prospect.

"These are samples of what our new men are doing," the Secretary commented. "The older men are doing even better, and month by month the proceeds of the evasion drive increase.

"In the first eight months of this fiscal year, additional assessments resulting from investigations totalled $1,146,516,000, an increase of 50 percent over the similar months last year. The continued rate of increase gives additional confidence to our estimate that, with adequate appropriations, we can collect $2,500,000,000 in the next fiscal year from these investigations. Justice demands that these people be forced to pay up."

TO: Mr. Shaeffer

FOR RELEASE,
Thursday, Apr

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TREASURY DEPARTMENT

Washington

FOR RELEASE, MORNING NEWSPAPERS
Thursday, April 24, 1947

Press Service
No. S-312

The Treasury's backlog of suspected tax evasion cases is continuing to yield large amounts of added revenue, Secretary Snyder said today. Even newly-appointed and relatively inexperienced investigators are bringing millions of dollars into the Treasury in the attack on tax dodgers.

The Secretary told of a report by Joseph D. Nunan, Jr., Commissioner of Internal Revenue, concerning the results of work on the West Coast by three new investigators, fresh from training classes.

The first new agent was asked to look over a routine partnership case. He discovered irregularities in the conversion of a former corporation into the partnership, and obtained a voluntary agreement to pay $237,000 of evaded taxes.

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Recent investigations included the following:

Alcohol tax agents in a southern state flew in a Coast Guard plane over a suspected area and plotted the location of 150 illegal stills in four days.

Income tax agents, investigating the used car black market in a large eastern city, discovered one firm which had evaded $530,000 in taxes, and expect similar results from investigations of several other dealers in the same city. One dealer, in order to cover up over-ceiling sales during the OPA regime, required a customer to buy two cars at a time. Both cars would be priced at OPA ceilings, but one would be so decrepit that it could not be moved off the dealer's lot. The wornout car was always bought back by the dealer for a few dollars and used over again in another deal.

A western fruit and vegetable concern was found to have concealed sales and padded expenses in order to evade $345,000 of taxes.

A southern self-styled "tax consultant" was recently sentenced to 18 months in jail and fined $5,000 for instigating fake refund claims for his clients.

Investigation of an eastern optical company disclosed that one-third of its sales income was "kicked back" to practitioners, with neither paying tax on the income.

A large number of the thousands of cases still awaiting investigation date back to wartime. Despite speeding up of the evasion inquiries, due to improved procedures and added experience, the Internal Revenue Bureau's corps of investigators still is far from being current in its work.

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and spiritual well-being of the Nation.

The road of progress is a difficult one. The path to economic, financial and political stability, in the face of our present national problems, is not smooth. Within the next few years, democracy must demonstrate her competence to overcome the obstacles and hindrances before us. Democracy will succeed if all of us actively cooperate to this end.

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In such manner, our government will be well equipped to meet the tremendous responsibilities of this modern world.

The people of Arkansas, by a whole-hearted devotion to the economic goals we have set for ourselves, can, I am confident, reach a level of material prosperity such as we have never before known. By the same token, the cooperative endeavors of the American people will assure the continued material citizenship by proper selection of our officials, and by willingness and ability to give of our own talents to public service.

Having assured the selection of the right men, we must give them our support. We must demonstrate that an alert and informed citizenship expects of them the highest ideals of performance, and backs them to the limit in the execution of their trust.

local governments are hardly less important.

It is not enough today that we have good government. We must have vigorous government, government by men of integrity, energy, vision, and unselfishness.

A democratic government is worth our sincere endeavors. It is worth making a matter of personal, individual concern. We must exercise the responsibilities of

The expansion of this nation, in industry, in population, and in world interests has placed upon our National Administration a responsibility far greater than on that of any previous generation. The welfare of all of us, and to a great extent, world progress toward economic stability and peace, depend upon its leadership. The responsibilities of the leaders of our state and newspapers, and other informational media, our people are in better position than ever before to understand and to help solve the problems of government.

5 We have had a wonderful example of the value of public understanding in the unity with which our citizenship, regardless of party or particular interests, has supported the President in his conduct of world political and economic affairs.

activities. I hope that a number of the young people of my own State will be interested in qualifying for positions under the civil service.

There is still another way in which the character of our government can be improved. That is through a vigorous and continuing interest in her functions on the part of our entire people.

We are fortunate that through our educational system, the radio, represented in government personnel.

While we are in the process of reducing the government establishment to a peacetime level, no large scale recruitment is in prospect, but we are undertaking this program on a long range basis.

We are asking colleges throughout the country to advise us of the names of prominent students in their classes which deal with subjects related to Treasury

Even if such students turn their talents to the fields of private enterprise, the training they receive will make them more alert to the responsibilities of citizenship.

In the Treasury Department, we are developing a definite program to enlist for Federal employment, those so qualified. We are hoping in the years to come, that the most able men and women from our universities, business institutions, and like fields, will be well preparation for civilian careers. Many of them are displaying an eager interest in the field of government.

We find in our colleges and universities an unprecedented demand for courses in civil administration, economics, law, finance, and in statistical studies -- all branches of training that seem to lead naturally to careers in government.

public servants, has not made easier the task of filling posts of responsibility.

Another way in which we can elevate the standards of public administration is to push energetically a widespread program of training for such employment.

A great number of our young people, returned from military service, are taking advantage of Federal assistance in further

Presidency in these critical times.

I know from intimate personal experience, too, that the majority of Federal employees, from Cabinet members and heads of departments to clerks in the most routine jobs, are serving energetically and well.

The right to object, and to criticize, is in the American tradition, and none of us would change that. But the criticism that at times has been heaped indiscriminately upon

Appreciation cannot fail to inspire in men of public office a spirit of unselfishness in rendering service. And the great majority of our public leaders have sought to place the welfare of all the people ahead of any other consideration. They have not been deterred nor influenced by the prospect of personal gain or by the fear of personal loss.

Such is the philosophy that Harry Truman has brought to the government impose upon other leaders in our national establishment and in our increasingly complex state and local administrations.

If we are to attract the most capable administrators, the keenest intellects, and the leaders of vision to public service, we must vest in such service not only adequate material compensation, but the incentive produced by recognized efforts.

problems incident to government, give a greater degree of appreciation for efforts expended in public service, and then demonstrate that appreciation, as you have done so impressively here.

Certainly we are more conscious today than ever before of the tremendous burden that rests upon the man who occupies the Presidency of this Nation. I am sure, too, that we realize more and more the great demands that the vital problems of significant and troublous times, cannot be over-emphasized.

Never have we had a more urgent need than today for the talents and energies of capable, conscientious men and women in the administration of our affairs, whether at local, state, or national levels.

We must do all we can to encourage and attract such leaders to public life.

We must develop and manifest a wider understanding of the great

The veterans now returned, take up their civilian occupations with a broader vision and a keener sense of responsibility. In memory of the men and women who gave their lives, and in the name of our physically incapacitated, all of us are challenged to further and greater service in peacetime America.

For there is a new call in public service for that leadership such as made Arkansas a great State. The importance of public service, in these and war efforts. More than $290 million of this amount was in Series E Bonds, savings largely arising from the earnings of ~~her~~ OUR workers and farmers.

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cotton -- all these came out of the enterprise of our commonwealth in ever-increasing quantities. Meats, dairy products, poultry, and other foodstuffs for our armies and those of our allies, were supplied in great amounts.

And, at the same time, Arkansas established a record of particular importance to the Treasury Department. Her citizens invested more than $375 million in savings Bonds to help finance our defense and bombers so essential to the defeat of our enemies. Arkansas aluminum went into numerous other products essential to our military effort, and this metal is only a part of the story.

Manganese output increased 37 percent over 1939. Petroleum and its by-products, building materials of all kinds, forestry yields, During my service in Washington, first, with the Defense Plants Corporation, and later, as Director of War Mobilization and Reconversion, I had opportunity to scrutinize Arkansas' wartime accomplishments.

In terms of War Production, we ranked high in aluminum. HERE, The greatest bauxite deposits our nation possesses provided 94 percent of all the ore mined in North America. From them came an astounding proportion of the airforce fighters

Arkansas today, is beginning a new era of industrial, economic, and social progress. This era holds promise of increasing prosperity for our people, and of expanding influence in the trade marts of the world.

Our productive contribution to the Nation's war effort has fully demonstrated our capabilities. When we consider the factors of size and population, no State has a more impressive record in this respect.

importance is reflected in this magnificent State House in which we are now met.

This building depicts, in its beauty and dignity, our principles of cooperative freedom; it represents to us the power of justice in our complex social and economic life; it symbolizes the duties of our government -- to serve and to guard, constantly and zealously, the American birthright.

zone, the mountains of coal, the precious metals, and in addition the many industries covering the state.

We were singularly blessed by the great Mississippi and Arkansas Rivers. They provided a gateway, first to a rich plantation life in their bottom lands, and later to the development of the agricultural riches and extensive mineral resources of Arkansas. And we can have a particular pride in this capitol city of Little Rock, whose

They can take pride in the beauty of her streams and mountains, in the sturdy character of her people, in the steady progress of her industries, and in the growth of her fine cities.

For in her reservoir of wealth are the extreme fertility of the river belts, the rich production of oil and gas deposits in the southwest, the timber growth of nearly every variety known to the temperate

Business and government service have taken me away from Arkansas. But, my childhood was spent in the northeastern part of the State, at Jonesboro, and I began my banking career at Forrest City. So, I have always claimed full citizenship.

We never forget the influences of our early environment. And certainly Arkansas, so suitably named the Wonder State, has richly endowed her sons.

you have chosen to place my portrait here in our imposing capitol building, alongside those distinguished governors who have helped to guide the destinies of this State.

It is with sincere humility and a strong sense of responsibility that I accept this high compliment. And, I will do my best to be worthy at all times of your generous tribute.

Final copy.

An Address by Secretary Snyder Prepared for
Delivery at Little Rock, Arkansas

April 27, 1947

The desire for approval and good wishes of friends and neighbors is inherent in every man. Particularly does he want the honor and respect of those in his home town, his own community, and his native state.

Consequently, I deeply appreciate the courtesy you pay me today. I feel doubly honored that

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TREASURY DEPARTMENT

Washington

(The following address by Secretary Snyder at the unveiling of his portrait and its presentation to the State at Little Rock, Arkansas, is scheduled for delivery at 2:00 P.M. C.S.T., Sunday, April 27, 1947, and is for release at that time.)

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If we are to attract the most capable administrators, the keenest intellects, and the leaders of vision to public service, we must vest in such service not only adequate material compensation, but the incentive produced by recognized efforts.

Appreciation cannot fail to inspire in men of public office a spirit of unselfishness in rendering service. And the great majority of our public leaders have sought to place the welfare of all the people ahead of any other consideration. They have not been deterred nor influenced by the prospect of personal gain or by the fear of personal loss.

Such is the philosophy that Harry Truman has brought to the Presidency in these critical times.

I know from intimate personal experience, too, that the majority of Federal employees, from Cabinet members and heads of departments to clerks in the most routine jobs, are serving energetically and well.

The right to object, and to criticize, is in the American tradition, and none of us would change that. But the criticism that at times has been heaped indiscriminately upon public servants, has not made easier the task of filling posts of responsibility.

Another way in which we can elevate the standards of public administration is to push energetically a widespread program of training for such employment.

A great number of our young people, returned from military service, are taking advantage of Federal assistance in further preparation for civilian careers. Many of them are displaying an eager interest in the field of government.

We find in our colleges and universities an unprecedented demand for courses in civil administration, economics, law, finance, and in statistical studies -- all branches of training that seem to lead naturally to careers in government.

Even if such students turn their talents to the fields of private enterprise, the training they receive will make them more alert to the responsibilities of citizenship.

In the Treasury Department, we are developing a definite program to enlist for Federal employment, those so qualified. We are hoping in the years to come, that the most able men and women from our universities, business institutions, and like fields, will be well represented in government personnel.

While we are in the process of reducing the government establishment to a peacetime level, no large scale recruitment is in prospect, but we are undertaking this program on a long range basis.

We are asking colleges throughout the country to advise us of the names of prominent students in their classes which deal with subjects related to Treasury activities. I hope that a number of the young people of my own State will be interested in qualifying for positions under the civil service.

There is still another way in which the character of our government can be improved. That is through a vigorous and continuing interest in her functions on the part of our entire people.

We are fortunate that through our educational system, the radio, newspapers, and other informational media, our people are in better position than ever before to understand and to help solve the problems of government.

We have had a wonderful example of the value of public understanding in the unity with which our citizenship, regardless of party or particular interests, has supported the President in his conduct of world political and economic affairs.

The expansion of this nation, in industry, in population, and in world interests has placed upon our National Administration a responsibility far greater than on that of any previous generation. The welfare of all of us, and to a great extent, world progress toward economic stability and peace, depend upon its leadership. The responsibilities of the leaders of our state and local governments are hardly less important.

It is not enough today that we have good government. We must have vigorous government, government by men of integrity, energy, vision, and unselfishness.

A democratic government is worth our sincere endeavors. It is worth making a matter of personal, individual concern. We must exercise the responsibilities of citizenship by proper selection of our officials, and by willingness and ability to give of our own talents to public service.

Having assured the selection of the right men, we must give them our support. We must demonstrate that an alert and informed citizenship expects of them the highest ideals of performance, and backs them to the limit in the execution of their trust.

In such manner, our government will be well equipped to meet the tremendous responsibilities of this modern world.

The people of Arkansas, by a whole-hearted devotion to the economic goals we have set for ourselves, can, I am confident, reach a level of material prosperity such as we have never before known. By the same token, the cooperative endeavors of the American people will assure the continued material and spiritual well-being of the Nation.

The road of progress is a difficult one. The path to economic, financial and political stability, in the face of our present national problems, is not smooth. Within the next few years, democracy must demonstrate her competence to overcome the obstacles and hindrances before us. Democracy will succeed if all of us actively cooperate to this end.

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TREASURY DEPARTMENT
Washington

FOR RELEASE, MORNING NEWSPAPERS, Friday, April 25, 1947.

Press Service No. S-314

Secretary of the Treasury Snyder announced today that beginning with the issue of Treasury bills to be dated May 1, 1947, and until further notice, the Treasury will invite tenders for bills in exchange for maturing bills as well as for cash, with equal treatment accorded all tenders, whether the bidders offer to exchange maturing bills or to pay cash for the new bills bid for. Cash adjustments will be made for differences between the par value of maturing bills accepted in exchange and the issue price of the new bills.

The bills to be dated May 1 will be in the amount of $1.1 00,000,000 ~~billion~~, about $200,000,000 less than the amount maturing on that date.

The procedure for accepting exchange as well as cash tenders is being adopted to facilitate weekly refunding operations in bills. The bill holdings of the Federal Reserve Banks recently were $15,000,000,000 ~~billion~~ out of a total of $17,000,000,000 ~~billion~~ outstanding. Under existing procedure, the Federal Reserve Banks replace their weekly maturing bill issues, in large part, by purchasing new issues from security dealers, who ordinarily bid for amounts greatly in excess of market needs. This is done solely to facilitate the bill operation, as the dealers charge no commission for this service, and obtain only the nominal profit from the transaction which is available to anyone. Under the new procedure the Federal Reserve Banks will be in a position to bid directly on an exchange basis for new issues in amounts not in excess of those required to replace maturing issues of bills originally acquired in the market.

Any addition to Federal Reserve holdings of bills would be purchased in the open market as at present.

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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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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. Settlement for accepted tenders in accordance with the bids must be made or completed at the Federal Reserve Bank on May 1, 1947, in cash or other immediately available funds or in a like face amount of Treasury bills maturing May 1, 1947. Equal treatment will be accorded all tenders, whether the bidders offer to exchange maturing bills or to pay cash for the new bills bid for. Cash adjustments will be made for differences between the par value of maturing bills accepted in exchange and the issue price of the new bills.

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

TREASURY DEPARTMENT
Washington

FOR RELEASE, MORNING NEWSPAPERS,
Friday, April 25, 1947.

Press Service
No. S-315

The Secretary of the Treasury, by this public notice, invites tenders for $1,100,000,000, or thereabouts, of 91-day Treasury bills, for cash and in exchange for Treasury bills maturing May 1, 1947, to be issued on a discount basis under competitive and fixed-price bidding as hereinafter provided. The bills of this series will be dated May 1, 1947, and will mature July 31, 1947, 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, April 28, 1947. 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.

TREASURY DEPARTMENT

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Immediately after the closing hour, tenders will be opened at the Federal Reserve Banks and Branches, following which public announcement will be made by the Secretary of the Treasury of the amount and price range of accepted bids. Those submitting tenders will be advised of the acceptance or rejection thereof. The Secretary of the Treasury expressly reserves the right to accept or reject any or all tenders, in whole or in part, and his action in any such respect shall be final. 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. Settlement for accepted tenders in accordance with the bids must be made or completed at the Federal Reserve Bank on May 1, 1947, in cash or other immediately available funds or in a like face amount of Treasury bills maturing May 1, 1947. Equal treatment will be accorded all tenders, whether the bidders offer to exchange maturing bills or to pay cash for the new bills bid for. Cash adjustments will be made for differences between the par value of maturing bills accepted in exchange and the issue price of the new bills.

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

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

~~Release date:~~ Immediate

Press Service No.
No S-316

The Bureau of Internal Revenue announced today that the Processing Division of the Bureau of Internal Revenue will be moved from New York City to Kansas City, Missouri, by July 1, 1947. The Processing Division is now located at 260 East 161st Street in the Borough of the Bronx, New York City.

The purpose of the move~~,~~ is to provide a more central location for this Division, and to take advantage of Government-owned space which is not now being used. The Processing Division sorts all of the reports received from employers showing the amount of tax withheld from wages so that they can be matched with the income tax returns filed by individuals. It was established in New York City during the war years when no other suitable location could be found. Experience has proved that a more central location is necessary. This move will result in economies estimated to exceed $150,000 annually.

The new quarters are located in the office building of a plant formerly operated by Pratt & Whitney in the manufacture of airplane engines.

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FOR IMMEDIATE RELEASE,
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TREASURY DEPARTMENT
Washington

FOR RELEASE, MORNING NEWSPAPERS,
Tuesday, April 29, 1947.

Press Service

The Secretary of the Treasury announced last evening that the tenders for $1,100,000,000, or thereabouts, of 91-day Treasury bills to be dated May 1 and to mature July 31, 1947, which were offered on April 25, 1947, were opened at the Federal Reserve Banks on April 28.

The details of this issue are as follows:

Total applied for - $1,960,002,000
Total accepted - 1,100,016,000 (includes $20,380,000 entered on a fixed-price basis at 99.905 and accepted in full)
Average price - 99.905/ Equivalent rate of discount approx. 0.376% per annum

Range of accepted competitive bids:

High - 99.907 Equivalent rate of discount approx. 0.368% 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	$ 9,500,000	$ 5,356,000
New York	1,461,772,000	801,111,000
Philadelphia	42,413,000	24,114,000
Cleveland	28,405,000	16,206,000
Richmond	6,385,000	4,765,000
Atlanta	3,100,000	3,100,000
Chicago	238,468,000	138,216,000
St. Louis	39,036,000	22,096,000
Minneapolis	3,915,000	2,457,000
Kansas City	35,426,000	25,978,000
Dallas	9,502,000	8,624,000
San Francisco	82,080,000	47,993,000
TOTAL	$1,960,002,000	$1,100,016,000

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St. Louis	39,036,000	22,096,000
Minneapolis	3,915,000	2,457,000
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Dallas	9,502,000	8,624,000
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Treasury Department Circular No. 418, as amended, and this notice, prescribe the terms of the Treasury bills and govern the conditions of their issue. Copies of the circular may be obtained from any Federal Reserve Bank or Branch.

