U.S. Treasury Dept.

Press Releases

Press Release
S-1033
S-2007

March-25, 1949
May 31-1949

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, non-competitive tenders for $200,000 or less without stated price from any one bidder will be accepted in full at the average price (in three decimals) of accepted competitive bids. Settlement for accepted tenders in accordance with the bids must be made or completed at the Federal Reserve Bank on **March 31, 1949**, in cash or other immediately available funds or in a like face amount of Treasury bills maturing **March 31, 1949**. Cash and exchange tenders will receive equal treatment. 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 the Internal Revenue Code, or laws amendatory or supplementary thereto. 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

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S- 1033

TREASURY DEPARTMENT
Washington

FOR RELEASE, MORNING NEWSPAPERS,
Friday, March 25, 1949.

The Secretary of the Treasury, by this public notice, invites tenders for $ 900,000,000 , or thereabouts, of 91 -day Treasury bills, for cash and in exchange for Treasury bills maturing March 31, 1949 , to be issued on a discount basis under competitive and non-competitive bidding as hereinafter provided. The bills of this series will be dated March 31, 1949 , and will mature June 30, 1949 , when the face amount will be payable without interest. They will be issued in bearer form only, and in denominations of $1,000, $5,000, $10,000, $100,000, $500,000, and $1,000,000 (maturity value).

Tenders will be received at Federal Reserve Banks and Branches up to the closing hour, two o'clock p.m., Eastern Standard time, Monday, March 28, 1949 . Tenders will not be received at the Treasury Department, Washington. Each tender must be for an even multiple of $1,000, and in the case of competitive tenders 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

Information Service WASHINGTON, D.C.

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Tenders will be received without deposit from incorporated banks and trust companies and from responsible and recognized dealers in investment securities. Tenders from others must be accompanied by payment of 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, non-competitive tenders for $200,000 or less without stated price from any one bidder will be accepted in full at the average price (in three decimals) of accepted competitive bids. Settlement for accepted tenders in accordance with the bids must be made or completed at the Federal Reserve Bank on March 31, 1949, in cash or other immediately available funds or in a like face amount of Treasury bills maturing March 31, 1949. Cash and exchange tenders will receive equal treatment. 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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RELEASE, MORNING NEWSPAPERS,
Tuesday, March 29, 1949.

S-1034

The Secretary of the Treasury announced last evening that the tenders for $900,000,000, or thereabouts, of 91-day Treasury bills to be dated March 31 and to mature June 30, 1949, which were offered on March 25, were opened at the Federal Reserve Banks on March 28.

The details of this issue are as follows:

Total applied for - $1,610,790,000
Total accepted - 902,496,000 (includes $47,624,000 entered on a non-competitive basis and accepted in full at the average price shown below)
Average price - 99.706/ Equivalent rate of discount approx. 1.162% per annum

Range of accepted competitive bids:

High - 99.709 Equivalent rate of discount approx. 1.151% per annum
Low - 99.706 " " " " " 1.163% " "

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

Federal Reserve District		Total Applied for	Total Accepted
Boston		$ 10,303,000	$ 9,406,000
New York		1,353,875,000	704,674,000
Philadelphia		23,346,000	7,141,000
Cleveland		41,500,000	40,626,000
Richmond		1,850,000	1,850,000
Atlanta		4,719,000	4,489,000
Chicago		108,520,000	74,539,000
St. Louis		6,073,000	6,073,000
Minneapolis		2,865,000	2,704,000
Kansas City		15,223,000	13,538,000
Dallas		5,145,000	5,145,000
San Francisco		37,371,000	32,311,000
	TOTAL	$1,610,790,000	$902,496,000

TREASURY DEPARTMENT

Information Service WASHINGTON, D.C.

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Tuesday, March 29, 1949.

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New York	1,353,875,000	704,674,000
Philadelphia	23,346,000	7,141,000
Cleveland	41,500,000	40,626,000
Richmond	1,850,000	1,850,000
Atlanta	4,719,000	4,489,000
Chicago	108,520,000	74,539,000
St. Louis	6,073,000	6,073,000
Minneapolis	2,865,000	2,704,000
Kansas City	15,223,000	13,538,000
Dallas	5,145,000	5,145,000
San Francisco	37,371,000	32,311,000
TOTAL	$1,610,790,000	$902,496,000

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In addition to the requests for position "fixes", ~~[illegible]~~ the ocean station cutters received ~~[illegible]~~ requests for weather and other general information from a total of 13,361 ocean flights during the year, or an average of 37 a day.

Twenty cutters were rotating on ocean station patrols by the end of 1948. The vessels perform other Coast Guard duties when not on one of the regular five-week weather patrol assignments.

A new ocean station record was set in 1948 in the combined use of weather balloons and radar for weather observation. The cutter Sebago tracked a six-foot weather balloon 80.3 nautical miles (91.2 land miles) with its radar. This bettered the 1947 mark of 75 ~~nautical~~ miles set by the cutter McCulloch.

Another new mark was set when the cutter Klamath 's radar followed a balloon to a height of 17 miles. The previous record of 14 miles was set in 1947 by the cutter Campbell.

The average performance in tracking balloons by radar was 19 miles in distance and 6 miles in height. From the radar measurements/~~reported~~ made by the Coast Guardsmen, the Weather Bureau is able to determine wind direction and velocity at sea for the mid-ocean areas.

On April 20, the Second North Atlantic Ocean Station Conference will meet in London, England, for the purpose of reviewing the ocean station agreement now in effect. Captain H.C. Moore and Lieutenant Commander B.F. Engel of the Coast Guard have been designated as members of the U.S. delegation to attend the conference.

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Immediate Release
Wednesday, Mar 30, 1949

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S-1035

United States Coast Guard cutters on ocean station patrol contributed to the safety of thousands of ocean airplane flights in 1948, according to a report issued by the Coast Guard[redacted] and made public by Secretary Snyder today.

Pilots obtained navigational "fixes" from the cutters, thereby checking their precise positions on the ocean airlanes, in a total of 8,756 cases during the year. This was an average of 24 calls a day, or one an hour.

The cutters use radar in responding to such requests. The radar checks represent an added safety measure, as the pilots of ocean-flying planes also have the benefit of Loran, the long range electronic navigation system. Position information is obtained through Loran from land-based stations operated by the Coast Guard.

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Coast Guard cutters now patrol five Atlantic and two Pacific ocean stations. ~~Another~~ Two other Atlantic stations will be added soon. The stations are maintained under international agreement. They provide search and rescue, communication, and air navigation facilities, and report on the weather.

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TREASURY DEPARTMENT

Information Service WASHINGTON, D.C.

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Wednesday, March 30, 1949.

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Immediate
Wednesday
(Distribute at press conference)

S-1036

The Treasury's "Conscience Fund", now in its 138th year and well into its second million dollars of receipts, has been credited with $1,700 received from an unknown donor who wrote: "Now all is paid and we feel much better."

The donor obtained three $500 bills and two $100 bills, cut them in halves, and mailed one set of halves to the Bureau of Internal Revenue and the other set to the Treasury. Each set of halves was accompanied by a note written in Spanish. The notes indicated the money was intended to pay the taxes of a "group of gentlemen." Envelopes containing the money bore Illinois postmarks. One $20 bill and one $10 bill, both whole, had been placed -- apparently for good measure -- in the envelope addressed to the Treasury.

Some other recent "Conscience Fund" receipts included $62.50 in gold coins, wrapped in paper and mailed in a manila envelope without any explanatory message, and a crate of Army blankets, well used, shipped from Indiana by prepaid express. The blankets were turned over to the Bureau of Federal Supply, to be sold as surplus property.

TREASURY DEPARTMENT

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S-1037

IMMEDIATE RELEASE,
Wednesday, March 30, 1949.

The Secretary of the Treasury today announced the subscription and allotment figures with respect to the current offering of 1-1/4 percent Treasury Certificates of Indebtedness of Series D-1950, to be dated April 1, 1949.

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

Federal Reserve District	Total Subscriptions Received and Allotted
Boston	$ 33,986,000
New York	450,082,000
Philadelphia	18,410,000
Cleveland	40,000,000
Richmond	13,663,000
Atlanta	33,038,000
Chicago	129,458,000
St. Louis	47,297,000
Minneapolis	42,772,000
Kansas City	50,282,000
Dallas	32,929,000
San Francisco	64,000,000
Treasury	6,739,000
TOTAL	$962,656,000

TREASURY DEPARTMENT

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TREASURY DEPARTMENT
Washington

A-1038

FOR RELEASE, MORNING NEWSPAPERS,
Friday, April 1, 1949.

The Secretary of the Treasury, by this public notice, invites tenders for $ 900,000,000, or thereabouts, of 91 -day Treasury bills, for cash and in exchange for Treasury bills maturing April 7, 1949, to be issued on a discount basis under competitive and non-competitive bidding as hereinafter provided. The bills of this series will be dated April 7, 1949, and will mature July 7, 1949, 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 4, 1949. Tenders will not be received at the Treasury Department, Washington. Each tender must be for an even multiple of $1,000, and in the case of competitive tenders 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

Information Service WASHINGTON, D.C.

IMMEDIATE RELEASE, H-1039

Secretary Snyder has announced the appointment of Mr. William J. Bray as Assistant to the Secretary.

Mr. Bray has been serving as a member of the White House staff and his transfer to the Treasury will be effective April 1, 1949.

Mr. Bray attended St. John's College in Washington and received a B.L. degree from Columbus University Law School. He has resided in Washington for a number of years and prior to his appointment to the White House staff, held several other responsible positions in the Federal Service.

Mr. Bray is married and resides in Chevy Chase, Maryland.

Immediate Release
Apr - 1, 1949

S - 1039

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RELEASE, MORNING NEWSPAPERS,
Tuesday, April 5, 1949.