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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. Settlement for accepted tenders in accordance with the bids must be made or completed at the Federal Reserve Bank on May 8, 1947 ~~(8)~~, in cash or other immediately available funds or in a like face amount of Treasury bills maturing May 8, 1947 ~~(9)~~. Equal treatment will be accorded all tenders, whether the bidders offer to exchange maturing bills or to pay cash for the new bills bid for. Cash adjustments will be made for differences between the par value of maturing bills accepted in exchange and the issue price of the new bills.

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

~~Exhibit I~~

ALPHA

S-318

TREASURY DEPARTMENT

Washington

FOR RELEASE, MORNING NEWSPAPERS,
Friday, May 2, 1947
(1)

The Secretary of the Treasury, by this public notice, invites tenders for $1,100,000,000 (2), or thereabouts, of 91 (3) -day Treasury bills, for cash and in exchange for Treasury bills maturing May 8, 1947 (4), to be issued on a discount basis under competitive and fixed-price bidding as hereinafter provided. The bills of this series will be dated May 8, 1947 (5), and will mature August 7, 1947 (6), 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, May 5, 1947 (7). 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

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TREASURY DEPARTMENT

Washington

FOR RELEASE, MORNING NEWSPAPERS
Friday, May 2, 1947

Press Service
No. S-318

The Secretary of the Treasury, by this public notice, invites tenders for $1,100,000,000, or thereabouts, of 91-day Treasury bills, for cash and in exchange for Treasury bills maturing May 8, 1947, to be issued on a discount basis under competitive and fixed-price bidding as hereinafter provided. The bills of this series will be dated May 8, 1947, and will mature August 7, 1947, 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, May 5, 1947. 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. Settlement for accepted tenders in accordance with the bids must be made or completed at the Federal Reserve Bank on May 8, 1947, in cash or other immediately available funds or in a like face amount of Treasury bills maturing May 8, 1947. Equal treatment will be accorded all tenders, whether the bidders offer to exchange maturing bills or to pay cash for the new bills bid for. Cash adjustments will be made for differences between the par value of maturing bills accepted in exchange and the issue price of the new bills.

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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No original

FOR IMMEDIATE [illegible]
Thursday, May [illegible]

Secretary [illegible]
the State Depa[illegible]
is being made [illegible]
State Departme[illegible]
Preparatory Co[illegible]
Trade and Empl[illegible] held in Geneva, Switzerland.
Commissioner Johnson served as an advisor to the American Delegation at the London and New York Conferences, and was designated by the State Department on March 17, 1947, as a delegate to the present Geneva Conference. He will leave at once for Geneva.

Upon his return, Commissioner Johnson, in accordance with his request, will be relieved of his duties as Commissioner of Customs and reassigned in the Customs Service.

Until a new Commissioner of Customs is appointed, Assistant Commissioner Frank Dow will serve as Acting Commissioner of Customs.

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TREASURY DEPARTMENT

Washington

FOR IMMEDIATE RELEASE
Thursday, May 1, 1947

Press Service
No. S-319

Secretary Snyder announced today that at the request of the State Department, Commissioner of Customs W. R. Johnson is being made available to serve under the auspices of the State Department as a delegate to the second meeting of the Preparatory Committee of the United Nations Conference on Trade and Employment now being held in Geneva, Switzerland. Commissioner Johnson served as an advisor to the American Delegation at the London and New York Conferences, and was designated by the State Department on March 17, 1947, as a delegate to the present Geneva Conference. He will leave at once for Geneva.

Upon his return, Commissioner Johnson, in accordance with his request, will be relieved of his duties as Commissioner of Customs and reassigned in the Customs Service.

Until a new Commissioner of Customs is appointed, Assistant Commissioner Frank Dow will serve as Acting Commissioner of Customs.

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No original

FOR RELEASE,
Tuesday, May

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Total applied
Total accepte

99.905 and accepted in full)

Average price - 99.905 + Equivalent rate of discount approx. 0.376% per annum

Range of accepted competitive bids:

High - 99.906 Equiv. rate of discount approx. 0.372% per annum
Low - 99.905 " " " " " 0.376% " "

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

Federal Reserve District	Total Applied for	Total Accepted
Boston	$ 13,325,000	$ 8,645,000
New York	1,426,586,000	919,382,000
Philadelphia	16,425,000	11,025,000
Cleveland	6,295,000	4,495,000
Richmond	8,700,000	7,980,000
Atlanta	4,240,000	4,240,000
Chicago	120,066,000	78,116,000
St. Louis	23,120,000	15,416,000
Minneapolis	17,500,000	11,452,000
Kansas City	20,530,000	16,030,000
Dallas	14,185,000	10,225,000
San Francisco	36,025,000	24,505,000
TOTAL	$1,706,997,000	$1,111,511,000

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TO: Mr. Shaeffer

FOR RELEASE, M [illegible]
Tuesday, May 6 [illegible]

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that the tende[illegible]
Treasury bills [illegible]
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Reserve Banks [illegible]

The det[illegible]

Total applied [illegible]
Total accepted [illegible]
[illegible] 99.905 and accepted in full)

Average price - 99.905 + Equivalent rate of discount approx. 0.376% per annum

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Kansas City	20,530,000	16,030,000
Dallas	14,185,000	10,225,000
San Francisco	36,025,000	24,505,000
TOTAL	$1,706,997,000	$1,111,511,000

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TREASURY DEPARTMENT

Washington

FOR RELEASE, MORNING NEWSPAPERS,
Tuesday, May 6, 1947

Press Service
No. S-320

The Secretary of the Treasury announced last evening that the tenders for $1,100,000,000, or thereabouts, of 91-day Treasury bills to be dated May 8 and to mature August 7, 1947, which were offered on May 2, 1947, were opened at the Federal Reserve Banks on May 5.

The details of this issue are as follows:

Total applied for - $1,706,997,000
Total accepted - 1,111,511,000 (includes $17,047,000 entered on a fixed price basis at 99.905 and accepted in full)
Average price - 99.905 + Equivalent rate of discount approx. 0.376% per annum

Range of accepted competitive bids:

High - 99.906 Equiv. rate of discount approx. 0.372% per annum
Low - 99.905 " " " " " 0.376% " "

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

Federal Reserve District	Total Applied for	Total Accepted
Boston	$ 13,325,000	$ 8,645,000
New York	1,426,586,000	919,382,000
Philadelphia	16,425,000	11,025,000
Cleveland	6,295,000	4,495,000
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Dallas	14,185,000	10,225,000
San Francisco	36,025,000	24,505,000
TOTAL	$1,706,997,000	$1,111,511,000

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May 8, 1947
~~Treasury Department~~
~~Fiscal Service~~
~~Washington, May 5, 1947~~

STATUTORY DEBT LIMITATION
AS OF APRIL 30, 1947

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 $275,000,000,000 outstanding at any one time. For purposes of this section the current redemption value of any obligation issued on a discount basis which is redeemable prior to maturity at the option of the holder shall be considered as its face amount."

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			$275,000,000,000
Outstanding April 30, 1947			
Obligations issued under Second Liberty Bond Act, as amended			
Interest-bearing			
Treasury bills..................	$ 16,610,213,000		
Certificates of indebtedness....	26,293,753,000		
Treasury notes.................	13,619,210,500	$ 56,523,176,500	
Bonds			
Treasury......................	119,322,892,950		
Savings (current redemp.value)	51,117,251,547		
Depositary....................	334,850,000		
Armed Forces Leave............	1,682,893,200	172,457,887,697	
Special Funds			
Certificates of indebtedness..	12,338,500,000		
Treasury notes...............	12,941,398,000	25,279,898,000	
Total interest-bearing.......................		254,260,962,197	
Matured, interest-ceased...........................		261,188,465	
Bearing no interest			
War savings stamps.............	71,110,683		
Excess profits tax refund bonds.	21,400,571		
Special notes of the United States:			
Internat'l Bank for Reconst. and Development series......	407,035,000		
Internat'l Monetary Fund series	1,782,000,000	2,281,546,254	
Total..		256,803,696,916	
Guaranteed obligations (not held by Treasury)			
Interest-bearing			
Debentures: F.H.A.	45,946,986		
Demand obligations: C.C.C.	125,542,227	171,489,213	
Matured, interest-ceased...........................		6,719,325	
		178,208,538	
Grand total outstanding..............................			256,981,905,454
Balance face amount of obligations issuable under above authority........			18,018,094,546

Reconcilement with Statement of the Public Debt - April 30, 1947
(Daily Statement of the United States Treasury, May 1, 1947)

Outstanding April 30, 1947	
Total gross public debt..	257,701,406,425
Guaranteed obligations not owned by the Treasury....................	178,208,538
Total gross public debt and guaranteed obligations..................	257,879,614,963
Deduct - other outstanding public debt obligations not subject to debt limitation...........................	897,709,509
	256,981,905,454

5-321

STATUTORY DEBT LIMITATION
AS OF APRIL 30, 1947

May 8, 1947

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 $275,000,000,000 outstanding at any one time. For purposes of this section the current redemption value of any obligation issued on a discount basis which is redeemable prior to maturity at the option of the holder shall be considered as its face amount."

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Bonds			
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Grand total outstanding			256,981,905,454
Balance face amount of obligations issuable under above authority			18,018,094,546

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Deduct - other outstanding public debt obligations not subject to debt limitation	897,709,509
	256,981,905,454

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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.

ALPHA

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. Settlement for accepted tenders in accordance with the bids must be made or completed at the Federal Reserve Bank on May 15, 1947 (8), in cash or other immediately available funds or in a like face amount of Treasury bills maturing May 15, 1947 (9). Equal treatment will be accorded all tenders, whether the bidders offer to exchange maturing bills or to pay cash for the new bills bid for. Cash adjustments will be made for differences between the par value of maturing bills accepted in exchange and the issue price of the new bills.

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

S-322

~~Exhibit~~

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TREASURY DEPARTMENT

Washington

FOR RELEASE, MORNING NEWSPAPERS,
Friday, May 9, 1947
~~(1)~~

The Secretary of the Treasury, by this public notice, invites tenders for $1,200,000,000 ~~(2)~~, or thereabouts, of 91 ~~(3)~~ -day Treasury bills, for cash and in exchange for Treasury bills maturing May 15, 1947 ~~(4)~~, to be issued on a discount basis under competitive and fixed-price bidding as hereinafter provided. The bills of this series will be dated May 15, 1947 ~~(5)~~, and will mature August 14, 1947 ~~(6)~~, 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, May 12, 1947 ~~(7)~~. 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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TREASURY DEPARTMENT

Washington

FOR RELEASE, MORNING NEWSPAPERS
Friday, May 9, 1947

Press Service
No. S-322

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

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Assets and liabilities of all active banks in the United States and possessions, by classes, Dec. 31, 1946 - Continued
(In thousands of dollars)

	Total all banks	National banks	All banks other than national	Banks other than national: State (commercial)	Banks other than national: Mutual savings	Banks other than national: Private
Total deposits	$156,801,396	$79,049,839	$77,751,557	$60,649,006	$16,835,197	$267,354
Bills payable, rediscounts, and other liabilities for borrowed money	48,403	20,047	28,356	27,175	98	1,083
Acceptances executed by or for account of reporting banks and outstanding	150,605	83,280	67,325	51,365	--	15,960
Interest, discount, rent, and other income collected but not earned	104,045	56,635	47,410	46,207	1,141	62
Interest, taxes, and other expenses accrued and unpaid	401,809	223,436	178,373	165,654	12,590	129
Other liabilities	462,156	267,227	194,929	159,206	32,544	3,179
Total liabilities	157,968,414	79,700,464	78,267,950	61,098,613	16,881,570	287,767
CAPITAL ACCOUNTS						
Capital notes and debentures	67,794	---	67,794	62,894	4,900	---
Preferred stock	115,457	41,789	73,668	73,668	--	---
Common stock	3,116,218	1,714,832	1,401,386	1,395,136	--	6,250
Surplus	5,401,254	2,275,884	3,125,370	1,901,552	1,211,287	12,531
Undivided profits	2,049,362	785,558	1,263,804	762,628	500,789	387
Reserves and retirement account for preferred stock and capital notes and debentures	687,863	331,736	356,127	286,627	66,454	3,046
Total capital accounts	11,437,948	5,149,799	6,288,149	4,482,505	1,783,430	22,214
Total liabilities and capital accounts	169,406,362	84,850,263	84,556,099	65,581,118	18,665,000	309,981

Assets and liabilities of all active banks in the United States and possessions, by classes, Dec. 31, 1946 - Continued
(In thousands of dollars)

	Total all banks	National banks	All banks other than national	Banks other than national: State (commercial)	Banks other than national: Mutual savings	Banks other than national: Private
Currency and coin	$2,221,793	$1,094,721	$1,127,072	$1,015,443	$109,201	$2,428
Balances with other banks, including reserve balances and cash items in process of collection	32,995,748	18,972,446	14,023,302	13,247,824	707,195	68,283
Bank premises owned, furniture and fixtures	1,017,346	508,893	508,453	415,516	92,438	499
Real estate owned other than bank premises	39,076	8,488	30,588	16,952	13,328	308
Investments and other assets indirectly representing bank premises or other real estate	70,997	45,464	25,533	20,276	5,231	26
Customers' liability on acceptances outstanding	134,138	73,270	60,868	46,273	--	14,595
Interest, commissions, rent, and other income earned or accrued but not collected	272,644	137,022	135,622	96,811	38,278	533
Other assets	195,014	57,376	137,638	110,434	26,587	617
Total assets	169,406,362	84,850,263	84,556,099	65,581,118	18,665,000	309,981
LIABILITIES						
Demand deposits:						
Individuals, partnerships and corporations	81,328,210	45,522,709	35,805,501	35,629,966	10,471	165,064
U. S. Government	3,072,700	1,753,068	1,319,632	1,317,221	2,407	4
States and political subdivisions	6,114,235	3,707,846	2,406,389	2,403,562	634	2,193
Banks in the United States	11,017,256	7,459,701	3,557,555	3,542,475	54	15,026
Banks in foreign countries	1,424,249	670,191	754,058	700,430	--	53,628
Certified and cashiers' checks, etc	2,399,737	1,355,243	1,044,494	1,034,605	2,178	7,711
Total demand deposits	105,356,387	60,468,758	44,887,629	44,628,259	15,744	243,626
Time deposits:						
Individuals, partnerships and corporations	50,287,786	18,031,756	32,256,030	15,415,255	16,817,268	23,507
U. S. Government	114,447	87,473	26,974	26,974	--	--
Postal savings	5,586	2,944	2,642	2,642	--	--
States and political subdivisions	797,697	417,876	379,821	378,182	1,563	76
Banks in the United States	220,589	35,228	185,361	184,694	622	45
Banks in foreign countries	18,904	5,804	13,100	13,000	--	100
Total time deposits	51,445,009	18,581,081	32,863,928	16,020,747	16,819,453	23,728

Assets and liabilities of all active banks in the United States and possessions, by classes, Dec. 31, 1946
(In thousands of dollars)

	Total all banks	National banks	All banks other than national	Banks other than national: State (commercial)*	Banks other than national: Mutual savings	Banks other than national: Private
Number of banks	14,633	5,013	9,620	9,052	533	35
ASSETS						
Loans and discounts:						
Commercial and industrial loans (including open-market paper)	$14,237,181	$8,547,060	$5,690,121	$5,633,572	$493	$56,056
Loans to farmers directly guaranteed by Commodity Credit Corporation	105,337	63,981	41,356	41,356	--	--
Other loans to farmers	1,306,842	647,414	659,428	658,716	481	231
Loans to brokers and dealers in securities	1,524,177	783,635	740,542	736,306	--	4,236
Other loans for the purpose of purchasing or carrying stocks, bonds, and other securities	1,639,230	852,512	786,718	782,169	485	4,064
Real-estate loans:						
Secured by farm land	710,365	274,160	436,205	427,131	8,771	303
Secured by residential properties	9,541,464	2,591,609	6,949,855	2,551,395	4,395,869	2,591
Secured by other properties	1,423,243	678,019	745,224	708,377	36,557	290
Consumer loans to individuals	4,108,933	2,143,714	1,965,219	1,961,899	2,419	901
Loans to banks	81,765	29,504	52,261	52,091	--	170
All other loans	1,111,173	681,206	429,967	356,273	70,199	3,495
Overdrafts	33,158	16,953	16,205	15,199	1	1,005
Total loans and discounts	35,822,868	17,309,767	18,513,101	13,924,484	4,515,275	73,342
Securities:						
U. S. Government securities:						
Direct obligations	87,074,526	41,835,752	45,238,774	33,387,188	11,754,028	97,558
Guaranteed obligations	18,991	7,780	11,211	7,600	3,611	--
Obligations of States and political subdivisions	4,477,757	2,659,598	1,818,159	1,711,400	63,328	43,431
Other bonds, notes, and debentures	4,537,118	1,986,327	2,550,791	1,391,638	1,156,510	2,643
Corporate stocks, including stocks of Federal Reserve banks	528,346	153,359	374,987	189,279	179,990	5,718
Total securities	96,636,738	46,642,816	49,993,922	36,687,105	13,157,467	149,350

*Includes trust companies and stock savings banks.

Comparison of assets and liabilities of all banks - Continued

(In thousands of dollars)

	Dec. 31, 1946	June 29, 1946	Dec. 31, 1945
LIABILITIES			
Deposits of individuals, partnerships, and corporations:			
Demand	$81,328,210	$76,905,311	$73,932,416
Time	50,287,786	48,480,943	45,291,845
U. S. Government and postal savings deposits	3,192,733	13,558,237	24,779,196
Deposits of States and political subdivisions	6,911,932	6,679,719	5,820,735
Deposits of banks	12,680,998	12,364,396	14,089,647
Other deposits (certified and cashiers' checks, etc.)	2,399,737	2,360,799	2,616,254
Total deposits	156,801,396	160,349,405	166,530,093
Bills payable, rediscounts, and other liabilities for borrowed money	48,403	93,966	227,150
Acceptances executed by or for account of reporting banks	150,605	122,868	86,635
Interest, discount, rent, and other income collected but not earned	104,045)		(59,299
Interest, taxes, and other expenses accrued and unpaid	401,809)	959,222	(383,183
Other liabilities	462,156)		(453,104
Total liabilities	157,968,414	161,525,461	167,739,464
CAPITAL ACCOUNTS			
Capital notes and debentures	67,794	72,493	72,080
Preferred stock	115,457	126,991	163,340
Common stock	3,116,218	3,051,502	2,951,948
Surplus	5,401,254	5,215,735	5,004,281
Undivided profits	2,049,362	2,030,028	1,781,100
Reserves and retirement account for preferred stock and capital notes and debentures	687,863	680,054	638,862
Total capital accounts	11,437,948	11,176,803	10,611,611
Total liabilities and capital accounts	169,406,362	172,702,264	178,351,075

Assets and Liabilities of All Active Banks in the United States and Possessions on December 31, 1946, June 29, 1946, and December 31, 1945

(Amounts in thousands of dollars)

	Dec. 31, 1946	June 29, 1946	Dec. 31, 1945
Number of banks	14,633	14,626	14,598
ASSETS			
Loans on real estate	$11,675,072	$10,146,353	$8,979,872
Commercial and industrial loans	14,237,181)		(9,599,625
Consumer loans to individuals	4,108,933)	21,547,139	(2,418,818
Other loans, including overdrafts	5,801,682)		(9,468,552
Total loans	35,822,868	31,693,492	30,466,867
U. S. Government securities:			
Direct obligations	87,074,526	96,469,780	101,879,165
Guaranteed obligations	18,991	27,307	24,908
Obligations of States and political subdivisions	4,477,757	4,165,472	4,083,267
Other bonds, notes, and debentures	4,537,118	4,521,911	3,990,467
Corporate stocks, including stocks of Federal Reserve banks	528,346	537,547	537,926
Total securities	96,636,738	105,722,017	110,515,733
Currency and coin	2,221,793	1,729,034	2,025,088
Balances with other banks, including reserve balances	32,995,748	31,732,067	33,589,693
Bank premises owned, furniture and fixtures	1,017,346	1,017,040	1,020,023
Real estate owned other than bank premises	39,076	50,520	72,930
Investments and other assets indirectly representing bank premises or other real estate	70,997	73,880	77,244
Customers' liability on acceptances outstanding	134,138	104,076	75,856
Interest, commissions, rent, and other income earned or accrued but not collected	272,644)		(295,803
Other assets	195,014)	580,138	(211,838
Total assets	169,406,362	172,702,264	178,351,075

of $11,675,000,000 were up 30 percent, and all other loans of $5,802,000,000 showed an increase of 39 percent in the year.

Cash and balances with other banks, including reserve balances, in December 1946 were $35,218,000,000, a decrease of $397,000,000 since December 1945.

Total capital accounts on December 31, 1946 were $11,438,000,000, compared to $10,612,000,000 at the end of 1945. The total of surplus, profits and reserves at the end of 1946 was $8,138,000,000, an increase of $714,000,000, or 10 percent, in the year.

Deposits of individuals, partnerships, and corporations of $131,616,000,000 on December 31, 1946 were $12,392,000,000, or more than 10 percent greater than at the end of 1945, and United States Government and postal savings deposits of $3,193,000,000 were $21,586,000,000 less than at the end of 1945, due to the withdrawal of War loan accounts to provide for Federal debt retirement. Deposits of States and political subdivisions of $6,912,000,000 showed an increase in the year of $1,091,000,000. Deposits of banks were $12,680,000,000, a decrease of $1,409,000,000, and other deposits were $2,400,000,000, a decrease of $216,000,000.

The complete tables are attached.

TREASURY DEPARTMENT
Comptroller of the Currency
Washington

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FOR RELEASE, MORNING NEWSPAPERS
Thursday, May 8, 1947

Press Service
No. 5-323

The total deposits of all commercial and savings banks in the United States and possessions on December 31, 1946, amounted to $156,801,000,000, Comptroller of the Currency Preston Delano announced today. This figure, which covers the returns of the 14,633 active banks of all classes, was a decrease of $3,548,000,000, or more than 2 percent, in the amount of deposits reported by the active banks on June 29, 1946, and a decrease of $9,729,000,000, or nearly 6 percent, in the amount reported on December 31, 1945.

The total assets at the end of 1946 amounted to $169,406,000,000, which was $3,296,000,000, or nearly 2 percent, less than at the end of June 1946, and $8,945,000,000, or 5 percent, less than at the end of the calendar year 1945. The decrease in assets in the year 1946 was due to a reduced amount of United States Government obligations held because of Federal debt retirement.

The banks held obligations of the United States Government, direct and guaranteed, of $87,094,000,000 in December 1946, a decrease of $14,810,000,000, or nearly 15 percent, since December 1945. Obligations of States and political subdivisions held amounted to $4,478,000,000, an increase of $394,000,000, and other securities held amounted to $5,065,000,000, an increase of $537,000,000. The aggregate of all securities held at the end of December 1946 was $96,637,000,000, and represented 57 percent of the banks' total assets. At the end of the calendar year 1945 the ratio was 62 percent.

Loans totaled $35,823,000,000 in December 1946, an increase of $4,129,000,000, or 13 percent, since June 1946, and an increase of $5,356,000,000, or nearly 18 percent, since December 1945. Commercial and industrial loans of $14,237,000,000 at the end of 1946 were 48 percent greater than at the end of 1945; consumer loans of $4,109,000,000 showed an increase in the year of 70 percent; real estate loans

TREASURY DEPARTMENT
Comptroller of the Currency
Washington

FOR RELEASE, MORNING NEWSPAPERS
Thursday, May 8, 1947

Press Service
No. S-323

The total deposits of all commercial and savings banks in the United States and possessions on December 31, 1946, amounted to $156,801,000,000, Comptroller of the Currency Preston Delano announced today. This figure, which covers the returns of the 14,633 active banks of all classes, was a decrease of $3,548,000,000, or more than 2 percent, in the amount of deposits reported by the active banks on June 29, 1946, and a decrease of $9,729,000,000, or nearly 6 percent, in the amount reported on December 31, 1945.

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Cash and balances with other banks, including reserve balances, in December 1946 were $35,218,000,000, a decrease of $397,000,000 since December 1945.

Total capital accounts on December 31, 1946, were $11,438,000,000, compared to $10,612,000,000 at the end of 1945. The total of surplus, profits and reserves at the end of 1946 was $8,138,000,000, an increase of $714,000,000, or 10 percent, in the year.

Deposits of individuals, partnerships, and corporations of $131,616,000,000 on December 31, 1946, were $12,392,000,000, or more than 10 percent greater than at the end of 1945, and United States Government and postal savings deposits of $3,193,000,000 were $21,586,000,000 less than at the end of 1945, due to the withdrawal of war loan accounts to provide for Federal debt retirement. Deposits of States and political subdivisions of $6,912,000,000 showed an increase in the year of $1,091,000,000. Deposits of banks were $12,680,000,000, a decrease of $1,409,000,000, and other deposits were $2,400,000,000, a decrease of $216,000,000.

The complete tables are attached.

Assets and Liabilities of All Active Banks in the United States and Possessions on December 31, 1946, June 29, 1946, and December 31, 1945
(Amounts in thousands of dollars)

	Dec. 31, 1946	June 29, 1946	Dec. 31, 1945
Number of banks	14,633	14,626	14,598
ASSETS			
Loans on real estate	$11,675,072	$10,146,353	$8,979,872
Commercial and industrial loans	14,237,181)		(9,599,625
Consumer loans to individuals	4,108,933)	21,547,139	(2,418,818
Other loans, including overdrafts	5,801,682)		(9,468,552
Total loans	35,822,868	31,693,492	30,466,867
U. S. Government securities:			
Direct obligations	87,074,526	96,469,780	101,879,165
Guaranteed obligations	18,991	27,307	24,908
Obligations of States and political subdivisions	4,477,757	4,165,472	4,083,267
Other bonds, notes, and debentures	4,537,118	4,521,911	3,990,467
Corporate stocks, including stocks of Federal Reserve banks	528,346	537,547	537,926
Total securities	96,636,738	105,722,017	110,515,733
Currency and coin	2,221,793	1,729,034	2,025,088
Balances with other banks, including reserve balances	32,995,748	31,732,067	33,589,693
Bank premises owned, furniture and fixtures	1,017,346	1,017,040	1,020,023
Real estate owned other than bank premises	39,076	50,520	72,930
Investments and other assets indirectly representing bank premises or other real estate	70,997	73,880	77,244
Customers' liability on acceptances outstanding	134,138	104,076	75,856
Interest, commissions, rent, and other income earned or accrued but not collected	272,644)	580,138	(295,803
Other assets	195,014)		(211,838
Total assets	169,406,362	172,702,264	178,351,075

Comparison of assets and liabilities of all banks - Continued

(In thousands of dollars)

	Dec. 31, 1946	June 29, 1946	Dec. 31, 1945
LIABILITIES			
Deposits of individuals, partnerships, and corporations:			
Demand	$81,328,210	$76,905,311	$73,932,416
Time	50,287,786	48,480,943	45,291,845
U. S. Government and postal savings deposits	3,192,733	13,558,237	24,779,196
Deposits of States and political subdivisions	6,911,932	6,679,719	5,820,735
Deposits of banks	12,680,998	12,364,396	14,089,647
Other deposits (certified and cashiers' checks, etc.)	2,399,737	2,360,799	2,616,254
Total deposits	156,801,396	160,349,405	166,530,093
Bills payable, rediscounts, and other liabilities for borrowed money	48,403	93,966	227,150
Acceptances executed by or for account of reporting banks	150,605	122,868	86,635
Interest, discount, rent, and other income collected but not earned	104,045)		(59,299
Interest, taxes, and other expenses accrued and unpaid	401,809)	959,222	(383,183
Other liabilities	462,156)		(453,104
Total liabilities	157,968,414	161,525,461	167,739,464
CAPITAL ACCOUNTS			
Capital notes and debentures	67,794	72,493	72,080
Preferred stock	115,457	126,991	163,340
Common stock	3,116,218	3,051,502	2,951,948
Surplus	5,401,254	5,215,735	5,004,281
Undivided profits	2,049,362	2,030,028	1,781,100
Reserves and retirement account for preferred stock and capital notes and debentures	687,863	680,054	638,862
Total capital accounts	11,437,948	11,176,803	10,611,611
Total liabilities and capital accounts	169,406,362	172,702,264	178,351,075

Assets and liabilities of all active banks in the United States and possessions, by classes, Dec. 31, 1946
(In thousands of dollars)

	Total all banks	National banks	All banks other than national	Banks other than national: State (commercial)*	Banks other than national: Mutual savings	Banks other than national: Private
Number of banks	14,633	5,013	9,620	9,052	533	35
ASSETS						
Loans and discounts:						
Commercial and industrial loans (including open-market paper)	$14,237,181	$8,547,060	$5,690,121	$5,633,572	$493	$56,056
Loans to farmers directly guaranteed by Commodity Credit Corporation	105,337	63,981	41,356	41,356	--	--
Other loans to farmers	1,306,842	647,414	659,428	658,716	481	231
Loans to brokers and dealers in securities	1,524,177	783,635	740,542	736,306	--	4,236
Other loans for the purpose of purchasing or carrying stocks, bonds, and other securities	1,639,230	852,512	786,718	782,169	485	4,064
Real-estate loans:						
Secured by farm land	710,365	274,160	436,205	427,131	8,771	303
Secured by residential properties	9,541,464	2,591,609	6,949,855	2,551,395	4,395,869	2,591
Secured by other properties	1,423,243	678,019	745,224	708,377	36,557	290
Consumer loans to individuals	4,108,933	2,143,714	1,965,219	1,961,899	2,419	901
Loans to banks	81,765	29,504	52,261	52,091	--	170
All other loans	1,111,173	681,206	429,967	356,273	70,199	3,495
Overdrafts	33,158	16,953	16,205	15,199	1	1,005
Total loans and discounts	35,822,868	17,309,767	18,513,101	13,924,484	4,515,275	73,342
Securities:						
U. S. Government securities:						
Direct obligations	87,074,526	41,835,752	45,238,774	33,387,188	11,754,028	97,558
Guaranteed obligations	18,991	7,780	11,211	7,600	3,611	--
Obligations of States and political subdivisions	4,477,757	2,659,598	1,818,159	1,711,400	63,328	43,431
Other bonds, notes, and debentures	4,537,118	1,986,327	2,550,791	1,391,638	1,156,510	2,643
Corporate stocks, including stocks of Federal Reserve banks	528,346	153,359	374,987	189,279	179,990	5,718
Total securities	96,636,738	46,642,816	49,993,922	36,687,105	13,157,467	149,350

* Includes trust companies and stock savings banks.

Assets and liabilities of all active banks in the United States and possessions, by classes, Dec. 31, 1946 - Continued
(In thousands of dollars)

	Total all banks	National banks	All banks other than national	Banks other than national: State (commercial)	Banks other than national: Mutual savings	Banks other than national: Private
Currency and coin	$2,221,793	$1,094,721	$1,127,072	$1,015,443	$109,201	$2,428
Balances with other banks, including reserve balances and cash items in process of collection	32,995,748	18,972,446	14,023,302	13,247,824	707,195	68,283
Banks premises owned, furniture and fixtures	1,017,346	508,893	508,453	415,516	92,438	499
Real estate owned other than bank premises	39,076	8,488	30,588	16,952	13,328	308
Investments and other assets indirectly representing bank premises or other real estate	70,997	45,464	25,533	20,276	5,231	26
Customers' liability on acceptances outstanding	134,138	73,270	60,868	46,273	--	14,595
Interest, commissions, rent, and other income earned or accrued but not collected	272,644	137,022	135,622	96,811	38,278	533
Other assets	195,014	57,376	137,638	110,434	26,587	617
Total assets	169,406,362	84,850,263	84,556,099	65,581,118	18,665,000	309,981
LIABILITIES						
Demand deposits:						
Individuals, partnerships and corporations	81,328,210	45,522,709	35,805,501	35,629,966	10,471	165,064
U. S. Government	3,072,700	1,753,068	1,319,632	1,317,221	2,407	4
States and political subdivisions	6,114,235	3,707,846	2,406,389	2,403,562	634	2,193
Banks in the United States	11,017,256	7,459,701	3,557,555	3,542,475	54	15,026
Banks in foreign countries	1,424,249	670,191	754,058	700,430	--	53,628
Certified and cashiers' checks, etc.	2,399,737	1,355,243	1,044,494	1,034,605	2,178	7,711
Total demand deposits	105,356,387	60,468,758	44,887,629	44,628,259	15,744	243,626
Time deposits:						
Individuals, partnerships and corporations	50,287,786	18,031,756	32,256,030	15,415,255	16,817,268	23,507
U. S. Government	114,447	87,473	26,974	26,974	--	--
Postal savings	5,586	2,944	2,642	2,642	--	--
States and political subdivisions	797,697	417,876	379,821	378,182	1,563	76
Banks in the United States	220,589	35,228	185,361	184,694	622	45
Banks in foreign countries	18,904	5,804	13,100	13,000	--	100
Total time deposits	51,445,009	18,581,081	32,863,928	16,020,747	16,819,453	23,728

Assets and liabilities of all active banks in the United States and possessions, by classes,
Dec. 31, 1946 - Continued
(In thousands of dollars)

	Total all banks	National banks	All banks other than national	Banks other than national: State (commercial)	Banks other than national: Mutual savings	Banks other than national: Private
Total deposits	$156,801,396	$79,049,839	$77,751,557	$60,649,006	$16,835,197	$267,354
Bills payable, rediscounts, and other liabilities for borrowed money	48,403	20,047	28,356	27,175	98	1,083
Acceptances executed by or for account of reporting banks and outstanding	150,605	83,280	67,325	51,365	--	15,960
Interest, discount, rent, and other income collected but not earned	104,045	56,635	47,410	46,207	1,141	62
Interest, taxes, and other expenses accrued and unpaid	401,809	223,436	178,373	165,654	12,590	129
Other liabilities	462,156	267,227	194,929	159,206	32,544	3,179
Total liabilities	157,968,414	79,700,464	78,267,950	61,098,613	16,881,570	287,767
CAPITAL ACCOUNTS						
Capital notes and debentures	67,794	---	67,794	62,894	4,900	---
Preferred stock	115,457	41,789	73,668	73,668	--	---
Common stock	3,116,218	1,714,832	1,401,386	1,395,136	--	6,250
Surplus	5,401,254	2,275,884	3,125,370	1,901,552	1,211,287	12,531
Undivided profits	2,049,362	785,558	1,263,804	762,628	500,789	387
Reserves and retirement account for preferred stock and capital notes and debentures	687,863	331,736	356,127	286,627	66,454	3,046
Total capital accounts	11,437,948	5,149,799	6,288,149	4,482,505	1,783,430	22,214
Total liabilities and capital accounts	169,406,362	84,850,263	84,556,099	65,581,118	18,665,000	309,981

TREASURY DEPARTMENT
Washington

FOR RELEASE, MORNING NEWSPAPERS,
Tuesday, May 13, 1947.

Press Service
S-324

The Secretary of the Treasury announced last evening that the tenders for $1,200,000,000, or thereabouts, of 91-day Treasury bills to be dated May 15 and to mature August 14, 1947, which were offered on May 9, 1947, were opened at the Federal Reserve Banks on May 12.

The details of this issue are as follows:

Total applied for - $1,761,294,000
Total accepted - 1,202,505,000 (includes $16,769,000 entered on a fixed-price basis at 99.905 and accepted in full)
Average price - 99.905 Equivalent rate of discount approx. 0.376% per annum

Range of accepted competitive bids:

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

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

Federal Reserve District		Total Applied for	Total Accepted
Boston		$ 10,145,000	$ 7,076,000
New York		1,496,060,000	1,007,825,000
Philadelphia		15,723,000	12,423,000
Cleveland		3,160,000	3,160,000
Richmond		8,031,000	7,371,000
Atlanta		2,540,000	2,540,000
Chicago		139,230,000	97,980,000
St. Louis		5,740,000	4,354,000
Minneapolis		3,650,000	2,726,000
Kansas City		6,130,000	5,305,000
Dallas		3,565,000	3,235,000
San Francisco		67,320,000	48,510,000
	TOTAL	$1,761,294,000	$1,202,505,000

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TREASURY DEPARTMENT

Washington

FOR RELEASE, MORNING NEWSPAPERS
Tuesday, May 13, 1947

Press Service
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San Francisco	67,320,000	48,510,000
TOTAL	$ 1,761,294,000	$ 1,202,505,000

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exchange operations between the two countries -- operations which have involved the financing of aggregate foreign trade exceeding $700 million in 1946, as well as large travel expenditures and other international receipts and payments.

The Secretary and the Finance Minister pointed out that the Stabilization Agreement is consistent with the aims and purposes of the International Monetary Fund, of which both countries are members, and will in fact serve to supplement the efforts of the international organization to stabilize the rates of exchange between all the member countries.

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[redacted]

TREASURY DEPARTMENT

4:30 P.M.,

Washington

(Note: For simultaneous release in Washington, D.C. and Mexico, D.F. at [redacted] daylight saving time in Washington, D.C. [redacted] standard time in Mexico, D.F.), on May 13, 1947) - 2:30 p.m.

FOR RELEASE, 4:30 P.M. ~~12:00 Noon~~, E.D.T.
Tuesday, May 13, 1947,

PRESS SERVICE
No. S. 323

The Secretary of the Treasury of the United States of America, Mr. John W. Snyder, the Ambassador of Mexico, Senor Dr. Don Antonio Espinosa de los Monteros, and Mr. Rodrigo Gomez, representing the Banco de Mexico, today executed a new $50 million Stabilization Agreement between the two countries.

Under the terms of this Agreement, which was the subject of discussion during the recent visit to the United States of President Aleman and Minister of Finance Beteta, the United States Stabilization Fund undertakes for a period of four years commencing July 1, 1947, to purchase Mexican pesos to an amount equivalent to $50 million for the purpose of stabilizing the United States dollar-Mexican peso rate of exchange.

This Agreement extends and enlarges the Stabilization Agreement of 1941 which was twice extended for two-year periods and which expires on June 30, 1947.

Secretary Snyder and Minister Beteta during their discussions reviewed the satisfactory foreign exchange relations between Mexico and the United States and the stability which has characterized the peso-dollar exchange rate during the six years that the Stabilization Agreement has been in effect. They also viewed with satisfaction the complete freedom of

TREASURY DEPARTMENT

Washington

(Note: For simultaneous release in Washington, D.C., and Mexico, D.F., at 4:30 P.M., daylight saving time in Washington, D.C. - 2:30 P.M. standard time in Mexico, D.F. - on May 13, 1947.)