The Secretary of the Treasury announced last evening that the tenders for $900,000,000, or thereabouts, of 91-day Treasury bills to be dated April 7 and to mature July 7, 1949, which were offered on April 1, were opened at the Federal Reserve Banks on April 4.

The details of this issue are as follows:

Total applied for - $1,454,237,000
Total accepted - 901,529,000 (includes $52,661,000 entered on a non-competitive basis and accepted in full at the average price shown below)
Average price - 99.707 Equivalent rate of discount approx. 1.160% per annum

Range of accepted competitive bids:

High - 99.709 Equivalent rate of discount approx. 1.151% per annum
Low - 99.706 " " " " " 1.163% " "

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

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Philadelphia		22,715,000	16,527,000
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Richmond		5,005,000	3,605,000
Atlanta		5,910,000	4,510,000
Chicago		302,477,000	182,773,000
St. Louis		14,461,000	11,493,000
Minneapolis		2,445,000	1,997,000
Kansas City		15,126,000	11,550,000
Dallas		13,875,000	9,843,000
San Francisco		78,170,000	47,370,000
	TOTAL	$1,454,237,000	$901,529,000

TREASURY DEPARTMENT

Information Service WASHINGTON, D.C.

RELEASE, MORNING NEWSPAPERS,
Tuesday, April 5, 1949.

S-1040

The Secretary of the Treasury announced last evening that the tenders for $900,000,000, or thereabouts, of 91-day Treasury bills to be dated April 7 and to mature July 7, 1949, which were offered on April 1, were opened at the Federal Reserve Banks on April 4.

The details of this issue are as follows:

Total applied for - $1,454,237,000
Total accepted - 901,529,000 (includes $52,661,000 entered on a non-competitive basis and accepted in full at the average price shown below)
Average price - 99.707 Equivalent rate of discount approx. 1.160% per annum

Range of accepted competitive bids:

High - 99.709 Equivalent rate of discount approx. 1.151% per annum
Low - 99.706 Equivalent rate of discount approx. 1.163% per annum

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

Federal Reserve District	Total Applied for	Total Accepted
Boston	$ 16,369,000	$ 15,865,000
New York	941,894,000	567,374,000
Philadelphia	22,715,000	16,527,000
Cleveland	35,790,000	28,622,000
Richmond	5,005,000	3,605,000
Atlanta	5,910,000	4,510,000
Chicago	302,477,000	182,773,000
St. Louis	14,461,000	11,493,000
Minneapolis	2,445,000	1,997,000
Kansas City	15,126,000	11,550,000
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TOTAL	$1,454,237,000	$901,529,000

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high standard of civilian economic and spiritual health. So, behind our Army there must stand a Nation strong in purpose and dedicated to the goals which our traditions and our ideals have set before us. To keep our Army strong, we must not falter. We must meet our problems and our opportunities -- as we have throughout our history -- with wisdom, courage, and faith in the future and in the democratic way of life.

will jeopardize in many countries the very existence of democratic institutions.

To define, to guide, and to support these demanding, costly, but necessary, purposes, our citizens are inevitably called upon for contributions of thought, effort, and economic production as never before. It is not enough to support an Army, a Navy, and an Air Force, essential as these are in the world of today; we must also maintain a

The growth of undemocratic philosophies thrives upon economic and social distress. ~~unrest~~. The manner in which we conduct our own economic affairs at home has a vital influence on economic progress in most other regions of the world. This has been true to some considerable extent for a generation or more. But the new factor that has been added is the risk that failure will affect not only our own economic well-being but our people.

The task requires the most careful balancing of our own needs and those of the other countries which look to us for assistance. Difficult choices have to be made concerning the points at which our assistance should be exerted, and as to the precise ways in which that assistance can be rendered most effective.

the most serious order in properly utilizing our production capacity, without causing crippling disorders to our economy. The magnitude of what might broadly be described as our preparedness program today has given rise to problems that are much like those with which we were confronted during the war and are equally as troublesome. To meet them calls for the greatest ingenuity and resourcefulness of way of life affects virtually all of the major forms of governmental activity.

The requirements of modern war call for the fullest mobilization of a nation's economic resources. And similarly, the prevention of war, at times, particularly in circumstances such as we now find ourselves, requires vast mobilization of resources. Our present situation poses, for this reason, problems of

In carrying out our programs to safeguard democracy there necessarily are the most intimate working relationships between the Military Establishment and those other Departments of the Government which are concerned more broadly with political, social and economic policy, both domestic and international. It has become clear to all of us who have been engaged in this work that today, the task of safeguarding our areas, it has been necessary to undertake large scale programs designed to avoid disease and to generally ~~unrest.~~ improve living conditions. But to create and maintain a climate in which democratic forces could emerge and thrive, it has been necessar also, to undertake on a vast scale various forms of assistance and control designed to rehabilitate basic industries and to restore commercial relations with other countries.

Allied Powers have made the most consistent efforts to meet together for the purpose of reaching agreement on ~~reconciling their differences.~~ joint tasks. The form and very complicated nature of the struggle that is now going on throughout the world is well exemplified here. And we can gain an idea of the many ways in which our resources and power must be utilized to preserve our position.

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what kind of United States military personnel are participating in them. And there also is full publicity when foreign countries send military personnel to this country for training in our military schools.

Some of the most difficult work we have done to repair the damage caused by war has been done in the occupied areas. Here our burdens and obligations have been manifold.

It is in these areas that the

countries have asked the United States for instructors to assist in training their armies because they know we have no aggressive intentions and that our assistance will be given on the basis of mutual respect and friendship, with no strings attached. Our training missions are no Trojan horses.

With a candor of which we are proud, we publish exact figures on the size of these missions. It is public knowledge just how many and

The present upward trend of European production figures and trade statistics has given new courage to the free states of Europe and has strengthened their will to maintain a free and stable society. Their ability to defend themselves has been comparably strengthened.

In some cases United States aid to friendly, democratic foreign governments has taken the form of military training missions. Foreign participating countries have made notable progress. In the United Kingdom, inflationary pressures have been effectively reduced. In Italy the lira has remained stable during the past 12 months and in France the Government is making a determined effort to bring Governmental revenues more nearly into balance with expenditures.

excluding Western Germany, is currently at a rate exceeding the pre-war high of 1937, and 25 percent above that of 1947. In the field of electrical power, the total output in the calendar year 1948 was 65 percent higher than it was before the war. Railway freight traffic is one third greater than its pre-war levels.

In the area of financial and price stabilization, almost all the we have made appreciable progress in helping friendly, democratic nations to regain economic health.

With our assistance, Western Europe has made significant advances in industrial production, agriculture, trade, and financial stabilization. During the calendar year 1948 the total output of factories and mines in the participating countries was about equal to their pre-war figures. Steel output in these countries, defenses at their most crucial point. What is required for these purposes, and how much we need to sacrifice to accomplish this aim, are not always as apparent as the actual military requirements in time of war. But the necessities are real, and they call sternly for wisdom and action.

Our whole European Recovery Program has been directed toward the maintenance of peace. Through it to which every American mind must be addressed.

In seeking peace we must be prepared to act on a great many fronts and in a great variety of ways. Neither preparedness nor actual war is any longer merely a matter of guns and tanks and planes. Both are matters equally of economic and social strength. By rebuilding human and material resources, and warding off dangers of economic and social collapse, we strengthen our be to court disaster.

There are other countries ready to defend the same principles as ours. They are partners with us in common efforts ~~They, too, must figure in our defense~~ ~~plans~~ for peace. We could not allow them to be overcome one by one ~~until we were left alone~~. Deciding how far we shall wisely go in strengthening and assisting our actual or potential allies is a task for the combined wisdom of our leaders, and of ~~for~~ the rank and file of American citizens. It is an area of national policy we maintain an Army, I think that freedom may undeniably be called the first.

It is plain from the experience of recent decades/ that more than purely military power is needed for a nation to defend itself against aggression. Our reliances for the defense of the United States cannot be confined to an Army, Navy and Air Force which will drive an enemy back from our shores. To lift no finger until peril is upon us will

We wanted a nation in which the individual would be free, within the limits imposed by the necessities of our living together and defending and advancing that freedom. We built such a nation; we have it now; we intend to keep it. As we see it, there is nothing more important on this earth than individual freedom. With that freedom are bound up all of our ideas about the dignity of man and the worth-whileness of living. So of the ends for which

But on Army Day it is well, perhaps, to review those principles in the light of new conditions which we face in the world. This should give clarity to our answers to any questions today such as "What are the ends for which we maintain an Army? What are the best ways of achieving those ends?"

From America's earliest days our beliefs and aspirations have centered about the rights of the individual.

never before, our country needs the wisdom which a vital democratic people is obligated to supply. And on this Army Day I should like to refocus our attention on the great need for wisdom of action if we are to keep the vigor of our Democratic State.

Wisdom of action springs, of course, from knowledge and from convictions. I do not think there has been any change in our conceptions of the basic principles on which we want our national life to progress.

And, we may ~~even~~ mentally justify the apparent enormous cost, when measured against the possible alternatives. But beyond all these, there is a deeper significance of our Army Day celebration. We are saluting a powerful manifestation of America's determined resolve to protect and preserve the basic principles upon which this nation was founded.

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It may be possible for us as citizens to pay our respects to Army Day without giving too much thought to its full significance. We may watc a parade of Army forces. We may liste to military bands. We may watch the passing of flags and a procession of airplanes roaring overhead. We may read of the total amount of money needed for the support of the Army.