FOR RELEASE, 4:30 P.M., E.D.T.
Tuesday, May 13, 1947

Press Service
No. S-325

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The Secretary and the Finance Minister pointed out that the Stabilization Agreement is consistent with the aims and purposes of the International Monetary Fund, of which both countries are members, and will in fact serve to supplement the efforts of the international organization to stabilize the rates of exchange between all the member countries.

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COTTON WASTES
(In pounds)

COTTON CARD STRIPS made from cotton 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: 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:

Country of Origin	Established TOTAL QUOTA	Total imports Sept. 20, 1946, to May 3, 1947	Established 33-1/3% of Total Quota	Imports Sept. 20, 1946, to May 3, 1947 1/
United Kingdom.....	4,323,457	-	1,441,152	-
Canada.............	239,690	69,757	-	-
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	6,347	-	-
Cuba...............	6,544	-	-	-
Germany............	76,329	-	25,443	-
Italy..............	21,263	-	7,088	-
Totals	5,482,509	145,731	1,599,886	-

1/ Included in total imports, column 2.

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FOR IMMEDIATE RELEASE
~~May 13,~~ 1947.

~~Thursday~~, May 14 Wednes

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S-326

The Bureau of Customs announced today that preliminary data on imports of cotton and cotton waste chargeable to the quotas established by the President's proclamation of September 5, 1939, as amended, for the period September 20, 1946, to May 3 1947, are as follows:

COTTON (other than linters)
(In pounds)

Country of Origin	Under 1-1/8" other than rough or harsh under 3/4"		1-1/8" or more but less than 1-11/16" 4/	Less than 3/4" harsh or rough 5/
	Established Quota	Imports Sept. 20, 1946, to May 3, 1947	Imports Sept. 20, 1946, to May 3, 1947	Imports Sept. 20, 1946, to May 3, 1947.
Egypt and the Anglo-Egyptian Sudan	783,816	-	36,415,174	-
Peru	247,952	247,952	9,209,346	-
British India	2,003,483	1,167,578	--	25,902,684
China	1,370,791	344	-	-
Mexico	8,883,259	8,883,259	-	96,000
Brazil	618,723	618,723	-	-
Union of Soviet Socialist Republics	475,124	24,331	31,900	1,486,750
Argentina	5,203	5,081	-	-
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	-	-	-	-
Kuwait	-	-	-	237,600
	14,516,882	10,947,268	45,656,420	27,723,034

1/ Other than Barbados, Bermuda, Jamaica, Trinidad, and Tobago.
2/ Other than Gold Coast and Nigeria.
3/ Other than Algeria, Tunisia, and Madagascar.
4/ Established Quota - 45,656,420.
5/ Established Quota - 70,000,000.

TREASURY DEPARTMENT
Washington

FOR IMMEDIATE RELEASE
Wednesday, May 14, 1947

Press Service
No. S-326

The Bureau of Customs announced today that preliminary data on imports of cotton and cotton waste chargeable to the quotas established by the President's proclamation of September 5, 1939, as amended, for the period September 20, 1946, to May 3, 1947, are as follows:

COTTON (other than linters)
(In pounds)

Country of Origin	Under 1-1/8" other than rough or harsh under 3/4"		1-1/8" or more but less than 1-11/16" 4/	Less than 3/4" harsh or rough 5/
	Established Quota	Imports Sept. 20, 1946 to May 3, 1947	Imports Sept. 20, 1946, to May 3, 1947	Imports Sept. 20, 1946, to May 3, 1947
Egypt and the Anglo-Egyptian Sudan	783,816	-	36,415,174	-
Peru	247,952	247,952	9,209,346	-
British India	2,003,483	1,167,578	-	25,902,684
China	1,370,791	344	-	-
Mexico	8,883,259	8,883,259	-	96,000
Brazil	618,723	618,723	-	-
Union of Soviet Socialist Republics	475,124	24,331	31,900	1,486,750
Argentina	5,203	5,081	-	-
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	-	-	-
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Algeria and Tunisia	-	-	-	-
Kuwait	-	-	-	237,600
	14,516,882	10,947,268	45,656,420	27,723,034

1/ Other than Barbados, Bermuda, Jamaica, Trinidad, and Tobago.
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France.............	227,420	-	75,807	-
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Netherlands........	68,240	-	22,747	-
Switzerland........	44,388	-	14,796	-
Belgium............	38,559	-	12,853	-
Japan..............	341,535	-	-	-
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Egypt..............	8,135	6,347	-	-
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Germany............	76,329	-	25,443	-
Italy..............	21,263	-	7,088	-
Totals	5,482,509	145,731	1,599,886	-

1/ Included in total imports, column 2.

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FOR IMMEDIATE RELEASE
~~May 13~~, 1947
Thursday May 14,

5-327

The Bureau of Customs announced today preliminary figures showing the imports for consumption of commodities on which quotas were prescribed by the Philippine Trade Act of 1946, from January 1, 1947, to May 3, 1947, inclusive, as follows:

Products of Philippine Islands	Established Quota Quantity	Unit of Quantity	Imports as of May 3, 1947
Buttons	850,000	Gross	33,157
Cigars	200,000,000	Number	3,096,169
Coconut Oil	448,000,000	Pound	7,777,774
Cordage	6,000,000	"	790,190
Rice	1,040,000	"	-
Sugars, refined	112,000,000	"	-
unrefined	1,792,000,000	"	-
Tobacco	6,500,000	"	493,970

TREASURY DEPARTMENT
Washington

FOR IMMEDIATE RELEASE
Wednesday, May 14, 1947

Press Service
No. S-327

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Cordage	6,000,000	"	790,190
Rice	1,040,000	"	-
Sugars, refined	112,000,000	"	-
unrefined	1,792,000,000	"	-
Tobacco	6,500,000	"	493,970

FOR IMMEDIATE RELEASE, S-328
~~May 13~~, 1947
~~Thursday~~, May 14,
Wednesday

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, 1946, as follows:

Country of Origin	Wheat		Wheat flour, semolina, crushed or cracked wheat, and similar wheat products	
	Established Quota	Imports May 29, 1946, to May 3, 1947	Established Quota	Imports May 29, 1946, to May 3, 1947
	(Bushels)	(Bushels)	(Pounds)	(Pounds)
Canada	795,000	413	3,815,000	1,712,928
China	-	-	24,000	2,370
Hungary	-	-	13,000	-
Hong Kong	-	-	13,000	1,880
Japan	-	-	8,000	-
United Kingdom	100	-	75,000	-
Australia	-	-	1,000	32
Germany	100	-	5,000	-
Syria	100	-	5,000	-
New Zealand	-	-	1,000	100
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	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	413	4,000,000	1,718,310

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TREASURY DEPARTMENT

Washington

FOR IMMEDIATE RELEASE,
Wednesday, May 14, 1947.

Press Service
No. S-328

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Japan	-	-	8,000	-
United Kingdom	100	-	75,000	-
Australia	-	-	1,000	32
Germany	100	-	5,000	-
Syria	100	-	5,000	-
New Zealand	-	-	1,000	100
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	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	413	4,000,000	1,718,310

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FOR IMMEDIATE RELEASE
~~May 13,~~ 1947
~~Thursday~~, May 14
Wednesday

5-329

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 May 3, 1947, inclusive, as follows:

Commodity	Established Quota Period and Country	Established Quota Quantity	Unit of Quantity	Imports as of May 3, 1947
Whole Milk, fresh or sour	Calendar year	3,000,000	Gallon	2,300
Cream, fresh or sour	Calendar year	1,500,000	Gallon	446
Fish, fresh or frozen, filleted, etc., cod, haddock, hake, pollock, cusk, and rosefish	Calendar year	15,000,000	Pound	7,308,050
White or Irish potatoes:	12 months from			
certified seed	Sept. 15, 1946	90,000,000	Pound	Quota Filled
other		60,000,000	Pound	Quota Filled
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	1,380,300	Square	695,531
Molasses and sugar sirups containing soluble non-sugar solids equal to more than 6% of total soluble solids	Calendar year	1,500,000	Gallon	194,605
*Silver or black foxes, furs, and articles: Foxes valued under $250 each and whole furs and skins	Month of April			
	Canada	17,500	Number	4,589
	Other than Canada	7,500	Number	3,697
*Tails	Dec. 1, 1946 to April 30, 1947	5,000	Piece	3
*Paws, heads or other separated parts	"	500	Pound	-
*Piece Plates	"	550	Pound	33
*Articles, other than piece plates	"	500	Unit	31

~~*Quotas discontinued May 1, 1947, by Presidential Proclamation of March 18, 1947~~

TREASURY DEPARTMENT

Washington

FOR IMMEDIATE RELEASE
Wednesday, May 14, 1947.

Press Service
No. S-329

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White or Irish potatoes:	12 months from Sept. 15, 1946			
certified seed		90,000,000	Pound	Quota filled
other		60,000,000	Pound	Quota filled
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*Quotas discontinued May 1, 1947, by Presidential Proclamation of March 18, 1947

Mr. Shaeffer

5.330

May 7, 1947

TO MR. BARTELT:

The following market transactions were made during the month of April, 1947, in direct and guaranteed securities of the Government for Treasury investment and other accounts:

Sales	$64,285,000
Purchases	3,000,000
Net sales	$61,285,000

(Sgd) Joseph Greenberg

Joseph Greenberg
Assistant Commissioner of Accounts

CC to Mr. Shaeffer

TREASURY DEPARTMENT

Washington

FOR IMMEDIATE RELEASE
Thursday, May 15, 1947

Press Service
No. S-330

During the month of April, 1947, market transactions in direct and guaranteed securities of the Government for Treasury investment and other accounts resulted in net sales of $61,285,000, Secretary Snyder announced today.

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~~ALPHA~~

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.

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. Settlement for accepted tenders in accordance with the bids must be made or completed at the Federal Reserve Bank on May 22, 1947 x(8)x, in cash or other immediately available funds or in a like face amount of Treasury bills maturing May 22, 1947 x(9)x. Equal treatment will be accorded all tenders, whether the bidders offer to exchange maturing bills or to pay cash for the new bills bid for. Cash adjustments will be made for differences between the par value of maturing bills accepted in exchange and the issue price of the new bills.

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

~~Exhibit x~~

~~ALPHA~~

TREASURY DEPARTMENT

Washington

S-331

FOR RELEASE, MORNING NEWSPAPERS,
Friday, May 16, 1947
(1)

The Secretary of the Treasury, by this public notice, invites tenders for $1,200,000,000 (2), or thereabouts, of 91 (3) -day Treasury bills, for cash and in exchange for Treasury bills maturing May 22, 1947 (4), to be issued on a discount basis under competitive and fixed-price bidding as hereinafter provided. The bills of this series will be dated May 22, 1947 (5), and will mature August 21, 1947 (6), 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, May 19, 1947 (7). 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

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

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WDSPI/2058
Col Kerr/st

7 May 1947

MEMORANDUM TO: Mr. Henry Schneider
Alcohol Tax Unit
Office of the Secretary of the Treasury
Room 1605, Bureau of Internal Revenue Bldg.
Washington, D. C.

SUBJECT: Press Release on Explosive-Type War Trophies

1. The attached press release on trophies proposed by the Treasury Department is concurred in by the War Department.

2. The Secretary of War, Mr. Robert P. Patterson authorizes the following comment on this subject:

To be inserted "A"

"Weapons brought home as souvenirs, as a reminder of the end of death and destruction on the battle field, must not cause injury to our veterans and the members of their families at home. Ordinary common sense dictates that immediate steps be taken to insure the safe handling of these trophies."

JAMES R. PIERCE
Colonel, G.S.C.
Deputy Chief, Public Information Division

1 Incl.:
Proposed Press Release

Henry Sohneider of the Alcohol Tax Unit Represents the Treasury

Henry Schneider of the Alcohol Tax Unit represents the Treasury on the Committee and is its coordinator. Colonel David Kerr represents the War Department, Lieutenant Commander T. M. Wanamaker represents the Navy, and Raymond Stann represents the National Rifle Association. This committee is already active in formulating the program and will announce more detailed activities from time to time.

Comments from the heads of the cooperating organizations follow:

John W. Snyder, Secretary of the Treasury--"Thousands of our finest citizens are killed each year by the careless handling of war trophies. I believe we owe a duty to our veterans, to their families, and to the general public to help prevent these tragedies. I am sure all right-minded citizens will cooperate in this safety program."

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~~Robert P. Patterson, Secretary of War--"It would be a sacrilege against the glory won by our men in this war if we did not exert every effort to prevent the turning of their hard-won souvenirs into agents of destruction at home. The least we can do is to spread the gospel of common sense in handling these trophies."~~

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Secretary of the Treasury John W. Snyder announced today, on behalf of the War, Navy, and Treasury Departments and the National Rifle Association, the organization of an emergency committee to promote public safety in the handling of explosive type war trophies.

The committee was created in the hope of reversing a tide of ~~fatalities~~ casualties from war trophies, which some authorities estimate at several thousand per year. Another goal will be to educate souvenir owners on the safest means to keep trophies out of criminal hands.

The Treasury initiated the program in view of its legal responsibility on fully automatic weapons. However, to best serve and protect the interests of veterans, sportsmen, and the general public, the department invited and received the enthusiastic cooperation of the War and Navy Departments and also the National Rifle Association, which is a non-profit organization that has traditionally represented the sportsmen of America. Cooperation has also been extended by many other public-spirited organizations and individuals.

Except as to the statutory requirement for registration of machine guns and similarly fully automatic weapons, the committee program will be entirely of a voluntary and educational nature. The Army and Navy have agreed to offer their available facilities for the reception and examination of land mines, grenades, shells and similar explosives which may have been brought home from the battlefields as trophies. The Alcohol Tax Unit of the Bureau of Internal Revenue will assist the possessors of machine guns and other fully automatic weapons in the registration of such firearms and will also-- upon the voluntary consent of the owner--weld these guns so as to make them permanently safe without diminishing their appearance or souvenir value. The National Rifle Association is prepared to advise all gun owners on the safe handling of their weapons by themselves and their families.

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TREASURY DEPARTMENT

Washington

FOR RELEASE, SUNDAY NEWSPAPERS,
May 18, 1947

Press Service
No. S-332

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and analyze all the major matters that I have mentioned and many more that will arise upon further exploration. We should scrutinize carefully all the present sources of revenue to ascertain whether they are in proper balance. We should also explore all possible sources of new taxes which upon investigation may prove meritorious and which may relieve pressure in other areas.

The development of a sound postwar tax system constitutes one of the most important steps towards the assurance of continuing prosperity in this country. If production is to continue to increase, if the American standard of living is to improve in the future as it has in the past, the tax system must yield the needed revenue without impeding business and work incentives, without restricting investment and without weakening consumer markets. I wish again to express my pleasure in appearing before this Committee as the work is being initiated on a fundamental revision of the American tax system.

INSERT A - PAGE 23

The above items are illustrative of a number of pressing technical and administrative problems which the Treasury and the taxpayers have encountered in the operation of the Code. Our staff in cooperation with the Staff of the Joint Committee have reached agreements in respect to specific recommendations in a large number of these problems which we should like to have you consider. We shall continue with work in this field to provide a smoother functioning revenue system ~~and we stand ready at all times to provide you with specific recommendations to this end.~~

(d) provisions of the tax laws, the operation of which is affected by the termination of hostilities and of the war; (e) occupational expenses, ~~such as work clothing~~, a problem which involves primarily the difficulty of drawing satisfactory lines between the non-deductible personal expenses of individuals and their deductible business outlays; (f) research and development expenses, ~~which involves~~ involving the question of permitting greater flexibility in the determination of whether such costs should be capitalized or deducted as current expenses; (g) capital gains and losses, in which the problem relates primarily to use of the present provisions, such as section 117(j), in certain instances for tax avoidance purposes; and (h) a number of administrative provisions which require amendment in order to facilitate the administrative operations of the Bureau of Internal Revenue and assist taxpayers, such as elimination of oath requirements on certain return forms, correction of certain statute of limitation provisions, elimination of burdensome and unnecessary reports of small refunds, ~~and~~ elimination of the irrevocability of the election of the taxpayer with respect to the standard deduction, improvement of the enforcement of reporting and paying by employers of tax collected from their employees under the withholding system, and similar matters.

Insert A In conclusion I believe that we should approach the important task of postwar tax revision with an open mind. We need to study in the case of agricultural and domestic workers, the majority of the employers either are not accustomed to filing tax returns or are not engaged in business. Moreover ~~Generally~~ employment is highly irregular, prevailing wages are much lower than in industry and may be paid partly in kind. As a result, provision ~~must be~~ may need to be made for different techniques in order to achieve adequate coverage of these groups. Substantial progress has been made towards recommendations for the solution of these problems.

Technical Matters

In addition to the tax matters of broad and general importance to which I have briefly referred, there are a substantial number of needed technical adjustments of considerable significance that have accumulated during the war years. The Revenue Act of 1942 was the last piece of major legislation in which the Congress under~~stood~~took to go into such problems to any great extent. Many of these matters pose policy questions of some magnitude and their proper solution will frequently involve technical problems of considerable difficulty and complexity. Among the more important of these items are such matters as the treatment of (a) war losses, which involves primarily the treatment of recoveries of properties lost during the war; (b) cancellation of indebtedness, which is a matter ~~requires~~ requiring general reconsideration and over-hauling; (c) certain types of recapitalizations and reorganizations, to which there appears to be increasing resort as a method of attempting to avoid tax on corporate distributions in situations where there are accumulated corporate earnings;

Social Security Taxes

21. Extension of coverage. The financing of social security and its coverage raise certain important problems which will need consideration in connection with the development of the postwar tax system. As a result of a request of July 27, 1946 from Mr. Doughton, then Chairman of this Committee, the Treasury Department has been carrying on a study of the problems that would be associated with the extension of coverage for old-age and survivors' insurance. Attention has been directed primarily to the difficult technical and administrative problems involved in developing feasible methods for covering self-employed persons and agricultural and domestic workers.

12 The problems raised in connection with the coverage of both of these groups differ substantially from those involved in the coverage of workers in industry and commerce. At present social security taxes are imposed on wages, the employer withholding the employee tax and remitting it together with the employer tax. In the case of the self-employed, this system is not applicable because there is no employer-employee relationship giving rise to wages, and it is necessary to establish the base on which the self-employed should be taxed and how the tax should be reported to the Bureau of Internal Revenue. Both of these problems raise numerous questions, particularly with respect to the self-employed having very low incomes who are not subject to income tax. While the employer-employee relationship generally exists

discrimination is complicated by the nature of the tariff schedules which in some cases provide specific rates that may have been intended to compensate for the absence of excise taxes on imported products. ~~This tariff problem~~ the inter-relationship between excises and tariffs thus tends to raise questions involving this country's policies with respect to international trade agreements.

Estate and Gift Taxes

20. Revision of structure. In the estate and gift tax field there has long been a need for an intensive study and legislative revision of the basic structure, particularly with respect to the relationship between the two taxes and their mutual relationship to the income tax. For the past three years the Treasury Department with the assistance of an Advisory Committee of prominent tax attorneys has been exploring the problems in this field, with a view to preparing a comprehensive report for consideration by the Congress. This important task is nearing completion and the report is in the final stages of preparation. It will contain a detailed analysis of the problems involved and recommendations for a revision of the estate and gift taxes, the adoption of which, it is believed, would greatly increase the uniformity, simplicity, and equity of these taxes.

Excises

18. Revision of excise taxes. The Federal Government now imposes excise taxes on more than 50 commodities or services, most of which were substantially increased or newly imposed to help in the financing of the war. The revision of the excise taxes raises the important policy issue of how large a portion of the total revenue should be raised from excise taxes. This question is closely related to such matters as the level of income tax exemptions. It is now appropriate to reexamine these excises with a view to fitting them together into a coherent system adaptable to our peace-time requirements. Each of the excises imposed should be carefully considered with a view to reducing or eliminating those which are extremely regressive, which enter into business costs, which are unduly burdensome on profits of particular industries, or which are unusually difficult to administer. Revisions of particular taxes will have to be studied in detail so that any changes made will be appropriate in light of the competitive conditions in the various industries.

11 19. Discrimination between domestic and imported goods. Last year your Committee gave consideration to the problem of making certain imported merchandise subject to the same internal revenue taxes as similar merchandise of domestic origin/ and referred it for study to a group consisting of the Joint Committee on Internal Revenue Taxation, the State Department, the Tariff Commission, and the Treasury. Consideration of this problem has involved an analysis of the treatment of such imported products as beer, lubricating oil, and numerous products containing alcohol including medicinal preparations, toilet preparations, flavoring extracts, fruits and food colorings. Determining what constitutes

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16. Allowance for life insurance premiums and other savings. There have been proposals to allow a limited deduction under the individual income tax for life insurance premiums. Proposals have also been made to allow a deduction for a limited amount of earned income invested in Federal securities. If such allowances were granted it would probably be necessary to consider a corresponding general allowance for other forms of savings, in order to prevent unfair discrimination between individuals investing their savings in different ways. These proposals for special allowances for saving raise basic equity questions and economic issues as to their effect on savings, investment and consumption.

17. Capital gains and losses. Under present law gains on capital assets held by individuals and corporations over six months are taxed at rates which do not exceed a maximum of 25 percent. Losses on such assets are allowed only to the extent of capital gains, except in the case of individuals such losses may be offset against ordinary income to the extent of $1,000 each year. A 5-year carryover of unabsorbed capital losses is allowed.

The tax treatment of capital gains and losses it has been contended has ~~been held to have~~ a considerable effect on the securities market and the supply of capital. A great many problems have arisen as the result of taxpayers' efforts to convert ordinary income into capital gains entitled to the lower tax rates. The basis for taxing capital gains at lower rates than other income and the limitation on the deductibility of capital losses should be reexamined.

of averaging income over a period of years for purposes of the individual income tax. Averaging may have a significant bearing both on tax equity and on the effects of taxation on incentives to invest in risky business ventures. The adoption of averaging would result in a substantial loss of revenue, and the effects of such a loss in revenue must be compared with the effects of other tax revisions.

15. Credit for earned income. The Federal income tax has provided a credit for earned income during the years 1924-1931 inclusive and again in the years 1934-1943 inclusive. The earned income credit, however, was Comparatively small in amount, and in the Revenue Act of 1943 it was eliminated, mainly on the grounds that the credit was not large enough to justify the complications that it introduced into the tax system. There have, however, been a number of proposals for reinstituting a credit for earned income under the individual income tax. Some proponents of an earned income credit view it primarily as a means of reducing taxes on ~~small~~ wage earners, ~~amounts of income from personal efforts,~~ whereas other advocates of an earned income credit are concerned primarily with its effects on the incentives of business executives.~~with high salaries.~~ ~~In connection with postwar tax revision, attention should be given to the question whether an earned income credit should be reinstituted. In particular, consideration should be given to the relative desirability of reducing taxes by means of a credit for earned income as compared with rate reductions and increases in exemptions.~~

social security and railroad retirement benefits and certain other kinds of pensions and annuities are excluded from taxable income. These exclusions raise important problems of tax equity. With respect to taxable annuities, there should be a reexamination of the present method of allowing the tax-free recovery of the annuitant's capital contribution. The taxation of pensions and annuities is closely related to proposals for special treatment for aged persons under the individual income tax.

14. Averaging. Under graduated tax rates, taxpayers with widely fluctuating incomes are required to pay substantially larger amounts of tax than those with stable incomes totalling the same amount over a period of years. Moreover, many taxpayers lose the full benefit of their individual income tax exemptions because in some years they do not have income equal to the allowable exemptions. Such taxpayers are also taxed more heavily over a period of years than those with stable incomes. These inequalities in taxation raise the question whether it is desirable to adopt some method

of the community property system by taxing earned income to the earner and other community property income to the spouse who exercises management and control. A more comprehensive approach to the problem, which has also received Congressional attention in the past, would be to require joint tax returns by husbands and wives. Still another approach which has only recently been given widespread attention would be to eliminate tax differences resulting from income splitting between husbands and wives by granting couples in all States the option to divide their combined incomes for tax purposes.

The existing inequalities in taxes on family incomes are significant and call for careful consideration of this problem. It must be recognized that the various solutions that have been suggested would have different but ~~significant~~ important effects on the revenue yield of the income tax and on the distribution of taxes among different income groups and between married and single persons. It is, therefore, desirable to consider the family income problem in connection with any comprehensive revision of the individual tax. ~~rates and exemptions.~~

9/ 13. Pensions and annuities. There are now several million persons who receive various forms of pensions and annuities. With the wartime reduction in personal exemptions and the recent increases in the cost of living, the tax treatment of pensions and annuities has become an increasingly important problem. Under existing law, made to take account of higher living costs. It is also necessary to reexamine the alignment of exemptions as between single persons, married couples, and dependents.

12. Family income. Under present law there are inequalities in taxation of families arising out of the fact that couples in community property States are permitted to divide their community ~~and~~ earned and investment income for Federal income tax purposes, thereby reducing their taxes under the progressive rate schedule. There are also inequalities arising out of the fact that in all States recipients of investment income have opportunities for splitting that income among members of the family, whereas in non-community property States earned income is taxed to the earner. The tax value of income splitting varies with size of income. Couples with not more than $2,000 of net income after exemptions can realize no tax benefit from income splitting, whereas under the graduated rates couples with large incomes may realize substantial benefits. These tax savings have created difficult administrative problems and endless litigation in the field of family trusts, family partnerships and various other types of property assignments.

Over a period of years the Congress and the Treasury have both considered means of eliminating or reducing the resulting tax inequalities among similarly situated families, but no adequate solution of the problem has been adopted. One limited approach that has been considered in the past would be to eliminate the tax advantages determine their effects on incentives to work and invest, and their effects on living standards and purchasing power. Revision of the individual income tax rates should be coordinated with other changes in the income tax such as personal exemptions and the treatment of family incomes and with changes in other taxes.

11. Personal exemptions. As a part of the war finance program, personal exemptions under the individual income tax were sharply reduced. At the present time a taxpayer is allowed an exemption of $500 for himself, for his wife, and for each of his dependents. Thus, a single person now has an exemption of $500; in 1939 his exemption was $1,000. A married couple without children now has an exemption of $1,000 as compared with $2,500 in 1939. While exemptions for single persons and married couples have been reduced, the allowance for dependents has been increased from $400 in 1939 to the present level of $500. War and postwar increases in the cost of living have further sharply reduced the real purchasing power represented by the personal exemptions.

8/ The level of personal exemptions determines the coverage of the ~~Federal direct taxes~~ individual income tax and affects in an important way the role of ~~the individual income~~ that the tax in the revenue system as a whole. ~~Personal exemptions also have an important bearing on the effects of the income tax on consumer purchasing power.~~ Consideration needs to be given to the question whether an adjustment should be accruing from the offsetting of losses of one corporation against the gains of another and the avoidance of the tax on intercorporate dividends which would otherwise have been paid on dividends received by one member of an affiliated group from another. The tax on intercorporate dividends was intended to prevent the evasion of the graduated corporate income tax by setting up a series of small corporations in order to obtain the lower rates applicable to small corporations. It is necessary to determine whether these taxes have achieved the purposes they were intended to serve and whether they should be retained in the postwar tax structure.

Individual Income Taxes

The individual income tax is, and should remain, the mainstay of the Federal revenue system. Hence, it is most important to achieve a fair and equitable distribution of the taxes while maintaining broad consumer markets and incentives to work and invest. Among the major tax problems in this field now under study in the Treasury Department are the following:

10. Individual rates. The financial demands of the war forced us to raise individual income tax rates in all brackets to very high levels. The entire rate schedule should be reconstructed with a view to achieving an equitable distribution of taxes and maximum production under peacetime conditions. The rates must be reexamined to

In addition, a number of special relief provisions have been enacted from time to time designed to meet particular problems arising in various foreign countries and areas. For example, domestic corporations qualifying as Western Hemisphere Corporations have since 1942 been exempt from corporation surtax. Also, taxpayers doing business in the Possessions of the United States have been exempted from Federal income taxes and a special type of exemption is provided for China Trade Act Corporations. Individuals resident abroad are allowed a complete exemption on their wages and salaries earned abroad and a partial exemption where ~~their~~ income is derived from operating a business.

American corporations and individuals doing business abroad should not be placed at a disadvantage in their competition with foreign firms. At the same time, so long as they are American citizens and businesses, they should bear their fair share of domestic tax burdens. It is, therefore, highly important that we analyze the combined effect of United States and foreign taxes with a view both to minimizing any existing discrimination and inequities. and to ascertaining whether such taxpayers are bearing their fair share of taxes.

9. Intercorporate problems. Attention should be given to the ~~adequacy and~~ desirability of the present 2-percent additional tax on consolidated corporate returns and the 85-percent credit for intercorporate dividends received. The special tax on consolidated returns was intended as an offset to the tax advantages

depreciation. They contend that the individual taxpayer is in a better position than the tax administrator to estimate the life span of a particular asset.

6 Some advocate a change in the law that would arbitrarily shorten the write-off period so that the capital invested in depreciable assets will be recovered over a period which is less than their probable useful life. they assert that ~~This form of~~ accelerated depreciation would reduce ~~somewhat~~ the risks of large capital expenditures in fixed assets. ~~and~~ To the extent, however, that it understates income during periods when a taxpayer is increasing his capital investment ~~'s asset account was being increased,~~ it would result in postponement of tax. ~~It would, therefore, tend to encourage investment in depreciable assets, especially long-lived ones.~~

8. American business abroad. American corporations and individuals doing business in foreign countries are normally subject not only to American taxes but also to those of the foreign countries. Such individuals and enterprises, therefore, may become subject to excessive tax burdens unless some allowance is made in the American tax law for taxes paid abroad. In the past, American corporations have been allowed to credit against their American tax liabilities on income derived from business abroad the taxes which they have paid to foreign countries.

6. Business loss offsets. Opportunities for offsetting business losses against taxable income are a significant factor in determining the attractiveness of risky investment and in arriving at an equitable basis of taxing fluctuating incomes. Under present law, net operating losses sustained in any one year may be carried back and applied against the income of the two preceding years and any balance not absorbed may be carried forward as a deduction from income of the two years immediately following the year of loss. In connection with postwar tax revisions, it is important to consider whether the present loss offset period is long enough. Another important problem is to determine whether the present system of carrybacks and carryforwards is preferable to a system which relies solely on carryforwards.

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4. Tax exempt organizations. Because of the continued growth of the scope and volume of activities of tax exempt organizations, there is need for reexamination of the tax status of these organizations. It has been charged that in some instances the present treatment discriminates unfairly against taxable enterprises.

5. Elimination of discrimination among various forms of doing business. In a free competitive economy business is conducted in a variety of forms. Sole proprietorships, partnerships, and corporations can all make a significant contribution to economic progress. It is important that taxes create no unnecessary obstacles to the carrying on of business in the forms best adapted to different situations. At the present time, there are significant differences in taxes on incorporated and unincorporated businesses, depending on the size of the business income, the other income of the business owners, and the portion of the profits retained in the business. While complete uniformity of tax treatment of proprietorships, partnerships, and corporations is impracticable, the present tax system needs careful examination to determine whether existing differences in treatment are justified.

Department has completed and released a technical study of a number of such plans for the taxation of corporate profits.

The taxation of corporate income raises important and exceedingly complex problems. The existing arrangements and alternative approaches need to be carefully analyzed to determine their advantages and disadvantages with respect to tax equity, economic effects, and administrative considerations.

3. Small business. The vital importance to the economic system of a vigorous and healthy group of small business enterprises makes it essential to consider carefully the impact of present taxes on small business. Some spokesmen for small business believe that the present tax system discriminates against smaller enterprises and imposes unnecessary impediments to their establishment and growth. Others take the position that an attempt should be made to liberalize the tax system in order to provide special advantages for new and small enterprises. Among the proposals advanced for the tax relief of small business are suggestions for tax rate revisions, tax exemption for new enterprises, tax exemption or deduction for investment in small business, and more liberal treatment for operating losses and depreciation allowances. These and other proposals for the special benefit of both incorporated and unincorporated business firms raise difficult problems which merit extensive investigation.

2. Taxation of dividends. Under present law a corporation pays an income tax on its entire net income and stockholders are taxed on their dividend income at the regular income tax rates. This system of taxing corporate profits has been widely criticized as involving double taxation. It is contended that this is ~~held to be~~ both inequitable and damaging to investment incentives. ~~The actual extent of double taxation depends on whether the corporate income tax rests on corporations and their stockholders or whether it is passed on to consumers and wage earners.~~ This is a question about which there is no general agreement. An important issue in postwar tax policy relates to the extent of so-called double taxation of distributed corporate profits and the question of the desirability of reducing or eliminating any existing double taxation. 4

On the assumption that the corporation income tax rests at least in part on stockholders, a number of plans have been advanced for the reduction or elimination of double taxation. These plans are of three basic types. One approach would be to eliminate the corporate income tax and to tax stockholders, like partners, on their full portion of both ~~distributed and undistributed~~ corporate profits. A second approach would be to continue the corporate income tax but to grant corporations a tax credit or deduction for dividends paid. A third approach would be to continue the corporate income tax on both distributed and undistributed profits but to grant stockholders an allowance or credit with respect to dividends received. The Treasury

Business Taxes

Revision in the business tax field should be designed to achieve the greatest feasible uniformity of treatment of different forms of business, to promote a sound competitive system, and to eliminate any barriers to a high level of investment. Among the important business tax matters being studied are the following:

1. Corporate rates. Both the level of corporation tax rates and the method and extent of graduation need to be carefully examined. Under present law the corporate income tax begins at a rate of 21 percent on net incomes of less than $5,000 and is graduated to a rate of 38 percent on the entire income if in excess of $50,000.

The level of corporate tax rates must be considered in the light of overall revenue requirements and action taken on other major taxes, with due regard to any revisions in the structure of the corporation tax. The present method of graduation imposes a high rate of 53 percent on income in the so-called notch area between $25,000 and $50,000, to bring the effective rate on the whole income up to 38 percent at $50,000. One question that merits consideration is whether this method of graduation should be continued or whether the so-called notch rate should be eliminated and a system of bracket graduation similar to that used for the individual income tax substituted.

system that will serve America best will require the cooperation of the legislative and executive branches of the Government and of the taxpayers and the public generally. We need also to enlist, and I am sure we shall get, the wholehearted cooperation of the States and localities.

3/ In my appearances ~~on H. R. 1~~ before your Committee and the Senate Finance Committee, I indicated that the technical staff of the Treasury Department has under way studies on some twenty major matters that will require attention in any comprehensive revision of the tax system. These include studies on business taxes, individual income taxes, excise taxes, estate and gift taxes, and social security taxes. If the Committee should so desire, I will submit these studies to it as they are completed. I again offer your Committee the cooperation of the entire tax staff of the Treasury Department in connection with the important task of developing a sound tax system that will make a major contribution to the future progress of this country.

I wish now to comment briefly on each of the major tax items under study in the Treasury Department.

I believe that

~~In my opinion,~~ a sound tax system should meet the following essential tests. The tax system should produce adequate revenue. It should be equitable in its treatment of different groups. It should interfere as little as possible with incentives to work and to invest. It should help maintain the broad consumer markets that are essential for high-level production and employment. Taxes should be as simple to administer and as easy to comply with as possible. While the tax system should be flexible and change with changing economic conditions, it should be possible to achieve this flexibility without frequent revisions of the basic tax structure. A stable tax structure, with necessary flexibility confined largely to changes in tax rates and exemptions, will make it easidr for business and Government to plan for the future.

Before going on to mention the areas that I believe need special study, I should like to repeat my firm conviction that at this time we have a unique opportunity to modernize the Federal tax system. We are nearing ~~can anticipate~~ lower peacetime levels of Government expenditures and continuing high levels of national income and production. A period of tax reduction is approaching. But in order to take full advantage of our opportunity to modernize the tax system we must make careful use of the available margins of surplus. The surplus must be divided judiciously between debt retirement and tax reduction. The tax reductions should be allocated carefully among rate reductions and a large number of structural revisions. The development of a modern tax

As a first step towards the development of a postwar tax system facts and evidence should be assembled for the consideration of both the executive and legislative branches of the Government. This information will come from the hearings that are being initiated today and also from the continuing technical research work of the tax staffs of the Treasury Department and the Joint Committee on Internal Reveme Taxation. Later, when this necessary information is at hand a sound tax program can be developed.

By beginning early, as the Committee has, we shall have time to make a thoroughgoing study of the present tax system, to consider carefully a large number of possible revisions, and to work out a well-balanced program. A program can be outlined first in broad terms and the final details worked out as the budgetary and economic situation grows clearer. When the time comes to draft legislation ~~is drafted~~, measures already agreed upon can be taken up in the order of their priority. It is highly unlikely that the fiscal and economic situation will warrant enactment of all the ultimately desirable revisions at the same time. But advance planning and study will make it possible to proceed in an orderly fashion without prejudicing any necessary part of the program and without the danger of reducing the revenues too rapidly.

With your permission, I should like to restate the principles that I believe should guide our studies and to call attention to a number of tax problems that need careful consideration. It is not ~~my~~ intention today to make recommendations on any specific tax ~~problem~~ question.

May 16, ~~1947~~

~~Proposed~~ Statement ~~of Secretary Snyder before the Ways and Means Committee, May 19, 1947~~ of the House of Representatives
10 A.M., Monday, May 19, 1947

I am glad to have this opportunity of appearing before the Ways and Means Committee in connection with its proposed examination of the whole tax system. This approach to the tax problem is in accord with the recommendation for a comprehensive study which I made in my recent appearances before this Committee and again before the Senate Finance Committee. Only by looking at the tax system as a whole is it possible to lay a sound foundation for future legislative action. The task confronting us is of the greatest importance, because a soundly conceived and well-balanced tax system can make a significant contribution to the maintenance of prosperity. ~~and ever-advancing standards of living for the American people.~~

The first requisite of such a tax system is that it should produce adequate revenue to balance the budget and to provide a substantial payment on the public debt, in order to sustain the confidence of the public in the integrity of the Government's obligations and its financial strength. As Secretary of the Treasury, I am responsible for the management of the public debt and I am keenly aware that the Federal Government's securities are an important part of the assets of banks, insurance companies, and other financial institutions that serve the public as the repositories of its savings. Moreover, tens of millions of persons are direct owners of Federal securities. We have a great responsibility to build a tax system which will preserve the fundamental soundness of our financial system.

TREASURY DEPARTMENT

Washington

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With your permission, I should like to restate the principles that I believe should guide our studies and to call attention to a number of tax problems that need careful consideration. It is not my intention today to make recommendations on any specific tax question.

I believe that a sound tax system should meet the following essential tests. The tax system should produce adequate revenue. It should be equitable in its treatment of different groups. It should interfere as little as possible with incentives to work and to invest. It should help maintain the broad consumer markets that are essential for high-level production and employment. Taxes should be as simple to administer and as easy to comply with as possible. While the tax system should be flexible and change with changing economic conditions, it should be possible to achieve this flexibility without frequent revisions of the basic tax structure. A stable tax structure, with necessary flexibility confined largely to changes in tax rates and exemptions, will make it easier for business and Government to plan for the future.