This is Army Day. We are here on this occasion to pay honor to the role that the United States Army plays in the preservation of our type of government. The importance of this day can be evaluated in a number of ways. To many, ~~Probably~~ its deepest meaning is associated with the individual self-sacrifice of Army personnel during our nation's wars. But another chief purpose of today's observance is to vivify in our minds the somewhat less

The following address by Secretary Sn

S-1041

The following Army Day address by Secretary Snyder before the Greater Boston Chapter of the Military Order of the World Wars at the Harvard Club of Boston is scheduled for delivery at 8:15 P.M. Wednesday, April 6, 1949, and is for release at that time.

TREASURY DEPARTMENT

Washington

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It is in these areas that the Allied Powers have made the most consistent efforts to meet together for the purpose of reaching agreement on joint tasks. The form and very complicated nature of the struggle that is now going on throughout the world is well exemplified here. And we can gain an idea of the many ways in which our resources and power must be utilized to preserve our position.

Merely to make the retention of our military forces tenable in the occupied areas, it has been necessary to undertake large scale programs designed to avoid disease and to generally improve living conditions. But to create and maintain a climate in which democratic forces could emerge and thrive, it has been necessary, also, to undertake on a vast scale various forms of assistance and control designed to rehabilitate basic industries and to restore commercial relations with other countries.

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The task requires the most careful balancing of our own needs and those of the other countries which look to us for assistance. Difficult choices have to be made concerning the points at which our assistance should be exerted, and as to the precise ways in which that assistance can be rendered most effective.

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Proposed Release

5104

The Treasury today announced the appointment of Karl R. Price as an Assistant General Counsel of the Department.

Mr. Price, a native of Middlesboro, Kentucky, is a graduate of the Yale University Law School. He also holds B. A. degrees from Vanderbilt University, and Oxford University, England. During World War II he served in the United States Army as a captain on active duty in the African-European theatre.

In 1946 Mr. Price came to the Treasury Department as an assistant to the late Under Secretary O. Max Gardner, and subsequently served for a year as law clerk to Chief Justice Vinson. Since mid-1947 he has been on the staff of the Chief Counsel of the Bureau of Internal Revenue as a special assistant.

Mr. and Mrs. Price reside in Falls Church, Virginia. They have two children, Sharon and Margaret.

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Checked by phone with Mr. Price

TREASURY DEPARTMENT

Information Service **WASHINGTON, D.C.**

IMMEDIATE RELEASE,
Monday, April 4, 1949.

S-1042

The Treasury today announced the appointment of Mr. Karl R. Price as an Assistant General Counsel of the Department.

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I believe that we are moving ahead on all of these fronts. And I believe we will continue to progress, step by step, if we continue to be guided by American tradition and by American experience.

Our country has seen vast changes in the past fifty years. We have passed from a predominantly rural and small-town economy to a highly complex urban and industrial civilization. We have lived through two great wars.

These happenings have brought with them many new problems and new strains. Each one has been a challenge to our energy, our determination and to our purpose. We have moved cautiously to solve each problem. But we have maintained an unswerving confidence in our ability as American citizens to lead our country forward with ever-increasing social and material health.

This confidence in the future is a most important asset. But it cannot be taken for granted. We must not allow our coming of age as a nation to bring with it a tired refusal to meet the challenge of our growth and progress.

There is evidence that we are entering, today, on a new period of reappraisal in our domestic economy. If we are worthy of our traditions — so splendidly portrayed in the history of your own city — we will look on this period as one of unprecedented opportunity. We will find in it an opportunity to build the foundations of our prosperity stronger and deeper than has ever been possible before.

We have had, up to now, little time for appraisal. Our productive machinery was converted, almost over night, to meet the vast requirements of war. Almost as quickly, we turned to peace, and to the need of satisfaction of the pent-up demand for civilian products which had back-logged during the war.

S-1043

TREASURY DEPARTMENT

Washington

The following address by Secretary Snyder before the Executives' Club of Chicago, at the Sherman Hotel, Chicago, Illinois, is scheduled for delivery at 1:15 P.M., C.S.T., Friday, April 8, 1949, and is for release at that time.

"CURRENT BUSINESS DEVELOPMENTS"

In peacetime as well as in war, the United States must act to keep our defenses strong. We must be strong on all fronts. We must have the power behind us to maintain and strengthen our confidence in the future, in the security of our jobs, and in the soundness of our country's whole economic and financial structure.

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We have had, up to now, little time for appraisal. Our productive machinery was converted, almost over night, to meet the vast requirements of war. Almost as quickly, we turned to peace, and to the need of satisfaction of the pent-up demand for civilian products which had back-logged during the war.

Now, the urgent replacement demand has slackened. The scramble for things is over. American business has invested more than $75 billion in new plant and equipment since the end of the war to maintain and expand production of goods — an annual rate of investment approximately twice the peak of any former year. Since VJ-Day, Americans have bought 12 million new cars and trucks, 28 million new refrigerators, vacuum cleaners, and washing machines, and something like 50 million new radios and television sets. Now that these and other accumulated demands are more nearly satisfied, our economy is becoming readjusted to normal buyers' markets and competitive conditions. I need hardly remind you that our traditional type of American enterprise flourishes best in a competitive environment. We know how to achieve when we have to work at selling.

Moreover, we are starting off this time from a position of financial and economic strength unexampled in our history. Liquid assets of individuals are at the highest figure on record, totaling over $200 billion. Net working capital of corporations has been steadily increasing since 1939, and now stands at a record level of about $65 billion. Employment and incomes, and corporation profits are, likewise, at or around record levels. Our position has not been undermined, as it has been at various times in the past, by speculative operations in real estate or on the stock and commodity exchanges.

Above all, the financial soundness of the United States Government — which is today the fulcrum of world stability and world peace — is beyond question. The Treasury's major objective has been to maintain that soundness through fiscal policies and debt-management operations designed to promote confidence in the Government's credit and in the financial stability of the country. And I believe that the steps taken toward maintaining that confidence have contributed to the maintenance of our present unparalleled economic position.

A sound fiscal policy must, of course, be based on a revenue system that will meet the cost of prescribed Government functions and provide for reducing the Government debt. Since February 28, 1946, when the Federal debt reached the peak of $280 billion, there has been a decline of over $28 billion in the outstanding obligations of the Federal Government. Moreover, there has been an even greater decline — $32 billion — in holdings of Federal securities by the banking system. This reduction in the bank-held debt has been one of the objectives of postwar debt management and has been brought about, in part, by vigorous promotion of sales of savings bonds and other securities to individuals during the postwar period. I believe that we can all take pride in the fact that holdings of savings bonds by individuals are actually at a higher level today than they were at the end of the war, when it was predicted that they would be widely redeemed as soon as goods in short supply were once more available. You will be interested to know that individuals now hold over $47½ billion of savings bonds, almost $5 billion more than they held at the end of December 1945.

A second major objective of Treasury fiscal policy in the interest of financial confidence has been the maintenance of stability in the Government bond market. With a national debt today of $252 billion, the maintenance of stable conditions in the market for Governmental obligations is essential.

The Treasury bond stabilization program, carried out during the past several years in cooperation with the Federal Reserve, has restrained undue advances and undue declines in prices of Treasury bonds. It has given an important element of strength and stability to bond prices generally, and to our entire financial structure.

If we had not taken measures to maintain confidence in the stability of the bond market — if, for example, the market for Government obligations had experienced the gyrations which followed the first World War — there would undoubtedly have been an impairment of confidence in our financial situation which would have had serious consequences, not only in this country, but throughout the world.

Our position of world leadership has brought with it serious new responsibilities.

We must follow a firm course in maintaining our strength, and in maintaining, unimpaired, the confidence now felt throughout the world in the credit of the United States Government.

All in all, our experience since the War has been evidence of a remarkable basic confidence throughout this Nation. Now, when readjustments to a more normal peacetime economy are taking place, we have no reason to be apprehensive, in view of the factors in the present situation which give assurance of a continued prosperity.

The readjustments which are now taking place are both helpful and healthy. We must remember that for the last three years it has been our aim and goal to halt inflation and to adjust prices. We have had periodic first-of-the-year adjustments in 1946, in 1947, and again in 1948. Now, we are experiencing some additional ones. Each of these readjustments has tended to cause us to stop, look, and listen. Each one has reminded us of the necessity for caution, for taking stock of the situation, in order that we may make sure that we are pursuing the course best adapted to promote an orderly progress toward the stabilization of our economy on a high-production, high-employment level.

When we do pause and try to get a little perspective on our present position, it is reassuring to discover how greatly the opportunities of the future loom up. I mentioned earlier the great changes which have occurred in our economy during the past fifty years. It is enlightening, when we try to assess our present situation, to remind ourselves that a half century ago the most forward-looking citizens of this country would not have dreamed of the changes which have already taken place. Fifty years ago, the illuminating gas companies, the carriage factories, the interurban lines, were thriving industries, seemingly here to stay. Who would have taken too seriously the flight of a plane heavier than air, the first experiments with moving pictures, the demonstrations of the earliest automobiles?

The development of electricity, alone, should give us pause. Fifty years ago, the gas mantle was a new invention. Electric lights were a rarity; experiments which later led to the tungsten lamp were still going on. No one could have foreseen, for example, our great aluminum industry, depending at every stage on electric power.

Fifty years ago, we may also recall, an American farmer produced only enough to supply eight persons. Now, one farmer supplies 15 people with a year-round array of farm products beyond the reach of a millionaire a half century ago. The reason is, in part, that as late as 1910 one-fourth of farm acreage was devoted to the production of feed for 28 million horses and mules. With the coming of the tractor, most of this acreage — and the labor that was applied to it — has been freed for the fulfillment of human requirements.

Undoubtedly, there will be even greater changes during the half century ahead of us. Atomic energy, alone, may transform our lives. And if we set our sights firmly on the opportunities opening up before us, I believe that we will not be deterred long, or often, by the difficulties of charting our economic course.