Before going on to mention the areas that I believe need special study, I should like to repeat my firm conviction that at this time we have a unique opportunity to modernize the Federal tax system. We are nearing lower peacetime levels of Government expenditures and continuing high levels of national income and production. A period of tax reduction is approaching. But in order to take full advantage of our opportunity to modernize the tax system we must make careful use of the available margins of surplus. The surplus must be divided judiciously between debt retirement and tax reduction. The tax reductions should be allocated carefully among rate reductions and a large number of structural revisions. The development of a modern tax system that will serve America best will require the cooperation of the legislative and executive branches of the Government and of the taxpayers and the public generally. We need also to enlist, and I am sure we shall get, the wholehearted cooperation of the States and localities.

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Business Taxes

Revision in the business tax field should be designed to achieve the greatest feasible uniformity of treatment of different forms of business, to promote a sound competitive system, and to eliminate any barriers to a high level of investment. Among the important business tax matters being studied are the following:

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2. Taxation of dividends. Under present law a corporation pays an income tax on its entire net income and stockholders are taxed on their dividend income at the regular income tax rates.

This system of taxing corporate profits has been widely criticized as involving double taxation. It is contended that this is both inequitable and damaging to investment incentives. This is a question about which there is no general agreement. An important issue in postwar tax policy relates to the extent of so-called double taxation of distributed corporate profits and the question of the desirability of reducing or eliminating any existing double taxation.

On the assumption that the corporation income tax rests at least in part on stockholders, a number of plans have been advanced for the reduction or elimination of double taxation. These plans are of three basic types. One approach would be to eliminate the corporate income tax and to tax stockholders, like partners, on their full portion of both corporate profits. A second approach would be to continue the corporate income tax but to grant corporations a tax credit or deduction for dividends paid. A third approach would be to continue the corporate income tax on both distributed and undistributed profits but to grant stockholders an allowance or credit with respect to dividends received. The Treasury Department has completed and released a technical study of a number of such plans for the taxation of corporate profits.

The taxation of corporate income raises important and exceedingly complex problems. The existing arrangements and alternative approaches need to be carefully analyzed to determine their advantages and disadvantages with respect to tax equity, economic effects, and administrative considerations.

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7. Depreciation. The speed and certainty of recovery of capital invested in depreciable assets have an important bearing on the risks of investment. Consequently, it is necessary to give attention to present depreciation practices and to various proposals for their modification. Some taxpayers complain that the present system of depreciation allowances is too rigid and urge that they should be given more leeway in estimating the useful lives of their depreciable assets and more freedom of choice in selecting the method of taking depreciation. They contend that the individual taxpayer is in a better position than the tax administrator to estimate the life span of a particular asset.

Some advocate a change in the law that would arbitrarily shorten the write-off period so that the capital invested in depreciable assets will be recovered over a period which is less than their probable useful life. They assert that accelerated depreciation would reduce the risks of large capital expenditures in fixed assets. To the extent, however, that it understates income during periods when a taxpayer is increasing his capital investment, it would result in postponement of tax.

8. American business abroad. American corporations and individuals doing business in foreign countries are normally subject not only to American taxes but also to those of the foreign countries. Such individuals and enterprises, therefore, may become subject to excessive tax burdens unless some allowance is made in the American tax law for taxes paid abroad. In the past, American corporations have been allowed to credit against their American tax liabilities on income derived from business abroad the taxes which they have paid to foreign countries.

In addition, a number of special relief provisions have been enacted from time to time designed to meet particular problems arising in various foreign countries and areas. For example, domestic corporations qualifying as Western Hemisphere Corporations have since 1942 been exempt from corporation surtax. Also, taxpayers doing business in the Possessions of the United States have been exempted from Federal income taxes and a special type of exemption is provided for China Trade Act Corporations. Individuals resident abroad are allowed a complete exemption on their wages and salaries earned abroad and a partial exemption where their income is derived from operating a business.

American corporations and individuals doing business abroad should not be placed at a disadvantage in their competition with foreign firms. At the same time, so long as they are American citizens and businesses, they should bear their fair share of domestic tax burdens. It is, therefore, highly important that we analyze the combined effect of United States and foreign taxes with a view both to minimizing any existing discrimination and inequities and to ascertaining whether such taxpayers are bearing their fair share of taxes.

9. Intercorporate problems. Attention should be given to the desirability of the present 2-percent additional tax on consolidated corporate returns and the 85-percent credit for intercorporate dividends received. The special tax on consolidated returns was intended as an offset to the tax advantages accruing from the offsetting of losses of one corporation against the gains of another and the avoidance of the tax on intercorporate dividends which would otherwise have been paid on dividends received by one member of an affiliated group from another. The tax on intercorporate dividends was intended to prevent the evasion of the graduated corporate income tax by setting up a series of small corporations in order to obtain the lower rates applicable to small corporations. It is necessary to determine whether these taxes have achieved the purposes they were intended to serve and whether they should be retained in the postwar tax structure.

Individual Income Taxes

The individual income tax is, and should remain, the mainstay of the Federal revenue system. Hence, it is most important to achieve a fair and equitable distribution of the taxes while maintaining broad consumer markets and incentives to work and invest. Among the major tax problems in this field now under study in the Treasury Department are the following:

10. Individual rates. The financial demands of the war forced us to raise individual income tax rates in all brackets to very high levels. The entire rate schedule should be reconstructed with a view to achieving an equitable distribution of taxes and maximum production under peacetime conditions. The rates must be reexamined to determine their effects on incentives to work and invest and their effects on living standards and purchasing power. Revision of the individual income tax rates should be coordinated with other changes in the income tax such as personal exemptions and the treatment of family incomes and with changes in other taxes.

11. Personal exemptions. As a part of the war finance program, personal exemptions under the individual income tax were sharply reduced. At the present time a taxpayer is allowed an exemption of $500 for himself, for his wife, and for each of his dependents. Thus, a single person now has an exemption of $500; in 1939 his exemption was $1,000. A married couple without children now has an exemption of $1,000 as compared with $2,500 in 1939. While exemptions for single persons and married couples have been reduced, the allowance for dependents has been increased from $400 in 1939 to the present level of $500. War and postwar increases in the cost of living have further sharply reduced the real purchasing power represented by the personal exemptions.

The level of personal exemptions determines the coverage of the individual income tax and affects in an important way the role of the tax in the revenue system as a whole. Consideration needs to be given to the question whether an adjustment should be made to take account of higher living costs. It is also necessary to reexamine the alignment of exemptions as between single persons, married couples, and dependents.

12. Family income. Under present law there are inequalities in taxation of families arising out of the fact that couples in community property States are permitted to divide their community earned and investment income for Federal income tax purposes, thereby reducing their taxes under the progressive rate schedule. There are also inequalities arising out of the fact that in all States recipients of investment income have opportunities for splitting that income among members of the family, whereas in non-community property States earned income is taxed to the earner. The tax value of income splitting varies with size of income. Couples with not more than $2,000 of net income after exemptions can realize no tax benefit from income splitting, whereas under the graduated rates couples with large incomes may realize substantial benefits. These tax savings have created difficult administrative problems and endless litigation in the field of family trusts, family partnerships and various other types of property assignments.

Over a period of years the Congress and the Treasury have both considered means of eliminating or reducing the resulting tax inequalities among similarly situated families, but no adequate solution of the problem has been adopted. One limited approach that has been considered in the past would be to eliminate the tax advantages of the community property system by taxing earned income to the earner and other community property income to the spouse who exercises management and control. A more comprehensive approach to the problem, which has also received Congressional attention in the past, would be to require joint tax returns by husbands and wives. Still another approach, which has only recently been given widespread attention, would be to eliminate tax differences resulting from income splitting between husbands and wives by granting couples in all States the option to divide their combined incomes for tax purposes.

The existing inequalities in taxes on family incomes are significant and call for careful consideration of this problem. It must be recognized that the various solutions that have been suggested would have different but important effects on the revenue yield of the income tax and on the distribution of taxes among different income groups and between married and single persons. It is, therefore, desirable to consider the family income problem in connection with any comprehensive revision of the individual tax.

13. Pensions and annuities. There are now several million persons who receive various forms of pensions and annuities. With the wartime reduction in personal exemptions and the recent increases in the cost of living, the tax treatment of pensions and annuities has become an increasingly important problem. Under existing law, social security and railroad retirement benefits and certain other kinds of pensions and annuities are excluded from taxable income. These exclusions raise important problems of tax equity. With respect to taxable annuities, there should be a reexamination of the present method of allowing the tax-free recovery of the annuitant's capital contribution. The taxation of pensions and annuities is closely related to proposals for special treatment for aged persons under the individual income tax.

14. Averaging. Under graduated tax rates, taxpayers with widely fluctuating incomes are required to pay substantially larger amounts of tax than those with stable incomes totalling the same amount over a period of years. Moreover, many taxpayers lose the full benefit of their individual income tax exemptions because in some years they do not have income equal to the allowable exemptions. Such taxpayers are also taxed more heavily over a period of years than those with stable incomes. These inequalities in taxation raise the question whether it is desirable to adopt some method of averaging income over a period of years for purposes of the individual income tax. Averaging may have a significant bearing both on tax equity and on the effects of taxation on incentives to invest in risky business ventures. The adoption of averaging would result in a substantial loss of revenue, and the effects of such a loss in revenue must be compared with the effects of other tax revisions.

15. Credit for earned income. The Federal income tax has provided a credit for earned income during the years 1924-1931 inclusive and again in the years 1934-1943 inclusive. The earned income credit, however, was comparatively small in amount, and in the Revenue Act of 1943 it was eliminated, mainly on the grounds that the credit was not large enough to justify the complications that it introduced into the tax system. There have, however, been a number of proposals for reinstituting a credit for earned income under the individual income tax. Some proponents of an earned income credit view it primarily as a means of reducing taxes on wage earners, whereas other advocates of an earned income credit are concerned primarily with its effects on the incentives of business executives.

16. Allowances for life insurance premiums and other savings. There have been proposals to allow a limited deduction under the individual income tax for life insurance premiums. Proposals have also been made to allow a deduction for a limited amount of earned income invested in Federal securities. If such allowances were granted it would probably be necessary to consider a corresponding general allowance for other forms of savings, in order to prevent unfair discrimination between individuals investing their savings in different ways. These proposals for special allowances for saving raise basis equity questions and economic issues as to their effect on savings, investment and consumption.

17. Capital gains and losses. Under present law gains on capital assets held by individuals and corporations over six months are taxed at rates which do not exceed a maximum of 25 percent. Losses on such assets are allowed only to the extent of capital gains, except in the case of individuals such losses may be offset against ordinary income to the extent of $1,000 each year. A 5-year carryover of unabsorbed capital losses is allowed.

The tax treatment of capital gains and losses, it has been contended, has a considerable effect on the securities market and the supply of capital. A great many problems have arisen as the result of taxpayers' efforts to convert ordinary income into capital gains entitled to the lower tax rates. The basis for taxing capital gains at lower rates than other income and the limitation on the deductibility of capital losses should be reexamined.

Excises

18. Revision of excise taxes. The Federal Government now imposes excise taxes on more than 50 commodities or services, most of which were substantially increased or newly imposed to help in the financing of the war. The revision of the excise taxes raises the important policy issue of how large a portion of the total revenue should be raised from excise taxes. This question is closely related to such matters as the level of income tax exemptions. It is now appropriate to reexamine these excises with a view to fitting them together into a coherent system adaptable to our peacetime requirements. Each of the excises imposed should be carefully considered with a view to reducing or eliminating those which are extremely regressive, which enter into business costs, which are unduly burdensome on profits of particular industries, or which are unusually difficult to administer. Revisions of particular taxes will have to be studied in detail so that any changes made will be appropriate in light of the competitive conditions in the various industries.

19. Discrimination between domestic and imported goods. Last year your Committee gave consideration to the problem of making certain imported merchandise subject to the same internal revenue taxes as similar merchandise of domestic origin and referred it for study to a group consisting of the Joint Committee on Internal Revenue Taxation, the State Department, the Tariff Commission, and the Treasury. Consideration of this problem has involved an analysis of the treatment of such imported products as beer, lubricating oil, and numerous products containing alcohol including medicinal preparations, toilet preparations, flavoring extracts, fruits and food colorings. Determining what constitutes discrimination is complicated by the nature of the tariff schedules which in some cases provide specific rates that may have been intended to compensate for the absence of excise taxes on imported products. The inter-relationship between excises and tariffs thus tends to raise questions involving this country's policies with respect to international trade agreements.

Estate and Gift Taxes

20. Revision of structure. In the estate and gift tax field there has long been a need for an intensive study and legislative revision of the basic structure, particularly with respect to the relationship between the two taxes and their mutual relationship to the income tax. For the past three years the Treasury Department, with the assistance of an Advisory Committee of prominent tax attorneys, has been exploring the problems in this field, with a view to preparing a comprehensive report for consideration by the Congress. This important task is nearing completion and the report is in the final stages of preparation. It will contain a detailed analysis of the problems involved and recommendations for a revision of the estate and gift taxes, the adoption of which, it is believed, would greatly increase the uniformity, simplicity, and equity of these taxes.

Social Security Taxes

21. Extension of coverage. The financing of social security and its coverage raise certain important problems which will need consideration in connection with the develoment of the postwar tax system. As a result of a request of July 27, 1946, from Mr. Doughton, then Chairman of this Committee, the Treasury Department has been carrying on a study of the problems that would be associated with the extension of coverage for old-age and survivors' insurance. Attention has been directed primarily to the difficult technical and administrative problems involved in developing feasible methods for covering self-employed persons and agricultural and domestic workers.

The problems raised in connection with the coverage of both of these groups differ substantially from those involved in the coverage of workers in industry and commerce. At present social security taxes are imposed on wages, the employer withholding the employee tax and remitting it together with the employer tax. In the case of the self-employed, this system is not applicable because there is no employer-employee relationship giving rise to wages, and it is necessary to establish the base on which the self-employed should be taxed and how the tax should be reported to the Bureau of Internal Revenue. Both of these problems raise numerous questions, particularly with respect to the self-employed having very low incomes who are not subject to income tax. While the employer-employee relationship generally exists in the case of agricultural and domestic workers, the majority of the employers either are not accustomed to filing tax returns or are not engaged in business. Moreover, employment generally is highly irregular, prevailing wages are much lower than in industry and may be paid partly in kind. As a result, provision may need to be made for different techniques in order to achieve adequate coverage of these groups. Substantial progress has been made towards recommendations for the solution of these problems.

Technical Matters

In addition to the tax matters of broad and general importance to which I have briefly referred, there are a substantial number of needed technical adjustments of considerable significance that have accumulated during the war years. The Revenue Act of 1942 was the last piece of major legislation in which the Congress undertook to go into such problems to any great extent. Many of these matters pose policy questions of some magnitude and their proper solution will frequently involve technical problems of considerable difficulty and complexity. Among the more important of these items are such matters as the treatment of (a) war losses, which involves primarily the treatment of recoveries of properties lost during the war; (b) cancellation of indebtedness, which is a matter requiring general reconsideration and over-hauling; (c) certain types of recapitalizations and reorganizations, to which there appears to be increasing resort as a method of attempting to avoid tax on corporate distributions in situations where there are accumulated corporate earnings; (d) provisions of the tax law the operation of which is affected by the termination of hostilities and of the war; (e) occupational expenses, a problem which involves primarily the difficulty of drawing satisfactory lines between the non-deductible personal expenses of individuals and their deductible business outlays; (f) research and development expenses, involving the question of permitting greater flexibility in the determination of whether such costs should be capitalized or deducted as current expenses; (g) capital gains and losses, in which the problem relates primarily to use of the present provisions, such as section 117(j), in certain instances for tax avoidance purposes; and (h) a number of administrative provisions which require amendment in order to facilitate the administrative operations of the Bureau of Internal Revenue and assist taxpayers, such as elimination of oath requirements on certain return forms, correction of certain statute of limitation provisions, elimination of burdensome and unnecessary reports of small refunds, elimination of irrevocability of the election of the taxpayer with respect to the standard deduction, improvement of the enforcement of reporting and paying by employers of tax collected from their employees under the withholding system, and similar matters.

These above items are illustrative of a number of pressing technical and administrative problems which the Treasury and the taxpayers have encountered in the operation of the Code.

In conclusion I believe that we should approach the important task of postwar tax revision with an open mind. We need to study and analyze all the major matters that I have mentioned and many more that will arise upon further exploration. We should scrutinize carefully all the present sources of revenue to ascertain whether they are in proper balance. We should also explore all possible sources of new taxes which upon investigation may prove meritorious, and which may relieve pressure in other areas.

The development of a sound postwar tax system constitutes one of the most important steps towards the assurance of continuing prosperity in this country. If production is to continue to increase, if the American standard of living is to improve in the future as it has in the past, the tax system must yield the needed revenue without impeding business and work incentives, without restricting investment and without weakening consumer markets. I wish again to express my pleasure in appearing before this Committee as the work is being initiated on a fundamental revision of the American tax system.

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The United States is participating wholeheartedly in all these undertakings, and she is contributing, too, the operations of the Export-Import Bank, specific credits granted by Congress, and generous policies in such matters as post-war financial settlements.

Through such measures, we are activating our plea for world peace, freedom and economic stability. Since this program vitally concerns us all, it is most important that every citizen familiarize himself with our specific international policies, and support them. They

Amicable and prosperous business dealings in the trade marts of the world must be insured before we can succeed in our objective of a free and peaceful world. We are striving to attain a reasonable and workable solution to this problem through our various international agencies, and, while such organizations must proceed at a necessarily slow pace, they have already made very definite progress.

The securing of commercial cooperation and adequate settlements of trade disagreements are important functions of the United Nations. The International Bank for Reconstruction and Development will assist with the financial problems of nations, while the International Monetary Fund is a direct effort to meet one of the most vital needs of world trade by maintaining stable of its thought and energy on attaining the objectives of peace and freedom. These objectives are bound up completely with a third objective -- reestablishment of world trade. In fact the three - peace, freedom and world trade -- are inseparable." **

Far too often in the past, world trade has provoked serious rivalries between nations. Normal competition in trade has been allowed to assume the proportions of economic aggression, and we have become involved in bitter international wrangling. Seeking advantage, the nations have fought each other with excessive duties and tariffs, arbitrary embargoes, quotas and subsidies, and the manipulation of exchange rates.

** Address, Baylor University, Waco, Texas, March 6, 1947

Press release - May 20 1947

JRB

~~DRAFT - WORLD TRADE WEEK STATEMENT~~ ~~April 28, 1947~~

Observance of World Trade Week is particularly significant this year in view of the marked advancement in our international economic relations. Hand in hand with our efforts to secure world peace, the great network of global commerce is developing every existing trade potential. The world finds itself on the threshold of an era of vastly increased wealth and security. America, who proved well her immense productive abilities during the war, will turn her great capacities toward peacetime development, and the results will be highly advantageous to all of our citizens.

President Truman has stated that, "At this particular time, the whole world is concentrating much

TREASURY DEPARTMENT

Washington

FOR RELEASE MORNING NEWSPAPERS,
Tuesday, May 20, 1947.

Press Service
No. 5-334

Secretary Snyder today issued the following statement in connection with the observance of World Trade Week, May 18-24, 1947:

Indent statement

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TREASURY DEPARTMENT

Washington

FOR RELEASE, MORNING NEWSPAPERS,
Tuesday, May 20, 1947

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** Address, Baylor University, Waco, Texas, March 6, 1947

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The American-born plan of an International Trade Organization would administer a code of fair practices in commercial dealings between nations. And, at the same time, we have launched a campaign of missionary work to induce the reciprocal lowering of tariff barriers.