Unfortunately, there are some today who apparently have little faith in the nation's ability to maintain prosperous levels of employment and incomes. But, the United States has been built up through its long history by confidence and vision. There have always been a few who took a gloomy view of the future, and distrusted the nation's ability to surmount the obstacles that lay ahead. However, the main trend of our national progress has been fashioned by those who saw beyond the temporary obstacles.

The factors today supporting a continued high level of business remain unusually strong. The satisfying of accumulated consumer demands has not caused a drawing down of individuals' savings. On the contrary, liquid assets of individuals, as I have said, are at the highest levels on record, and the recent expansion of plant and equipment by corporations has not brought a reduction in working capital.

With the return to normal buyers' markets, I believe that we may look forward to one of the greatest periods of business development in our history. In the few years that have elapsed since the war, we have made only a limited start toward developing new products based on the wartime discoveries in new materials, new manufacturing techniques, and new types of equipment. Our factories have been so occupied in supplying the quickest available goods to fill accumulated demands that the introduction of many new products has had to be postponed.

Our new economy is beginning to get under way. Factories have gone through an extensive remodelling and expansion program in preparation for turning out new and improved products. We have made a start in television, but even there the mass production stage has not yet been reached, and the widespread application of television to industrial and commercial uses is still in the future.

In the field of metallurgy, the use of light metals and their alloys, with new techniques in handling, is growing in importance.

New developments in home construction, in methods of heating, and in major household appliances have opened new fields of consumer demand.

Farmers are offered new chemicals for control of weeds, insects, and plant diseases, and we are continually developing more efficient types of farm implements. These have reduced farm production costs, and have lightened the farmers' work load.

Atomic energy offers the prospect of revolutionary changes in our economic life within a relatively few years. Our national atomic energy program is being pushed with greatest vigor. Today, nearly 70,000 people are employed in the atomic energy program. Last year, when the full program of long-range development got under way, $525 million was spent by the government on this program, and by 1950 the expenditures are expected to reach $725 million. The advances in industry, in medicine and biology, and in chemical and physical research which will be made possible through this program, will justify our referring to this new era as the Atomic Age.

We might also call it the Plastics Age, or the Age of Synthetic Materials, so great has been the advance in new types of plastics, and of many types of synthetics which are just coming into use. They are made into laminated products and in sheets, rods, and molded products. They are used in home construction, and in the automobile, furniture, and household appliance industries, for adhesives and for food packaging. The development of new types of synthetic rubber for special purposes offers new possibilities to an older industry.

These new developments mark the beginning of a new era of research and discovery initiated by the concentrated effort of our scientists during the war years, particularly in electronics and chemistry. Each new scientific discovery opens a new field, and provides the basis for further discoveries.

In speaking of the country as a whole, it is fair to say that we have made only a start on major long-term projects. We have just begun to extend and modernize the nation's highway system under a master program agreed upon by Federal, State and local governments. On the basis of a continuing traffic survey, plans have been made for express highway systems to channel congested traffic through large cities, and for rebuilding worn-out rural roads to meet modern traffic needs. About 1,500 miles of the new 40,000 mile National Interstate Highway System have so far been completed.

The long-deferred needs of towns and cities for new sewage and water systems, for public utility services, for schools and hospitals have just begun to be met. Other municipal facilities to take care of the great shifts of population to new areas during the war years must also be provided. In that connection, it is important to remember the 17 million people who have been added to our population in the decade since the war began.

To reap the greatest benefit from the opportunities that lie ahead, two precautions are necessary: First, we must continue on the alert to maintain our economic security -- to guard against undue credit expansion, speculative buying, or other excesses that might precipitate a business recession. Secondly, we must provide complete opportunity for the nation's economy to develop. This means that we must make full use of our resources, and we must prevent bottlenecks at any stage in production or distribution.

Looking toward the future -- and I include the nearby future -- we have every reason to be confident. Our economy has the basic strength to meet the current readjustment to normal peacetime markets. The discoveries and industrial developments of recent years provide a springboard for a new era of progress.

With this outlook before us, we may well expect that the years ahead will offer fully as great opportunities as the years just past; and if we heed the lessons of the past, they should offer much greater economic security.

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~~ALPHA~~

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, non-competitive tenders for $200,000 or less without stated price from any one bidder will be accepted in full at the average price (in three decimals) of accepted competitive bids. Settlement for accepted tenders in accordance with the bids must be made or completed at the Federal Reserve Bank on April 14, 1949, in cash or other immediately available funds or in a like face amount of Treasury bills maturing April 14, 1949. Cash and exchange tenders will receive equal treatment. 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 the Internal Revenue Code, or laws amendatory or supplementary thereto. 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

~~Exhibit~~

~~ALPHA~~

J-1044

TREASURY DEPARTMENT
Washington

FOR RELEASE, MORNING NEWSPAPERS,
Friday, April 8, 1949.
~~(1)~~

The Secretary of the Treasury, by this public notice, invites tenders for $ 900,000,000 ~~(2)~~, or thereabouts, of 91 ~~(3)~~ -day Treasury bills, for cash and in exchange for Treasury bills maturing April 14, 1949 ~~(4)~~, to be issued on a discount basis under competitive and non-competitive bidding as hereinafter provided. The bills of this series will be dated April 14, 1949 ~~(5)~~, and will mature July 14, 1949 ~~(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, April 11, 1949 ~~(7)~~. Tenders will not be received at the Treasury Department, Washington. Each tender must be for an even multiple of $1,000, and in the case of competitive tenders 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

Information Service WASHINGTON, D.C.

RELEASE, MORNING NEWSPAPERS,
Friday, April 8, 1949.

S-1044

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Tenders will be received without deposit from incorporated banks and trust companies and from responsible and recognized dealers in investment securities. Tenders from others must be accompanied by payment of 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, non-competitive tenders for $200,000 or less without stated price from any one bidder will be accepted in full at the average price (in three decimals) of accepted competitive bids. Settlement for accepted tenders in accordance with the bids must be made or completed at the Federal Reserve Bank on April 14, 1949, in cash or other immediately available funds or in a like face amount of Treasury bills maturing April 14, 1949. Cash and exchange tenders will receive equal treatment. 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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S-1045

RELEASE, MORNING NEWSPAPERS,
Tuesday, April 12, 1949.

The Secretary of the Treasury announced last evening that the tenders for $900,000,000, or thereabouts, of 91-day Treasury bills to be dated April 14 and to mature July 14, 1949, which were offered on April 8, were opened at the Federal Reserve Banks on April 11.

The details of this issue are as follows:

Total applied for - $1,717,123,000
Total accepted - 902,103,000 (includes $76,529,000 entered on a noncompetitive basis and accepted in full at the average price shown below)
Average price - 99.709 Equivalent rate of discount approx. 1.153% per annum

Range of accepted competitive bids:

High - 99.712 Equivalent rate of discount approx. 1.139% per annum
Low - 99.707 " " " " " 1.159% " "

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

Federal Reserve District	Total Applied for	Total Accepted
Boston	$ 14,695,000	$ 10,769,000
New York	1,309,312,000	610,599,000
Philadelphia	23,478,000	18,890,000
Cleveland	13,905,000	13,348,000
Richmond	12,210,000	10,440,000
Atlanta	8,430,000	7,660,000
Chicago	140,789,000	72,475,000
St. Louis	12,556,000	12,479,000
Minneapolis	11,615,000	8,824,000
Kansas City	62,455,000	44,108,000
Dallas	32,099,000	30,268,000
San Francisco	75,579,000	62,243,000
TOTAL	$1,717,123,000	$902,103,000

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TREASURY DEPARTMENT

Information Service **WASHINGTON, D.C.**

RELEASE, MORNING NEWSPAPERS,
Tuesday, April 12, 1949.

S-1045

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TOTAL	$1,717,123,000	$902,103,000

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~~TREASURY DEPARTMENT~~
~~Fiscal Service~~
~~Washington~~, April ~~5~~ 8, 1949

STATUTORY DEBT LIMITATION

AS OF MARCH 31, 1949

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, 1949			
Obligations issued under Second Liberty Bond Act, as amended			
Interest-bearing:			
Treasury bills....................	$ 11,647,561,000		
Certificates of indebtedness.......	28,802,539,000		
Treasury notes....................	7,978,965,200	$ 48,429,065,200	
Bonds -			
Treasury........................	111,439,568,950		
Savings (current redemp.value)...	55,892,920,479		
Depositary......................	340,452,500		
Armed Forces Leave..............	428,357,950		
Investment series...............	954,755,000	169,056,054,879	
Special Funds -			
Certificates of indebtedness.....	17,369,200,000		
Treasury notes..................	14,556,881,500	31,926,081,500	
Total interest-bearing..........................		249,411,201,579	
Matured, interest-ceased..............................		269,171,176	
Bearing no interest:			
War savings stamps................	53,658,261		
Excess profits tax refund bonds....	6,256,214		
Special notes of the United States:			
Internat'l Bank for Reconst. and Development series.........	40,785,000		
Internat'l Monetary Fund series..	1,078,000,000	1,178,699,475	
Total..		250,859,072,230	
Guaranteed obligations (not held by Treasury):			
Interest-bearing:			
Debentures: F.H.A.	12,000,036		
Demand obligations: C.C.C.	8,368,059	20,368,095	
Matured, interest-ceased..............................		3,715,750	
		24,083,845	
Grand total outstanding.......................................			250,883,156,075
Balance face amount of obligations issuable under above authority.....................			24,116,843,925

Reconcilement with Statement of the Public Debt - March 31, 1949
(Daily Statement of the United States Treasury, April 1, 1949

Outstanding -	
Total gross public debt..	251,641,514,161
Guaranteed obligations not owned by the Treasury..................	24,083,845
Total gross public debt and guaranteed obligations................	251,665,598,006
Deduct - other outstanding public debt obligations not subject to debt limitation......	782,441,931
	250,883,156,075

5-1046

Pub. Service

April 11, 1949

STATUTORY DEBT LIMITATION
AS OF March 31, 1949

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Deduct - other outstanding public debt obligations not subject to debt limitation..	782,441,931
	$250,883,156,075

S-1046

~~TREASURY DEPARTMENT~~
Information Service ~~Washington, D. C.~~

RELEASE, Morning Newspapers
Thursday, April 14, 1949 S-1047

Secretary Snyder announced today that the Treasury Department had completed the liquidation of another Government corporation known as the "Tennessee Valley Associated Cooperatives, Inc." The proceeds of liquidation, amounting to $65,445.38, were turned into the general fund of the Treasury as miscellaneous receipts. Only $513.64 of the amount of $3,000 authorized by Congress to cover the expenses of liquidation was used, the balance being included as part of the proceeds of liquidation.

Responsibility for liquidating this Corporation was imposed upon the Treasury by an act of Congress approved July 30, 1947.

The Tennessee Valley Associated Cooperatives, Inc., was created in 1934 under a relief grant of $300,000 for the State of Tennessee. Its object was to encourage self-help cooperative activities in the Tennessee Valley and contiguous areas. The Secretary stated that the Corporation had been instrumental in improving the economic welfare of low-income families in that area.

by helping finance these activities, including marketing projects and handicraft enterprises.

TREASURY DEPARTMENT

Information Service WASHINGTON, D.C.

RELEASE, MORNING NEWSPAPERS,
Thursday, April 14, 1949 S-1047

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Insert # ①

~~Reverse of Truman Medal~~

In center, recent South view of the White House above center, the Coat of Arms of the President of the United States; below, in exergue, the inscription "Inaugurated April 12, 1945, January 20, 1949."

The reverse was designed and modeled by ~~Mr.~~ Gilroy Roberts, Chief Mint Sculptor, and an E. von Hebel, an assistant.

This is the first time the White House has appeared on an official United States mint presidential medal

Insert ②

The historic symbolism of the Peace Medals is perpetuated in the new Truman medal by reason of its bearing the new presidential Coat of Arms. By order of President Truman the eagle appearing in the Coat of Arms faces towards an olive branch of peace held in its dexter Claw in Contrast to its former position of facing towards a bundle of arrows representing war.

TREASURY DEPARTMENT
BUREAU OF THE MINT
WASHINGTON

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Truman Presidential Medal

Obverse: A likeness of the President, left profile, modeled from life by John R. Sinnock, Chief Sculptor of the United States Mint. Across the top of the medal are the words PRESIDENT OF THE UNITED STATES; at the right, in smaller letters, Harry S. Truman. The portrait shows the President wearing glasses; he also has on a bow tie. The emblem in his buttonhole is the honorable discharge button of World War I. In microscopic lettering under the truncation of the shoulder are the words in Latin, "Sinnock, F. AD VIVUM '45," giving the information that the likeness was modeled from life. The small O enclosed by a larger C, is the copyright symbol.

Insert ①

Reverse: An arrangement of the national emblems - a highly stylized, strong American eagle, resting on a plaque bearing the words "Inaugurated President April 12, 1945." Thirteen stars are spread across the top of the medal; rising up to meet the stars are branches of olive, for peace, and oak for strength and independence. The Shield of the United States completes the insignia.

The medal~~s~~ ~~are~~ is of Mint bronze, and ~~are~~ is three inches in diameter.

The Presidential series of Mint medals dates back to our early colonial history, when George II of England presented medals bearing his likeness to Indian chiefs, to emphasize their fealty to the Crown. At the time of our Revolutionary War, medals that had been presented to the Indians by both George II and George III were located by officials of the Colonies, and in their place there were issued medals bearing the American Coat of Arms. During the administration of George Washington the design was changed, and medals were given to the Indian chiefs bearing the likeness of President Washington on one side, and on the other symbols of peace with the Indians - the clasped hands of the white man and the Indian, and the crossed pipe of peace and the tomahawk.

Indian Peace Medals, as they were then known, were struck during the administration of each President, bearing the likeness of each succeeding man, and the symbols of peace, until "Peace with the Indians" became an accomplished fact; the medals then gradually became known as the Presidential Series, and the design on the reverse was changed to one representative of the Presidency and the Nation.

Insert ②

~~The Truman Presidential Medal now takes its place in the series, with the medals of the 31 men who have preceded him in office~~. The medals are obtainable by the public for $1.50 plus postage. Orders should be sent to the Superintendent of the United States Mint at Philadelphia.

The original dies of all of the medals are retained in the Mint; medals of any of the Presidents may be ordered from the Philadelphia Mint.

11 April 1949x

TREASURY DEPARTMENT
BUREAU OF THE MINT
WASHINGTON

Truman Presidential Medal

Obverse: A likeness of the President, left profile, modeled from life by John R. Sinnock, late Chief Sculptor of the United States Mint. Across the top of the medal are the words PRESIDENT OF THE UNITED STATES; at the right, in smaller letters, Harry S. Truman. The portrait shows the President wearing glasses; he also has on a bow tie. The emblem in his buttonhole is the honorable discharge button of World War 1. In microscopic lettering under the truncation of the shoulder are the words in Latin, "Sinnock, F. AD VIVUM '45," giving the information that the likeness was modeled from life. The small 0 enclosed by a larger C, is the copyright symbol.

Reverse: In center, recent south view of the White House; above center, the Coat of Arms of the President of the United States; below, in exergue, the inscription "Inaugurated April 12, 1945, January 20, 1949." The reverse was designed and modeled by Gilroy Roberts, Chief Mint Sculptor, and an E. von Hebel, an assistant. This is the first time the White House has appeared on an official United States Mint presidential medal.

The medal is of Mint bronze, and is three inches in diameter.

The Presidential series of Mint medals dates back to our early colonial history, when George II of England presented medals bearing his likeness to Indian chiefs, to emphasize their fealty to the Crown. At the time of our Revolutionary War, medals that had been presented to the Indians by both George II and George III were located by officials of the Colonies, and in their place there were issued medals bearing the American Coat of Arms. During the administration of George Washington the design was changed, and medals were given to the Indian chiefs bearing the likeness of President Washington on one side, and on the other symbols of peace with the Indians - the clasped hands of the white man and the Indian, and the crossed pipe of peace and the tomahawk.

Indian Peace Medals, as they were then known, were struck during the administration of each President, bearing the likeness of each succeeding man, and the symbols of peace, until "Peace with the Indians" became an accomplished fact; the medals then gradually became known as the Presidential Series, and the design on the reverse was changed to one representative of the Presidency and the Nation.

The historic symbolism of the Peace Medals is perpetuated in the new Truman medal by reason of its bearing the new presidential Coat of Arms. By order of President Truman the eagle appearing in the Coat of Arms faces toward an olive branch of peace held in its dexter claw, in contrast to its former position of facing toward a bundle of arrows representing war.

The medals are obtainable by the public for $1.50 plus postage. Orders should be sent to the Superintendent of the United States Mint at Philadelphia.

The original dies of all of the medals are retained in the Mint; medals of any of the Presidents may be ordered from the Philadelphia Mint.

Superintendent of the United States Mint, Philadelphia, Pennsylvania, for $1.50 each, plus 15 cents postage. The original dies of all medals are retained, and any of the Presidential series may be ordered from the Philadelphia Mint.

The Presidential series of Mint medals, Secretary Snyder said, dates back to early colonial history, when George II of England presented medals bearing his likeness to Indian chiefs, to emphasize their fealty to the Crown. At the time of the American Revolution, medals that had been presented to the Indians by both George II and George III were located by officials of the Colonies, and in their place were issued medals bearing the American Coat of Arms. Later, during the administration of President Washington, the design was changed, and medals were presented to Indian chiefs bearing the likeness of President Washington on one side, and on the other symbols of peace with the Indians - the clasped hands of the white man and the Indian, and the pipe of peace crossed by the tomahawk.

The historic symbolism of early Peace Medals is perpetuated in the new medal by reason of changes in the Presidential Coat of Arms, which it bears. In 1945, by order of President Truman, the eagle on the Coat of Arms was changed so that it faces an olive branch of peace held in its dexter claw, in contrast to its former position of facing toward the sinister, in which is a bundle of arrows representing war.

The Truman Presidential Medals are of Mint bronze, three inches in diameter, and may be obtained from the

1048 8K (JWSnyder)

Proposed Press Release

Secretary Snyder today presented to President Truman the first strike of the new Truman Presidential Medal, which simultaneously went on sale to the public at the Philadelphia Mint.

The obverse side of the medal bears a likeness of the President, left profile, which was modeled from life by John R. Sinnock, late Chief Sculptor of the United States Mint. Across the top of the medal are the words, "President of the United States, and at the right, in smaller letters, "Harry S. Truman." The emblem in the President's buttonhole is the honorable discharge button of World War I. In microscopic letters under the truncation of the shoulder are the words in Latin, "Sinnock, F. AD VIVUM '45," indicating that the protrait was modeled from life.

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TREASURY DEPARTMENT

Information Service **WASHINGTON, D.C.**

RELEASE MORNING NEWSPAPERS
Thursday, April 14, 1949. S-1048

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The Presidential series of Mint medals, Secretary Snyder said, dates back to early colonial history, when George II of England presented medals bearing his likeness to Indian chiefs, to emphasize their fealty to the Crown. At the time of the American Revolution, medals that had been presented to the Indians by both George II and George III were located by officials of the Colonies, and in their place were issued medals bearing the American Coat of Arms. Later, during the administration of President Washington, the design was changed, and medals were presented to Indian chiefs bearing the likeness of President Washington on one side, and on the other symbols of peace with the Indians -- the clasped hands of the white man and the Indian, and the pipe of peace crossed by the tomahawk.