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oOo

In keeping with the American tradition of free enterprise, the transfer of the merchant fleet from the Government that built it to the ownership and operation of private interests is almost complete. An additional reserve of seaworthy vessels lies at anchorages along both coasts, ready in case of need. As we observe this Maritime Day, every American should staunchly resolve that this great organization be maintained at a high level of efficiency.

Experience has taught that a strong Merchant Marine means a stronger national economy, stronger national defenses, and stronger, more durable relations between America and her neighbors in the community of nations.

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Suggested Statement by Secretary Snyder
on National Maritime Day

One hundred and twenty-eight years ago, the first steam-propelled ship to attempt an ocean passage sailed from the port of Savannah. Behind the tiny vessel lay the era of the Yankee clippers - trim sailing ships that had already borne the American flag and the produce of the young Republic to the ports of the Seven Seas. The age of steam had arrived - an age that was to witness tremendous expansion in commerce between the New World and the Old.

The American Merchant Marine - important instrument of peace, effective weapon of war - flourished and waned and flourished again during the passing years. War brought expansion - peace witnessed deterioration. Finally the necessities of global war called for a shipbuilding program that produced a merchant fleet of unparalleled size and efficiency; and when History has finally passed judgment on the events of that tragic period, it cannot fail to recognize that the men and the ships of the Merchant Marine, supplying the multifarious stores of war to democracy's widely-deployed forces, shared generously in the Allied victory.

This year National Maritime Day, appropriately proclaimed by the President as May 22, sailing date of that first American steamship on a trans-ocean voyage, has an especial significance. The question has again been raised: shall we maintain our prestige as a maritime nation, or shall we permit a repetition of the costly errors of the past?

TREASURY DEPARTMENT

Washington

FOR RELEASE, MORNING NEWSPAPERS,
Thursday, May 22, 1947.

Press Service
No. S-335

Secretary Snyder today issued the following statement in observance of National Maritime Day: ~~the one hundred and twenty eighth anniversary of the American Merchant Marine.~~

Indent statement

Anne Smith 047

Ext 3340

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Thursday, May 22, 1947

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Tuesday, May 20, 1947

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Press Service
No. S-336

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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 for the receipt of all subscriptions at the close of business Friday, May 23.

Subscriptions addressed to a Federal Reserve Bank or Branch or to the Treasury Department, and placed in the mail before midnight May 23, will be considered as having been entered before the close of the subscription books.

The text of the official circular follows:

TO:

Mr. Shaeffer

TO:

TREASURY DEPARTMENT
Washington

FOR RELEASE, MORNING NEWSPAPERS,
Wednesday, May 21, 1947.

Press Service
No. S-336

Secretary of the Treasury Snyder today announced the offering, through the Federal Reserve Banks, of 7/8 percent Treasury Certificates of Indebtedness of Series E-1948, open on an exchange basis, par for par, to holders of Treasury Certificates of Indebtedness of Series E-1947, in the amount of $2,774,925,000, which will mature on June 1, 1947. 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 and including $25,000 will be allotted in full. Cash subscriptions will not be received.

The certificates now offered will be dated June 1, 1947, and will bear interest from that date at the rate of seven-eighths of one percent per annum, payable with the principal at maturity on June 1, 1948. They will be issued in bearer form only, in denominations of $1,000, $5,000, $10,000, $100,000 and $1,000,000.

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The text of the official circular follows:

UNITED STATES OF AMERICA

7/8 PERCENT TREASURY CERTIFICATES OF INDEBTEDNESS OF SERIES E-1948

Dated and bearing interest from June 1, 1947 — Due June 1, 1948

1947
Department Circular No. 807

TREASURY DEPARTMENT,
Office of the Secretary,
Washington, May 21, 1947.

Fiscal Service
Bureau of the Public Debt

I. OFFERING OF CERTIFICATES

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 E-1948, in exchange for Treasury Certificates of Indebtedness of Series E-1947, maturing June 1, 1947. 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 June 1, 1947, and will bear interest from that date at the rate of 7/8 percent per annum, payable with the principal at maturity on June 1, 1948. They 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 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 June 2, 1947, or on later allotment, and may be made only in Treasury Certificates of Indebtedness of Series E-1947, maturing June 1, 1947, 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.

JOHN W. SNYDER,
Secretary of the Treasury.

Williams - Ext 2940

TREASURY DEPARTMENT
double sp. Washington

FOR RELEASE, MORNING NEWSPAPERS
Tuesday, May 20, 1947

Press Service
No. S-337

The Treasury Department announced today that it is prepared, in appropriate cases, to grant licenses for payments to creditors of business organizations and individuals in Italy from blocked accounts in this country in which the debtors have an interest.

In announcing this step, Treasury Department officials pointed out that this announcement is a necessary preliminary to the establishment of any procedure for the release of Italian blocked assets in the United States. In this connection, Treasury Department officials referred to the letter of April 15, 1947 from Acting Secretary of State Acheson to Senator Vandenberg, which was subsequently made public, wherein it was stated that the policy of the United States is directed toward the release or return of Italian property in the United States which is blocked or has been vested.

It was stated that, in general, an application for such a license should be supported by a payment instruction or other acknowledgment by the debtor executed after September 3, 1943, the date of the Armistice with Italy. If an application is based on a court judgment, evidence should be submitted that the debtor has received actual notice of the proceedings and has had a reasonable opportunity to appear.

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FOR RELEASE, MORNING NEWSPAPERS,
Tuesday, May 20, 1947.

Press Service
S-338

The Secretary of the Treasury announced last evening that the tenders for $1,200,000,000, or thereabouts, of 91-day Treasury bills to be dated May 22 and to mature August 21, 1947, which were offered on May 16, 1947, were opened at the Federal Reserve Banks on May 19.

The details of this issue are as follows:

Total applied for - $1,746,342,000
Total accepted - 1,203,476,000 (includes $18,997,000 entered on a fixed-price basis at 99.905 and accepted in full)
Average price - 99.905+ Equivalent rate of discount approx. 0.376% per annum

Range of accepted competitive bids:

High - 99.906 Equivalent rate of discount approx. 0.372% per annum
Low - 99.905 " " " " " 0.376% " "

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

Federal Reserve District	Total Applied for	Total Accepted
Boston	$ 10,670,000	$ 7,694,000
New York	1,487,826,000	1,017,842,000
Philadelphia	15,690,000	10,890,000
Cleveland	2,987,000	2,987,000
Richmond	5,135,000	4,495,000
Atlanta	2,565,000	2,565,000
Chicago	124,762,000	86,184,000
St. Louis	2,762,000	2,314,000
Minneapolis	7,835,000	5,659,000
Kansas City	9,165,000	8,045,000
Dallas	4,435,000	3,731,000
San Francisco	72,510,000	51,070,000
TOTAL	$1,746,342,000	$1,203,476,000

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St. Louis	2,762,000	2,314,000
Minneapolis	7,835,000	5,659,000
Kansas City	9,165,000	8,045,000
Dallas	4,435,000	3,731,000
San Francisco	72,510,000	51,070,000
TOTAL	$1,746,342,000	$1,203,476,000

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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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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. Settlement for accepted tenders in accordance with the bids must be made or completed at the Federal Reserve Bank on May 29, 1947 (8), in cash or other immediately available funds or in a like face amount of Treasury bills maturing May 29, 1947 (9). Equal treatment will be accorded all tenders, whether the bidders offer to exchange maturing bills or to pay cash for the new bills bid for. Cash adjustments will be made for differences between the par value of maturing bills accepted in exchange and the issue price of the new bills.

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

~~Exhibit~~

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TREASURY DEPARTMENT

Washington

FOR RELEASE, MORNING NEWSPAPERS,
Friday, May 23, 1947
~~(1)~~

5-339

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, for cash and in exchange for Treasury bills maturing May 29, 1947 ~~(4)~~, to be issued on a discount basis under competitive and fixed-price bidding as hereinafter provided. The bills of this series will be dated May 29, 1947 ~~(5)~~, and will mature August 28, 1947 ~~(6)~~, 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, May 26, 1947 ~~(7)~~. 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

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TREASURY DEPARTMENT

Washington

FOR RELEASE, MORNING NEWSPAPERS, Friday, May 23, 1947

Press Service No. S-339

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and good fortune.

And to whatever goal you aspire, into whatever niche of our political or public or social structure your careers place you, I know that you will make the most of the educational inspiration and spiritual guidance you have gained here in Ouachita College.

products of an educational system that strives not only for scholastic excellence, but to inculcate in each individual those high moral and spiritual traits which our world so sorely needs. You are peculiarly fitted to share in the leadership in our America of tomorrow.

I join with your President and Trustees of Ouachita College, and with your friends gathered here, in wishing all of you good health unity of our people behind the efforts of President Truman, Secretary Marshall, and our representatives in the United Nations, to help build a happier world.

I believe that out of the laboratories and out of the classrooms of our colleges and universities will come a real contribution to this great national effort.

You newly graduated men and women of Ouachita College are

We have the plant and equipment, the skill of management, the wealth of raw materials, and a citizenry whose knowledge and will to accomplish have been tested by war. Most important, we have the vitality growing out of our devotion to a system of free enterprise.

On the spiritual and moral side, we must devote ourselves to insuring a world of guaranteed peace and freedom. There is cause for pride and gratitude in the substantial

Millions of our service men were carried by the forces of war into an appreciation and a desire for an environment better than they had before known. And many millions of our citizens knew for the first time the stability of good jobs, and a higher standard of living.

We cannot and need not lower these increased valuations. Towards our peacetime goal of continued national prosperity, we have now, the same and even greater assets available.

We must now operate wisely our expanded industrial plant, and employ most efficiently our production storehouse of so many marvelous substances and products.

Both worker and management, having experienced the compensations of high production, high national income, and full employment will never again be complacently resigned to anything substantially less.

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role in managing the ~~exigencies~~ of our times.

Our conduct in all phases of the recent war fully developed our capabilities. In the economic sense, our record production for war reached amazing heights. Our achievements in scientific and technical discoveries and developments will be used beneficially for all mankind.

world war, are indeed momentous; and that their solution calls for the greatest possible effort by all of us. We stand at the beginning of a new era, both in our economic situation at home, and in our role of leadership for political and economic security throughout the world.

The men and women of the generation represented by this senior class will play a deciding

You and your fellows on campuses throughout the Nation are writing a brilliant record. I am confident that during the next few years the outpouring of serious-minded, trained, eager and ambitious young men and women from our colleges and universities will prove a vigorous potential of progress for all our people.

I am sure we all agree that the problems we face today, after emerging from a devastating opportunity for service.

In gratitude for the wartime sacrifices of our service men and women, we are today engaged in the greatest experiment in educational training that has ever been attempted by any country. Some of you in this graduating class, and among the undergraduates assembled here, are taking advantage of these opportunities.

a grave responsibility -- as well as a privilege -- in the charting of our future national course.

Because of economic limitations and custom, it has not been many generations ago since higher education, ~~even for men~~, was only for the few. Gradually we have recognized that education for the many is indispensable -- a necessity for all those who have the ability and desire to improve their circumstance and

I urge you to strive always to uphold your standards.

5/ On this solemn and yet cheerful day, each of you graduates must be deeply conscious of the obligation that you owe to yourself, to the instructors and friends who have helped along the way, and to your families, many of whom have made great sacrifices for your education.

You college-trained men and women have an obligation, too, and

Our character must be sound and resolute to properly solve the problems that come with the rapid advancement of our culture. The essential qualities of our own make-up will finally decide the success of our national and international relationships.

The sort of guidance in character-building that you students of Ouachita have had will make a contribution of tremendous value to our future security and well-being.

pay that which we justly owe. No matter how difficult the road, you of this generation must make it a part of your creed that we as a people stand inflexibly for a substantial and orderly reduction of our National Debt.

Thus, in the solution of these, and all other impediments to a serene society, the possession of forceful character is a requisite.

As Secretary of the Treasury, charged with the responsibility of the management and supervision of the national credit, I cannot over-emphasize the vital importance of the financial obligations which our country has assumed. Not only our own security, but the foundations of World Peace, depend on our accepting these obligations with a profound sense of trusteeship.

There can be no compromise, either, in our determination to

We need character to face the problems of crime solution and of moral delinquency; character is essential to resolve our labor-management questions satisfactorily; character must underlie the formulation of our political policies. It is basic character that will enable us to maintain the stability and integrity of national obligations, both domestic and foreign.

quality of a people, which determines a Nation's real strength. The collective habits and environments, the natural and acquired traits of individuals of a country -- these are the governing force in our path of progress. Our family and community associations, our social problems of everyday living, our whole system of democratic government reflects the personal stature of the citizen.

people have come through the maelstrom of war unspoiled is the greatest tribute I know to the fundamental soundness of the American character.

And the wise development of this attribute, so important in these difficult transition years, is owed in great part to the character building phases of education.

In the final analysis, it is character, the elementary possible the solution of those problems that arise, whether in public affairs, in the social field, in the field of labor relations, or in the family and community circles.

I have the greatest confidence in the generation which you represent. You have just emerged triumphant from a test under fire such as no generation has ever before experienced. The fact that so many millions of our young and those who serve. The survival of our free enterprise system, the rule under which we have so greatly progressed, depends upon the maintenance of our high ideals, and upon the extent to which our spiritual, moral, and religious consciousness is sustained in the hearts and minds of all of us.

An attitude of wise tolerance is a vital guide in our human relationships, and will make into the stream of competition for scarce jobs during the dark days of depression. We all know how the great majority of them fought through very real obstacles to accomplish successful careers. Many of them are the leaders of today.

Our exceedingly complex economic and business relationships demand the highest ethical standards on the part of both those who direct initiative by breeding cynicism. To face life today, either private or public, truly requires a finely balanced, sturdy character.

You 1947 graduates are fortunate in that you enter upon your careers in a period of great prosperity. But it will be up to you to prove, during the years ahead, whether you are really more fortunate than those graduates of the late '20's and early '30's, who were thrown prosperity or adversity.

Often I am sorely tried to determine whether the greater test of character is made under adverse or during auspicious conditions. At times I am convinced that it is more difficult to survive good fortune and praise than hardship or criticism of efforts. Praise often undermines in an insidious way, leading to a false appraisal of true values. On the other hand, criticism is so apt to destroy

3/ Ouachita College always has made the building of character a primary goal in its program to equip its students for useful and profitable lives. The value of such a program to good citizenship goes far beyond the mere diligent pursuit of the arts and sciences.

For, only through the development of character, can youth be instilled with fortitude to meet whatever the future may hold, whether in should view them as a challenge to success and to your ability to play a constructive role in the society of your State and Nation.

True education sets as high a premium on the building of character as on academic excellence. As we contemplate the demands that these critical times exert upon the moral fiber of our citizenship, then such emphasis assumes its proper importance.

You must never regard your diploma as a passport to a more select social strata or as a ticket of admission to a better paying, and less demanding position of employment. Such an uninspired view would be to waste the substance of this present accomplishment.

Rather, you who receive these degrees, as evidence of the confidence and commendation of the trustees and faculty of Ouachita College, Through association with your fellow students and with the members of this faculty, you have strengthened your traits of character and have acquired a moral stamina which will guide you throughout your lifetime.

And now, if you will eternally seek for knowledge, for understanding, for competency in job or profession, for satisfying service, then the years spent here will have been well worthwhile.

yourselves for greater spiritual and material benefits.....and to prepare yourselves for service in this world -- a world that needs, as never before, the greatest talents, zealously applied, and the highest integrity of individual character.

In these halls, and on this campus, you have improved your skills and learned the rewards of an intellectual inquisitiveness.

have gained will remain with you and will be beneficial in your new efforts to the extent allowed by yourselves. Each one of you will determine, in the years to come, the true value that should be placed upon these certificates.

I congratulate you, with deep sincerity, upon the opportunity you have had here to prepare yourselves for a fuller, more satisfying life....to equip of that kind of America we all so deeply desire.

I know the faculty and student body of Ouachita College are playing their very definite role in this collective endeavor.

In receiving your diplomas here today, you graduates have reached a most important milestone of your lives. Your attitude, your interests, and your whole outlook on life will have changed when you leave here. But the lessons you

Today, hundreds of Church-directed educational bodies such as Ouachita carry on in the historic tradition that recognizes the eternal importance to mankind of an interdependent mental and spiritual education.

They continue to affirm the dignity, the significance, and the individual responsibility of man. They offer him faith, self-respect, and knowledge. And, they wield a mighty force to the attainment

The student of history is always impressed by the degree to which our church-supported colleges have advanced the social and economic consciousness of our Nation. Throughout the formative years of this country, such colleges were almost the only institutions of higher learning. The great minds and the creative spirits who gave us our political structure, and our moral and idealistic legacy, were the products of this system.

The reputation and influence of Ouachita has spread far beyond the confines of this State, and of the South. Men and women of Ouachita have returned to their own communities, fully equipped to render service to their chosen field whether it be in business, in the professions, in public administration or in their church. They have made a distinguished record.

You men and women can take a special pride in receiving your diplomas from an institution of such worth as Ouachita College.

All of us are aware of the splendid contributions it has made to the fields of education. For more than sixty years, this school has maintained the highest standards of culture and scholastic excellence in the training of our youth and in the furthering of the ideals of Christian living.

11.00 A.M., Arkadelphia, Ark

L-7

An Address by the Secretary of the Treasury
Prepared for Delivery at Ouachita College
Monday, May 26, 1947

S-840

This occasion, for me, is one of particular pleasure. I consider it a privilege to have been invited to join with you today, and to participate in the commencement exercises of your college. I am very grateful, also, for this opportunity to meet so many of the educational and religious leaders of my State.

TREASURY DEPARTMENT

Washington

(The following address by Secretary Snyder at Commencement Exercises of Ouachita College, Arkadelphia, Arkansas, is scheduled for delivery at 11:00 A.M., C.S.T., Monday, May 26, 1947, and is for release at that time.)

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Often I am sorely tried to determine whether the greater test of character is made under adverse or during auspicious conditions. At times I am convinced that it is more difficult to survive good fortune and praise than hardship or criticism of efforts. Praise often undermines in an insidious way, leading to a false appraisal of true values. On the other hand, criticism is so apt to destroy initiative by breeding cynicism. To face life today, either private or public, truly requires a finely balanced, sturdy character.

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As Secretary of the Treasury, charged with the responsibility of the management and supervision of the national credit, I cannot over-emphasize the vital importance of the financial obligations which our country has assumed. Not only our own security, but the foundations of World Peace, depend on our accepting these obligations with a profound sense of trusteeship.

There can be no compromise, either, in our determination to pay that which we justly owe. No matter how difficult the road, you of this generation must make it a part of your creed that we as a people stand inflexibly for a substantial and orderly reduction of our national debt.

Thus, in the solution of these, and all other impediments to a serene society, the possession of forceful character is a requisite. Our character must be sound and resolute to properly solve the problems that come with the rapid advancement of our culture. The essential qualities of our own make-up will finally decide the success of our national and international relationships.

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I join with your President and Trustees of Ouachita College, and with your friends gathered here, in wishing all of you good health and good fortune.

And to whatever goal you aspire, into whatever niche of our political or public or social structure your careers place you, I know that you will make the most of the educational inspiration and spiritual guidance you have gained here in Ouachita College.

oOo

A west coast bakery was assessed $228,000 after agents discovered that tax frauds had been concealed by juggling the company's books.