The historic symbolism of early Peace Medals is perpetuated in the new medal by reason of changes in the Presidential Coat of Arms, which it bears. In 1945, by order of President Truman, the eagle on the Coat of Arms was changed so that it faces an olive branch of peace held in its dexter claw, in contrast to its former position of facing toward the sinister, in which is a bundle of arrows representing war.

The Truman Presidential Medals are of Mint bronze, three inches in diameter, and may be obtained from the Superintendent of the United States Mint, Philadelphia, Pennsylvania, for $1.50 each, plus 15 cents postage. The original dies of all medals are retained, and any of the Presidential series may be ordered from the Philadelphia Mint.

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We shall pursue with utmost diligence our program to facilitate world commerce by employing the most efficient operating practices in the Bureau of Customs. We welcome your help in formulating policies to this end.

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There is another field of customs

However, it should be noted that the Customs Service in recent years has become a two-way operation.

We also have to consider our responsibilities in the administration of export controls. In this relatively new field, we are likewise rendering the best possible service to the public and, at the same time, we are applying the high standards of enforcement for which Customs is renowned.

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Interested organizations have discussed with our staff certain specific proposals and will, of course, have an opportunity to express their views before the appropriate Congressional committees when these matters come under active consideration.

The Treasury Department has under way in the Bureau of Customs a endorsed our adherence to this Charter. The Congress will be asked to implement the ITO Charter by changes in the tariff laws to bring our practices into harmony with those worked out between the signatory nations.

Our own trade groups have indicated great interest in these proposed changes. A committee of the United States Associates of the International Chamber of Commerce recently published an extensive study understanding between Government and importers. Your proposals have been given careful consideration in the Treasury's own studies, and I am sure they will find expression in many of the changes we recommend to the Congress or adopt administratively.

The Congress of the United States will shortly have before it legislation for United States acceptance of the ITO Charter, and for implementation of its provisions. This National Council of Importers has by resolution importers are, of course, greatly concerned in what can be accomplished in these fields.

The National Council of American Importers as early as 1945 published very comprehensive proposals for change in the administrative provisions, and in other special provisions, of the tariff act. These proposals have been very useful to Government Agencies because they clearly present the importers view of existing problems in this field and promote better and by creating the conditions essential to a flow of private capital abroad to those countries where it would be both welcome and mutually beneficial.

All these institutions and policies have played their part in the vitally necessary expansion of trade through the removal of trade barriers, the simplification of tariff laws and procedures, and the improvement of technical and administrative processes. You

The plan for implementation of this policy is under serious study. It will call for courageous action in a field presenting many difficult but not insurmountable obstacles. Constructively based on a solid foundation, this plan can go far towards encouraging and developing the interchange of trade and the creation of new world markets for all nations for both production and consumption through the supplying of technical and commercial experience which we can afford to use for the assistance of other peoples are limited. But our imponderable resources in technical knowledge are constantly growing and are inexhaustible. I believe that we should make available to peace-loving peoples the benefits of our store of technical knowledge in order to help them realize their aspirations for a better life. And, in cooperation with other nations, we should foster capital investment in areas needing development."

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The President's policy of encouraging American assistance in the development of latent resources of large areas of the world promises further, long-term possibilities of expansion of world commerce. This policy was clearly stated in the President's Inaugural Address in these words: "The material resources providing Trade Zone facilities. Applications for Zones at Los Angeles and Seattle now are before the Board.

I believe your Council has supported legislation now before the Congress which would permit manufacture and exhibition of goods within the Foreign Trade Zones.

The Economic Cooperation Administration, in addition to having served effectively in the arrest of Communism in Europe, has served to hasten economic recovery. The increased atmosphere for world trade through the operations of the Export-Import Bank and our participation in the International Monetary Fund and the World Bank.

As Secretary of the Treasury, I am a member of the Foreign Trade Zone Board, and thus am associated with another important project that has as its purpose the expediting and encouraging of foreign commerce. New Orleans and San Francisco have now joined the port of New York in with other nations of the world through our participation in international conferences. We cooperated in the formulation of the International Trade Organization Charter, and in the conference which recently further reduced tariffs on a reciprocal basis. There is now in progress in France, a conference which has as its objective the extension of mutual benefits of these policies to still other nations.

We have furthered a favorable

economic policies, and the results which we have achieved justify our efforts. The American public has accepted these principles, as is indicated by the actions of the Congress in extending periodically the authority of the President in this field. Legislation is pending before the Congress now which will permit longer-term projections and more efficient execution of this program.

We have, and are, cooperating

Let us examine some of the factors that have contributed to this recovery.

First, it has been the policy of this Government to encourage the further development of world trade. We have sought to cooperate to the utmost with other nations toward this end, while at the same time endeavoring to avoid undue disturbances to our domestic industries.

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I am glad to report that our neighbors to the north and to the south are finding substantial markets for their products in this country. We received 42,000,000 pounds of Mexican grown tomatoes through the port of Laredo alone during the past season. Our imports from Canada of the products of her farms, forests, and industries

Progress toward recovery on the part of many wartorn countries is shown by the volume and variety of their products arriving at American ports.

There are, for example, wood pulp and wood products from Scandinavia, plant bulbs from Holland, steel products from Belgium, earthenware, toys and other output of the industries of many countries. Heavy commodities such as raw sugar, appearance of new products, and the establishment or reestablishment of lines of foreign merchandise not available in this country since before the war.

The substantial increases in business at many heretofore less active ports indicate that a broadening of the shipping pattern is under way. Some southeastern, gulf, and interior ports of entry have had phenomenal increases in import trade.

for consumption, and the number of warehouse withdrawals. These have been running substantially higher than a year ago. In fact, the total of these three significant types of customs transactions for eight months of the current fiscal year reached some 540,000, compared to 443,000 in the same period of the previous year.

I regard as especially significant the variety of products from abroad entering United States markets, the period of the previous fiscal year. Value of imports for January and February, 1949, are about on a par with the two months of 1948 -- January being moderately higher and the just announced preliminary figures for February being slightly lower.

The volume of certain customs transactions constitutes another valuable index of import trade. Particularly is this true of the number of dutiable and free entries

There is ample evidence of the vitality of our international trade. Since imports are the phase in which you are primarily interested and in which the Customs activities of the Treasury Department are centered, I will confine my attention for the moment to our import trade.

For the first eight months of the 1949 fiscal year, the dollar value of all imports was \$4.7 billion, compared to \$4 billion in the same to me that we have developed a new philosophy of trade which places our world commerce activities on a plane more important than ever. Today, we are making our foreign trade a vital instrument toward world peace and world prosperity.

You gentlemen in the import business are playing an historic role in our endeavors to strike a balance in both the national and international economic fields.

Foreign trade has always been an important factor in the development of this nation. From the days of the Yankee Clippers which carried our products to the Seven Seas down to our own time when we have become a highly industrialized nation, our businessmen have sought markets abroad and at home for our exports and our imports.

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SECRETARY SNYDER'S ADDRESS

BEFORE THE

NATIONAL COUNCIL OF AMERICAN IMPORTERS

NEW YORK CITY

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WEDNESDAY, APRIL 20, 1949

TREASURY DEPARTMENT

Washington

The following address by Secretary Snyder before the Twenty-eighth Annual Luncheon of the National Council of American Importers at the Hotel Astor, New York, N. Y., is scheduled for delivery at 1:15 P. M., E.S.T., Wednesday, April 20, 1949, and is for release at that time.

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Cigars...................	200,000,000	Number	102,095
Coconut Oil..............	448,000,000	Pound	27,421,733
Cordage..................	6,000,000	"	270,106
Rice.....................	1,040,000	"	---
Sugars, refined) unrefined).......	1,904,000,000	"	203,729,839
Tobacco..................	6,500,000	"	---

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TREASURY DEPARTMENT
Washington

IMMEDIATE RELEASE,
Wednesday, April 13, 1949.

S-1049

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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, 1948, to Apr. 2, 1949	Established 33-1/3% of Total Quota	Imports Sept. 20, 1948, to Apr.2,1949 1/
United Kingdom.....	4,323,457	21,845	1,441,152	21,845
Canada............	239,690	213,011	-	
France............	227,420	-	75,807	-
British India......	69,627	67,827	-	-
Netherlands........	68,240	-	22,747	-
Switzerland........	44,388	-	14,796	-
Belgium............	38,559	-	12,853	-
Japan..............	341,535	-	-	-
China..............	17,322	-	-	-
Egypt..............	8,135	-	-	-
Cuba...............	6,544	-	-	-
Germany............	76,329	-	25,443	-
Italy..............	21,263	-	7,088	-
Totals	5,482,509	302,683	1,599,886	21,845

1/ Included in total imports, column 2.

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IMMEDIATE RELEASE
Wed., April 13 1949

S-1050

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, 1948, to April 2, 1949, inclusive, are as follows:

8

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, 1948, to April 2,1949	1-1/8" or more but less than 1-11/16" 4/: Imports Sept. 20, 1948, to April 2,1949	Less than 3/4" harsh or rough 5/: Imports Sept. 20, 1948, to Apr. 2, 1949
Egypt and the Anglo-Egyptian Sudan	783,816	-	44,117,797	-
Peru	247,952	247,952	932,440	-
British India	2,003,483	291,873	-	15,385,506
China	1,370,791	-	-	-
Mexico	8,883,259	4,749,578	606,183	-
Brazil	618,723	460,040	-	-
Union of Soviet Socialist Republics	475,124	281,074	-	-
Argentina	5,203			
Haiti	237			
Ecuador	9,333			
Honduras	752			
Paraguay	871			
Colombia	124			
Iraq	195			
British East Africa	2,240			
Netherlands East Indies	71,388			
Barbados	-			
Other British West Indies 1/	21,321			
Nigeria	5,377			
Other British West Africa 2/	16,004			
Other French Africa 3/	689			
Algeria and Tunisia	-			
	14,516,882	6,030,517	45,656,420	15,385,506

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

IMMEDIATE RELEASE
Wednesday, April 13, 1949

S - 1050

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, 1948, to April 2, 1949 inclusive 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, 1948, to April 2, 1949	Imports Sept. 20, 1948, to April 2, 1949	Imports Sept. 20, 1948, to Apr. 2, 1949
Egypt and the Anglo-Egyptian Sudan	783,816	-	44,117,797	-
Peru	247,952	247,952	932,440	-
British India	2,003,483	291,873	-	15,385,506
China	1,370,791	-	-	-
Mexico	8,883,259	4,749,578	606,183	-
Brazil	618,723	460,040	-	-
Union of Soviet Socialist Republics	475,124	281,074	-	-
Argentina	5,203			
Haiti	237			
Ecuador	9,333			
Honduras	752			
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Barbados	-			
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(In pounds)

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Country of Origin	Established TOTAL QUOTA	Total imports Sept. 20, 1948 to Apr. 2, 1949	Established 33-1/3% of Total Quota	Imports Sept 20, 1948 to Apr 2 1949 1/
United Kingdom.....	4,323,457	21,845	1,441,152	21,845
Canada............	239,690	213,011	-	
France............	227,420	-	75,807	-
British India......	69,627	67,827	-	-
Netherlands........	68,240	-	22,747	-
Switzerland........	44,388	-	14,796	-
Belgium............	38,559	-	12,853	-
Japan..............	341,535	-	-	-
China..............	17,322	-	-	-
Egypt..............	8,135	-	-	-
Cuba...............	6,544	-	-	-
Germany............	76,329	-	25,443	-
Italy..............	21,263	-	7,088	-
Totals	5,482,509	302,683	1,599,886	21,845

1/ Included in total imports, column 2.

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FOR

Secretary of the Treasury Snyder today made public a series of tabulations which will appear in the report "Statistics of Income for 1946, Part 2," compiled from corporation income tax returns, excess profits tax returns, and personal holding company returns. These data are prepared under the direction of Commissioner of Internal Revenue George J. Schoeneman.

SUMMARY DATA

The number of corporation income tax returns for 1946 is 526,363, of which 359,310 show net income of $27,184,592,000, while 131,842 show deficit of $1,991,706,000, and 35,211 have no income data (inactive corporations).

The income tax liability reported on these returns is $8,606,695,000, while an excess profits tax liability of $268,145,000 is reported on 11,053 corporation excess profits tax returns covered in this release. Thus the total amount of corporation income and excess profits taxes is $8,874,840,000, representing a decrease of 18 percent as compared with the total for 1945. The amounts of income tax and excess profits tax liability do not take into account any credit claimed for income and profits taxes paid to a foreign country or United States possession.

TREASURY DEPARTMENT

Washington

FOR RELEASE
Thursday, April 21, 1949

Press Service
No. S-1051

Secretary of the Treasury Snyder today made public a series of tabulations which will appear in the report "Statistics of Income for 1946, Part 2," compiled from corporation income tax returns, excess profits tax returns, and personal holding company returns. These data are prepared under the direction of Commissioner of Internal Revenue George J. Schoeneman.

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A comparison of the 1946 returns with the 1945 returns is provided in the following summary:

Corporation returns, 1/ 1946 and 1945: Summary data

(Money figures in thousands of dollars)

	1946	1945	Increase or decrease (-)	
			Number or amount	Percent
Income tax returns				
Total number of income tax returns, Form 1120	526,363	454,460	71,903	16
Returns with net income: 2/				
Number	359,310	303,019	56,291	19
Net income 2/	27,184,592	22,165,206	5,019,386	23
Tax liability:				
Income tax 3/	8,606,695	4,182,705	4,423,990	106
Declared value excess-profits tax	(7)	55,039	-55,039	-100
Excess profits tax 4/	268,145	6,557,006	-6,288,861	-96
Total	8,874,840	10,794,750	-1,919,910	-18
Returns with no net income: 2/				
Number	131,842	118,106	13,736	12
Deficit 2/	1,991,706	1,026,250	965,456	94
Number of returns of inactive corporations	35,211	33,335	1,876	6
Excess profits tax returns				
Taxable excess profits tax returns, Form 1121: 4/				
Number	11,053	52,097	-41,044	-79
Excess profits net income 5/	2,191,222	14,165,367	-11,974,145	-85
Adjusted excess profits net income 6/	1,474,490	8,367,927	-6,893,437	-82
Excess profits tax	(See above)			

For footnotes, see pp. 30-31.

RETURNS INCLUDED

The returns included in this release are (1) the corporation income tax returns filed for the calendar year ending December 31, 1946, a fiscal year ending within the period July 1946 through June 1947, and a part year with the greater portion of the accounting period in 1946, and (2) the corporation excess profits tax returns filed for a fiscal year ending within the period July through November 1946, and a part year beginning in 1945 and ending in 1946 with the greater part of the accounting period in 1946.

The data are from corporation income tax returns, Form 1120; life insurance company income tax returns, Form 1120L; mutual insurance company income tax returns, Form 1120M; and corporation excess profits tax returns, Form 1121. Included for this purpose in addition to returns filed by domestic corporations are the returns filed by foreign corporations engaged in business within the United States. Amended returns and tentative returns are not included. The complete report, Statistics of Income for 1946, Part 2, will contain more detailed statistics from corporation income tax returns and from corporation excess profits tax returns, together with data from personal holding company returns, Form 1120H.

The statistics are compiled from the returns as filed, prior to revisions that may be made as a result of audit by the Bureau of Internal Revenue and prior to changes which may result from carry-backs, relief granted under section 722 of the Internal Revenue Code, recomputation of amortization of emergency facilities, or from the renegotiation of war contracts, after the returns were filed. Changes resulting from the renegotiation of war contracts are recorded as settlements are reached, however, and the effect of renegotiation settlements reached to date with respect to the tax year 1946 will be shown in a special tabulation to be included in the complete report, Statistics of Income for 1946, Part 2.

CHANGES IN LAW AFFECTING CORPORATION RETURNS

The comparability of the figures tabulated from the 1946 returns with those from the 1945 returns is affected by the changes in law introduced by the Revenue Act of 1945. Returns for the calendar year 1946 and fiscal years ending in the period January through June 1947 are filed under the provisions of the Internal Revenue Code as amended by the Revenue Act of 1945. The amendments contained in this act apply also to the 1946 portion of the accounting period, in the case of returns for fiscal years beginning in 1945 and ending in 1946. The most significant changes are as follows:

Income Tax Returns, Form 1120

(1) There is a decrease in the surtax rates for 1946 as compared with 1945, as shown below:

Size of surtax net income	1946 rate (percent)	1945 rate (percent)
Not over $25,000	6	10
Over $25,000 but not over $50,000:		
First $25,000	6	10
Next $25,000	22	22
Over $50,000 (rate applicable to entire amount)	14	16

As a result of the decrease, the combined corporation normal tax and surtax (for incomes over $50,000) amounts to 38 percent for 1946 and later years as compared with 40 percent for 1945. (No change is made in the rates of normal tax for corporations.)

(2) Corporations filing returns for taxable years beginning in 1945 and ending in 1946 are required to compute two tentative taxes, one under the provisions applicable to 1945, the other under the provisions applicable to 1946, and prorate each on the basis of the number of days before January 1, 1946, and the number of days after December 31, 1945, respectively. The prorated portions of the two tentative taxes are then combined to determine the actual liability, which is the amount tabulated in this release. Amounts tabulated from these returns for all items other than the tax liability are the amounts used in computing the tentative tax for 1945.

(3) The capital stock tax is repealed, effective with respect to taxable years ending after June 30,1945; the declared value excess-profits tax is repealed, effective with respect to income tax taxable years ending after June 30, 1946.

Excess Profits Tax Returns, Form 1121

(1) The corporate excess profits tax is repealed, effective January 1, 1946.

(2) For fiscal years beginning in 1945 and ending in 1946, the excess profits tax is retained for the 1945 portion of the year. In such cases the tax is determined by first computing a tentative tax under the provisions applicable to taxable years beginning on January 1, 1945. The tentative tax is then prorated on the basis of the number of days in the taxable year before January 1, 1946.

(3) For taxable years beginning in 1946, the law retains the unused excess profits credit for the purpose of the two year carry-back to 1944 and 1945. No excess profits tax returns are required to be filed for such taxable years but the provisions of law relative to the computation of excess profits credit continue in effect. There is no unused excess profits credit for a taxable year beginning after December 31, 1946.

CLASSIFICATIONS PRESENTED

The first three tables of this release show data from corporation income tax returns, classified by industrial groups. The industrial classification is based on the business activity reported on the return. When multiple businesses are reported on a return, the classification is determined by the business activity which accounts for the largest percentage of total receipts. Therefore, the industrial groups do not reflect pure industry classifications. There is no change in the industrial groups between 1945 and 1946.

Table 4 shows data from returns with balance sheets, classified according to size of total assets as of December 31, 1946, or close of fiscal year nearest thereto. The total assets classes are based on the net amount of total assets after reserves for depreciation, depletion, amortization, and bad debts.

The classification of the returns by net income and deficit classes, shown in table 5, and the classification by returns with net income and returns with no net income, shown in tables 1, 3, and 5, are based on the amount of net income or deficit which is the difference between the total income and the total deductions as reported on the return, adjusted by excluding the net operating loss deduction.