In New England, a persistent agent, who had been assigned to check up on an apparent $18,000 tax deficiency owed by a corporation, discovered that the true tax bill was $670,000.

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~~been assigned for examination and before an investigating officer of the Bureau has requested advice from appropriate officers of the Bureau regarding the case. Prior to such action within the Bureau, a taxpayer may make a voluntary disclosure and escape criminal prosecution even though his name may appear in an inactive file of suspects.~~ This also includes full Co-operation with agents

Full understanding of this policy is expected to stimulate voluntary during the investigation disclosures by repentant taxpayers, similar to a recent case in the middle west, where a produce firm paid over $1,000,000 in taxes, interest and civil penalties in order to avoid prosecution.

Other recent development in the tax drive include:

A man appealed to his local police to help find the owner of a carton full of currency which appeared mysteriously in the man's cellar. Investigation indicates that the man owned the money himself and was only trying to cover up black market profits.

Another man who had concealed income tax frauds by burying currency in his basement was found out when $125,000 of the money got so mouldy that he tried to turn it in for fresh bills.

Investigation of one war contractor recently resulted in additional tax assessments totalling $1,000,000.

A tedious study of gate receipts at a major league ball park resulted in the filing of criminal charges against a ring of "ticket scalpers."

A midwestern mortician was found to have cheated on his income tax by claiming "bad debt" deductions on all funerals unpaid for on the last day of the year, even though the bills were invariably paid shortly afterwards.

A southern dentist said he was going to move to South America after income tax agents discovered frauds from which the man had acquired an 18-room house, a racing stable, and many other expensive luxuries.

TREASURY DEPARTMENT

Washington, D. C.

FOR RELEASE: Sunday Newspapers, May 25, 1947.

Press Service ~~No.~~ No. S-341

Secretary ~~of the Treasury John W.~~ Snyder said today that the continuing drive against tax evaders recently turned up a $3,700,000 income tax fraud case against a large paper and metal concern.

The company had amassed bulging bank accounts under secret names as the result of black market operations, short weighting customers, and falsifying tax returns.

The officers of the corporation, who face criminal prosecution, said their purpose in evading taxes was to save up money to pay fines if caught by OPA inspectors.

The Secretary ~~said~~ observed that, although this was the largest case developed in recent weeks, it was generally typical of thousands of smaller cases which brought $1,461,000,000 of additional revenue into the Treasury in the first nine months of the current fiscal year--an increase of 40.5 per cent over the similar period last year.

Although most fraud cases are settled upon payment of the tax plus interest and civil penalties, the number of prosecutions also has been rising. In the nine month period, 117 persons pleaded guilty or were convicted on income tax charges, compared with 47 in the similar period last year.

One of the important elements in settling cases, with civil penalties and without prosecution, has been the Treasury's policy of not prosecuting persons who make a voluntary disclosure of their fraud before the Treasury begins an investigation of their cases. This means that, in order to assure himself against criminal prosecution, a repentant taxpayer must disclose his fraud to an official of the Bureau of Internal Revenue before the case has

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TREASURY DEPARTMENT

Washington

FOR RELEASE, SUNDAY NEWSPAPERS
May 25, 1947

Press Service
No. S-341

Secretary Snyder said today that the continuing drive against tax evaders recently turned up a $3,700,000 income tax fraud case against a large paper and metal concern.

The company had amassed bulging bank accounts under secret names as the result of black market operations, short weighting customers, and falsifying tax returns.

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One of the important elements in settling cases, with civil penalties and without prosecution, has been the Treasury's policy of not prosecuting persons who make a voluntary disclosure of their fraud before the Treasury begins an investigation of their cases. This means that, in order to assure himself against criminal prosecution, a repentant taxpayer must disclose his fraud to an official of the Bureau of Internal Revenue before the case has been assigned for examination and before an investigating officer of the Bureau has requested advice from appropriate officers of the Bureau regarding the case. Prior to such action within the Bureau, a taxpayer may make a voluntary disclosure and escape criminal prosecution even though his name may appear in an inactive file of suspects. This presumes, of course, that the repentant taxpayer cooperates with agents of the Bureau in determining the true tax liability.

Full understanding of this policy is expected to stimulate voluntary disclosures by repentant taxpayers, similar to a recent case in the middle west, where a produce firm paid over $1,000,000 in taxes, interest and civil penalties in order to avoid prosecution.

Other recent developments in the tax drive include:

A man appealed to his local police to help find the owner of a carton full of currency which appeared mysteriously in the man's cellar. Investigation indicates that the man owned the money himself and was only trying to cover up black market profits.

Another man who had concealed income tax frauds by burying currency in his basement was found out when $125,000 of the money got so mouldy that he tried to turn it in for fresh bills.

Investigation of one war contractor recently resulted in additional tax assessments totalling $1,000,000.

A tedious study of gate receipts at a major league ball park resulted in the filing of criminal charges against a ring of "ticket scalpers".

A midwestern mortician was found to have cheated on his income tax by claiming "bad debt" deductions on all funerals unpaid for on the last day of the year, even though the bills were invariably paid shortly afterwards.

A Southern dentist said he was going to move to South America after income tax agents discovered frauds from which the man had acquired an 18-room house, a racing stable, and many other expensive luxuries.

A west coast bakery was assessed $228,000 after agents discovered that tax frauds had been concealed by juggling the company's books.

In New England, a persistent agent, who had been assigned to check up on an apparent $18,000 tax deficiency owed by a corporation, discovered that the true tax bill was $670,000.

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to Allied Forces Headquarters in the Mediterranean, and Chief of the Economics and Finance Branch, Civil Affairs Headquarters, 7th Army. Mr. Southard was awarded the Legion of Merit for his services in the U. S. Navy. Upon his release from the Navy in 1945, at which time he held the rank of Commander, Mr. Southard returned to Cornell University.

Mr. Southard is married and is now living in Ithaca, New York.

Monday May 26, 1947

DRAFT PRESS RELEASE FOR A.M. PAPERS, ~~FRIDAY, MAY 23, 1947~~

5-342

~~The~~ Secretary ~~of the Treasury, John W.~~ Snyder, today announced that ~~Mr.~~ Frank A. Southard, Jr. will join his staff on July 15 to be in charge of the international financial and monetary work of the Treasury Department.

Mr. Southard is now Professor of Economics and Chairman of the Department of Economics at Cornell University, Ithaca, New York. From June, 1941, until he entered the United States Navy in July, 1942, Mr. Southard was Assistant Director of the Division of Monetary Research in the Treasury Department.

Born in Cleveland, Ohio, on January 17, 1907, Mr. Southard was graduated from Pomona College, California, in 1927 and received his Ph.D. from the University of California in 1930. After one year as Economics Instructor at the University of California, Mr. Southard became Assistant Professor of Economics at Cornell in 1931, was promoted to Professor in 1939, and remained with Cornell University until he joined the Treasury Department in January, 1941. He worked with the Tariff Commission during 1935 and was principal economist in the Division of Monetary Research of the Treasury Department in 1938. For nine months during 1934-35 he did research in international finance with the Carnegie Endowment and for eight months in 1940 had a Guggenheim Fellowship, during which he made a survey of monetary policies in Chile and Argentina. He is the author of several books in the field of international monetary affairs.

Mr. Southard left the Treasury Department in July, 1942, to enter the United States Navy. He served originally in Intelligence work and later in Civil Affairs work in Sicily and Italy, dealing with financial and monetary problems confronting the Allied Forces in that area. He was financial adviser

TREASURY DEPARTMENT

Washington

FOR RELEASE, MORNING NEWSPAPERS
Monday, May 26, 1947

Press Service
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Mr. Southard left the Treasury Department in July 1942 to enter the United States Navy. He served originally in Intelligence work and later in Civil Affairs work in Sicily and Italy, dealing with financial and monetary problems confronting the Allied Forces in that area. He was financial adviser to Allied Forces Headquarters in the Mediterranean, and Chief of the Economics and Finance Branch, Civil Affairs Headquarters, 7th Army. Mr. Southard was awarded the Legion of Merit for his services in the U. S. Navy. Upon his release from the Navy in 1945, at which time he held the rank of Commander, Mr. Southard returned to Cornell University.

Mr. Southard is married and is now living in Ithaca, New York.

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TREASURY DEPARTMENT
Washington

FOR IMMEDIATE RELEASE,
Monday, May 26, 1947.

Press Service
S-343

The Treasury today announced the subscription figures and the basis of allotment for the offering of 7/8 percent Treasury Certificates of Indebtedness of Series E-1948 in exchange for Certificates of Indebtedness of Series E-1947, maturing June 1, 1947, in the amount of $2,774,925,000.

Reports received from the Federal Reserve Banks show that subscriptions aggregate $2,503,000,000. Subscriptions in amounts up to and including $25,000, totaling about $59,000,000, were allotted in full. Subscriptions in amounts over $25,000 were allotted 70 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.

TREASURY DEPARTMENT

Washington

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Monday, May 26, 1947

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TREASURY DEPARTMENT
Washington

FOR RELEASE, MORNING NEWSPAPERS,
Tuesday, May 27, 1947.

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 May 29 and to mature August 28, 1947, which were offered on May 23, 1947, were opened at the Federal Reserve Banks on May 26.

The details of this issue are as follows:

Total applied for - $1,807,342,000
Total accepted - 1,311,450,000 (includes $13,892,000 entered on a fixed-price basis at 99.905 and accepted in full)
Average price - 99.905/ Equivalent rate of discount approx. 0.376% per annum

Range of accepted competitive bids:

High - 99.906 Equivalent rate of discount approx. 0.372% per annum
Low - 99.905 " " " " " 0.376% " "

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

Federal Reserve District	Total Applied for	Total Accepted
Boston	$ 21,840,000	$ 15,876,000
New York	1,579,178,000	1,140,628,000
Philadelphia	12,171,000	8,811,000
Cleveland	6,870,000	6,870,000
Richmond	4,245,000	3,685,000
Atlanta	3,675,000	2,585,000
Chicago	115,668,000	84,028,000
St. Louis	12,840,000	9,676,000
Minneapolis	8,425,000	6,241,000
Kansas City	3,830,000	3,130,000
Dallas	3,540,000	3,260,000
San Francisco	35,060,000	26,660,000
TOTAL	$1,807,342,000	$1,311,450,000

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TREASURY DEPARTMENT

Washington

FOR RELEASE, MORNING NEWSPAPERS
Tuesday, May 27, 1947

Press Service
No. S-344

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 May 29 and to mature August 28, 1947, which were offered on May 23, 1947, were opened at the Federal Reserve Banks on May 26.

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Dallas	3,540,000	3,260,000
San Francisco	35,060,000	26,660,000
TOTAL	$1,807,342,000	$1,311,450,000

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TREASURY DEPARTMENT

Washington

JWS

For Immediate Release,

Press Service No S-345

~~PROPOSED PRESS RELEASE~~

Wednesday, May 28, 1947

Secretary Snyder, upon his return to Washington today, issued the following statement concerning the sudden death of Representative Fred Bradley last Saturday while on a tour of inspection of the United States Coast Guard Academy at New London, Connecticut:

> The sudden death of Representative Fred Bradley of Michigan was a distinct shock to his numerous friends in the Treasury Department.
>
> Throughout the war period and the uncertain days of reconversion, Mr. Bradley consistently displayed a genuine, wholesome type of statesmanship, and his friendly counsel and guidance in legislative matters were most beneficial to me. His keen interest in the welfare of the United States Coast Guard long inspired the respect and confidence of members of the Treasury staff.
>
> The passing of such a kind and helpful friend is sorely felt by those of us who had been fortunate enough to enjoy his acquaintance.

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TREASURY DEPARTMENT

Washington

FOR IMMEDIATE RELEASE
Wednesday, May 28, 1947

Press Service
No. S-345

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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.

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. Settlement for accepted tenders in accordance with the bids must be made or completed at the Federal Reserve Bank on June 5, 1947 (8), in cash or other immediately available funds or in a like face amount of Treasury bills maturing June 5, 1947 (9). Equal treatment will be accorded all tenders, whether the bidders offer to exchange maturing bills or to pay cash for the new bills bid for. Cash adjustments will be made for differences between the par value of maturing bills accepted in exchange and the issue price of the new bills.

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

~~Exhibit 1~~

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TREASURY DEPARTMENT

Washington

FOR RELEASE, MORNING NEWSPAPERS,
Thursday, May 29, 1947.
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S-346

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, for cash and in exchange for Treasury bills maturing June 5, 1947 ~~(4)~~, to be issued on a discount basis under competitive and fixed-price bidding as hereinafter provided. The bills of this series will be dated June 5, 1947 ~~(5)~~, and will mature September 4, 1947 ~~(6)~~, when the face amount will be payable without interest. They will be issued in bearer form only, and in denominations of $1,000, $5,000, $10,000, $100,000, $500,000, and $1,000,000 (maturity value).

Tenders will be received at Federal Reserve Banks and Branches up to the closing hour, two o'clock p.m., Eastern Standard time, Monday, June 2, 1947 ~~(7)~~. 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

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TREASURY DEPARTMENT

Washington

FOR RELEASE, MORNING NEWSPAPERS,
Thursday, May 29, 1947

Press Service
No. S-346

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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. Settlement for accepted tenders in accordance with the bids must be made or completed at the Federal Reserve Bank on June 5, 1947, in cash or other immediately available funds or in a like face amount of Treasury bills maturing June 5, 1947. Equal treatment will be accorded all tenders, whether the bidders offer to exchange maturing bills or to pay cash for the new bills bid ~~for.~~ Cash adjustments will be made for differences between the par value of maturing bills accepted in exchange and the issue price of the new bills.

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

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May 29, 1947

S-347

Press Release No.

FOR IMMEDIATE RELEASE

It was announced today by Preston Delano, Comptroller of the Currency, that national banks may purchase the debentures of the International Bank for Reconstruction and Development up to the full legal limit of ten per cent of their capital and surplus.

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TREASURY DEPARTMENT

Washington

FOR IMMEDIATE RELEASE
Thursday, May 29, 1947

Press Service
No. S-347

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TREASURY DEPARTMENT
Washington

FOR IMMEDIATE RELEASE,
Thursday, May 29, 1947.

Press Service
S-348

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 E-1948, to be dated June 1, 1947. Subscriptions for amounts up to and including $25,000 were allotted in full and amounted to $59,310,000.

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		$ 67,896,000	$ 48,141,000
New York		1,498,265,000	1,051,740,000
Philadelphia		49,865,000	35,369,000
Cleveland		82,338,000	58,701,000
Richmond		34,785,000	24,897,000
Atlanta		45,753,000	33,060,000
Chicago		261,995,000	187,061,000
St. Louis		69,367,000	50,676,000
Minneapolis		54,781,000	41,326,000
Kansas City		105,274,000	76,546,000
Dallas		52,899,000	37,869,000
San Francisco		178,886,000	126,409,000
Treasury		7,523,000	5,297,000
	TOTAL	$2,509,627,000	$1,777,092,000

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TREASURY DEPARTMENT

Washington

FOR IMMEDIATE RELEASE
Thursday, May 29, 1947

Press Service
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Treasury	7,523,000	5,297,000
TOTAL	$2,509,627,000	$1,777,092,000

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Despite the fact that the Tobacco Section's work is nation-wide in scope, the location of the office in Greensboro ~~is said to~~ offer ED a slight convenience to tobacco manufacturers and dealers located in certain parts of North Carolina and Virginia. The Bureau, however, ~~feels~~ BELIEVES that the ~~[illegible]~~ regional service thus afforded does not offset the administrative advantages to be gained by the relocation of this activity in Washington. The move, it is also pointed out, will result in ~~[illegible]~~ a substantial annual saving in rental costs, and is in line with the Bu~~reau's policy of reducing expenses wherever practicable.~~

TREASURY'S POLICY OF LOCATING ACTIVITIES, WHEREVER PRACTICABLE, IN GOVERNMENT BUILDINGS.

Proposed Press Release

S-349

Joseph D. Nunan Jr., Commissioner of Internal Revenue, announced today that the Tobacco Section, Tobacco and Capital Stock Division, Miscellaneous Tax Unit, which has been located in Greensboro, North Carolina, since August, 1942, will be returned to Washington prior to July 1st.

The Tobacco Section, which was moved from the Capital to create space for Government activities more closely connected with the war effort, will be housed in the Internal Revenue building. This group deals with the laws and regulations relating to the tax on tobacco as they apply to manufacturers and dealers located throughout the United States, its territories and possessions.

Commissioner Nunan stated that all employees who have or who acquire a permanent Civil Service status prior to June 30, 1947, will be offered the opportunity to transfer to Washington at Government expense, in accord with existing regulations relating to transfer of posts of duty. In addition, any war service or temporary employee entitled to military preference will be given the opportunity of transfer in present position, provided he or she has made a pssing mark in a competitive examination appropriate to such position.

Seventy-three persons are presently employed in the Tobacco Section, 44 of whom have permanent Civil Service status. All but ten of the permanent employees have ~~already~~ expressed a desire to transfer to Washington.

TREASURY DEPARTMENT
Bureau of Internal Revenue
Washington

FOR IMMEDIATE RELEASE
Thursday, May 29, 1947

Press Service
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Seventy-three persons are presently employed in the Tobacco Section, 44 of whom have permanent Civil Service status. All but ten of the permanent employees have expressed a desire to transfer to Washington.

Despite the fact that the Tobacco Section's work is nationwide in scope, the location of the office in Greensboro offered a slight convenience to tobacco manufacturers and dealers located in certain parts of North Carolina and Virginia. The Bureau, however, believes that the regional service thus afforded does not offset the administrative advantages to be gained by the relocation of this activity in Washington. The move, it is also pointed out, will result in a substantial annual saving in rental costs, and is in line with the Treasury's policy of locating activities, wherever practicable, in Government buildings.

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a year.

Returning home in 1920, Mr. Wilson was appointed an investigator with the old Bureau of Efficiency, continuing with this organization for thirteen years. From 1934 until the date of his appointment at the Treasury Department, he was identified with the Farm Credit Administration in various capacities, including service as chief of the Classification Unit, Assistant Director, and Director of Personnel.

Simultaneous with the announcement of Mr. Wilson's retirement, Secretary Snyder announced the appointment of James H. Hard, Jr., of Birmingham, Alabama, as Director of Personnel for the Treasury Department. Mr. Hard comes to the Treasury from the Bureau of the Budget, where, for the past five years, he has specialized in Government-wide personnel matters.

A veteran of World War I, in which he served as an officer of the Third Division, Mr. Hard has had broad experience in the field of public administration. From 1931 to 1935 he was affiliated with the State of Alabama in various capacities, including Chief Examiner of Accounts, State Comptroller, and adviser to the Finance and Tax Committee of the State Senate. During this period he assisted in the drafting of the State's Budget and Accounting Act, and established a uniform accounting system, and machinery for the refunding of the State indebtedness.

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TO: Mr. Shaeffer

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TREASURY DEPARTMENT
Washington

FOR RELEASE, MORNING NEWSPAPERS,
Friday, May 30, 1947.

Press Service
No. S-350

Secretary Snyder today announced the retirement on account of impaired health, of Theodore F. Wilson who, since 1941, has served as Director of Personnel for the Treasury Department.

A native of the District of Columbia, Mr. Wilson entered the Government service as a messenger in the Government Printing Office. At the beginning of the first World War he enlisted in the United States Navy, and attained the rank of chief petty officer as a member of the London staff of Admiral Sims. Following the cessation of hostilities, he was on duty with the Paris Peace Commission for more than a year.

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