CREDIT ALLOWED LIFE INSURANCE COMPANIES

In analyzing the data compiled from returns classified under the major group "Insurance carriers, agents, etc.," it should be noted that life insurance companies are required to include only interest, dividends, and rents in gross income. Beginning 1942, life insurance companies are allowed a "reserve and other policy liability credit" equal to a flat proportion of investment income less tax-exempt interest. This credit, which is deducted after arriving at net income, and is reported only on returns with net income, takes the place of the deductions for reserve earnings, deferred dividends, and interest paid, which formerly were allowed in computing net income.

For 1946 the credit ratio is 0.9595 and for normal tax purposes the aggregate amount of reserve and other policy liability credit is $1,198,264,516, of which $1,197,376,181 is reported on returns with balance sheets. As an offset to this credit, adjustment for certain non-life insurance reserves is reported in total amount of $7,535,038, of which $7,515,237 is reported on returns with balance sheets. The latter adjustment, which is made in order to include in the tax base the interest received on non-life insurance reserves, applies only to life insurance companies deriving a portion of their income from contracts other than life insurance, annuities, or noncancellable health and accident insurance.

DATA PREVIOUSLY RELEASED

Certain tabulations prepared from the 1946 returns were made public previously in a preliminary release dated February 24, 1949, (Press Service No. S-1002) and are omitted from this release. Table 1-A of the preliminary release shows by major industrial groups the number of consolidated income tax returns filed by affiliated corporations, with the corresponding amount of total compiled receipts, net income, income tax, excess profits tax, and dividends paid. In table 3 of the preliminary release, there is shown by adjusted excess profits net income classes and by method of credit computation the number of taxable corporation excess profits tax returns for 1946, with the corresponding amount of excess profits net income, excess profits credit, adjusted excess profits net income, and excess profits tax.

Table 1. - Corporation income tax returns, 1/ 1946, by major industrial groups and minor industrial groups, for returns with net income and returns with no net income: Number of returns, total compiled receipts, net income or deficit, and dividends paid in cash and assets other than own stock; also, for returns with net income: Total tax, income tax, and excess profits tax

(Money figures in thousands of dollars)

	Major industrial groups and minor industrial groups 8/	Total number of returns 9/	Returns with net income 2/: Number of returns	Returns with net income 2/: Total compiled receipts 10/	Returns with net income 2/: Net income 2/	Returns with net income 2/: Taxes: Total tax	Returns with net income 2/: Taxes: Income tax 3/	Returns with net income 2/: Taxes: Excess profits tax 4/	Returns with net income 2/: Dividends paid in cash and assets other than own stock	Returns with no net income 2/: Number of returns	Returns with no net income 2/: Total compiled receipts 10/	Returns with no net income 2/: Deficit 2/	Returns with no net income 2/: Dividends paid in cash and assets other than own stock	
1	All industrial groups	526,363	359,310	265,597,448	27,184,592	8,874,840	8,606,695	268,145	7,244,616	131,842	23,356,789	1,991,706	257,417	1
2	Mining and quarrying	9,458	4,137	3,745,073	400,555	132,620	131,692	928	200,886	3,538	554,485	65,816	6,791	2
3	Metal mining	1,616	227	618,887	88,013	26,070	26,061	9	67,980	630	53,730	11,713	362	3
4	Iron	97	27	161,730	16,406	4,789	4,787	2	6,869	42	23,310	1,064	3	4
5	Copper	87	17	169,181	34,658	9,823	9,823	-	29,835	30	5,596	2,383	-	5
6	Lead and zinc	221	68	135,996	15,975	5,012	5,012	-	13,161	79	7,895	1,778	6	6
7	Gold and silver	744	54	40,039	8,583	2,860	2,853	7	8,124	296	4,736	3,819	120	7
8	Other metal mining	113	27	49,835	5,284	1,742	1,742	-	5,413	62	4,583	1,351	175	8
9	Metal mining not allocable	354	34	62,106	7,107	1,844	1,844	-	4,578	121	7,610	1,318	58	9
10	Anthracite mining	185	106	402,036	24,680	8,661	8,594	67	13,591	71	56,471	1,862	3	10
11	Bituminous coal, lignite, peat, etc.	1,784	1,013	1,424,400	89,553	29,975	29,662	313	32,485	627	203,446	9,016	680	11
12	Crude petroleum and natural gas production	3,696	1,836	839,314	128,010	43,366	42,913	453	62,708	1,577	208,345	37,638	5,576	12
13	Crude petroleum, natural gas, and natural gasoline production	3,090	1,532	619,986	100,646	33,642	33,497	145	58,023	1,341	167,243	33,254	5,532	13
14	Field service operations	606	304	219,328	27,364	9,724	9,416	308	4,685	236	41,102	4,384	44	14
15	Nonmetallic mining and quarrying	1,482	927	446,038	69,802	24,397	24,311	86	24,046	437	31,577	4,329	151	15
16	Stone, sand, and gravel	1,156	761	289,815	39,078	13,078	12,995	83	6,351	321	26,969	3,242	149	16
17	Other nonmetallic mining and quarrying	313	163	156,053	30,702	11,318	11,315	3	17,695	112	4,518	1,084	2	17
18	Nonmetallic mining and quarrying not allocable	13	3	170	22	1	1	-	-	4	90	3	-	18
19	Mining and quarrying not allocable	695	28	14,398	497	151	151	-	76	196	916	1,258	19	19
20	Manufacturing	101,739	72,567	128,928,639	12,680,628	4,628,015	4,468,311	159,704	3,311,735	25,564	10,492,919	986,664	128,901	20
21	Food and kindred products	10,211	8,058	22,868,852	1,572,586	585,572	562,204	23,368	363,705	1,784	535,480	28,740	2,303	21
22	Bakery products	1,524	1,254	1,965,240	172,949	63,779	63,375	404	41,542	240	42,750	1,034	21	22
23	Confectionery	624	516	977,545	129,245	48,211	47,503	708	28,989	87	8,390	714	120	23
24	Canning fruits, vegetables, and sea foods	1,657	1,185	2,353,709	264,358	100,223	95,226	4,997	70,955	392	149,963	9,834	120	24
25	Meat products	1,056	870	6,983,105	259,922	100,664	90,415	10,249	37,585	146	79,117	2,741	80	25
26	Grain mill products, except cereal preparations	1,157	931	3,576,332	192,370	72,200	71,039	1,161	25,783	168	47,380	1,746	617	26
27	Cereal preparations	38	29	488,717	41,610	15,775	15,203	572	12,095	7	467	11	-	27
28	Dairy products	1,798	1,411	3,256,131	175,288	64,532	63,612	920	37,447	323	87,232	2,468	80	28
29	Sugar	132	109	855,191	65,601	23,075	22,502	573	26,641	22	56,331	3,122	1,002	29
30	Other food, including ice and flavoring syrups	1,828	1,448	1,637,796	207,867	73,508	70,331	3,177	63,348	337	51,157	5,729	255	30
31	Food and kindred products not allocable	397	305	775,086	63,376	23,605	22,998	607	19,320	62	12,693	1,341	8	31
32	Beverages	3,102	2,225	4,667,147	512,381	197,672	179,549	18,123	95,487	639	169,426	9,741	1,509	32
33	Malt liquors and malt	472	432	1,947,179	239,430	91,010	87,352	3,658	48,427	21	13,639	529	18	33
34	Distilled, rectified, and blended liquors	365	154	2,027,785	184,836	74,502	63,302	11,200	24,289	74	73,942	3,089	1,308	34
35	Wine	168	102	186,238	21,147	9,096	6,452	2,644	786	57	33,777	3,408	104	35
36	Nonalcoholic beverages	2,057	1,511	458,703	59,677	20,249	19,858	391	21,403	478	43,744	2,463	72	36
37	Beverages not allocable	40	26	47,242	7,291	2,815	2,585	230	582	9	4,324	252	7	37
38	Tobacco manufactures	226	145	2,608,228	174,666	64,584	64,530	54	73,009	71	16,293	1,717	52	38
39	Cotton manufactures	963	875	3,780,636	565,473	221,512	198,817	22,695	82,206	72	39,094	2,349	336	39
40	Textile-mill products, except cotton	4,723	3,889	6,320,835	846,255	319,500	304,214	15,286	143,980	706	119,364	7,219	915	40
41	Woolen and worsted manufactures, including dyeing and finishing	625	533	1,672,525	219,131	84,170	80,162	4,008	45,669	81	23,074	1,149	21	41
42	Rayon and silk manufactures	519	468	941,941	125,935	46,347	43,768	2,579	20,997	40	8,968	653	49	42
43	Knit goods	1,756	1,453	1,501,492	201,922	76,277	72,886	3,391	24,415	253	31,519	2,094	60	43
44	Hats, except cloth and millinery	209	164	230,240	17,183	6,453	5,974	479	3,163	39	5,723	196	-	44
45	Carpets and other floor coverings	149	95	348,145	44,694	16,601	16,559	42	9,545	48	5,305	223	4	45
46	Dyeing and finishing textiles, except woolen and worsted	620	494	611,497	103,281	38,738	37,133	1,605	16,752	108	16,658	1,390	49	46
47	Other textile-mill products	488	396	496,802	56,404	20,829	20,213	616	11,512	83	22,339	1,090	391	47
48	Textile-mill products, except cotton, not allocable	357	286	518,193	77,705	30,085	27,519	2,566	11,927	54	5,778	424	341	48
49	Apparel and products made from fabrics	11,965	9,164	6,329,368	499,123	183,200	172,767	10,433	54,071	2,550	364,347	17,164	518	49
50	Men's clothing	2,368	1,990	2,119,321	191,461	71,989	67,629	4,360	23,564	334	72,323	4,056	121	50
51	Women's clothing	5,564	4,296	2,659,287	189,192	68,587	64,769	3,818	15,858	1,134	144,876	5,981	134	51
52	Fur garments and accessories	762	431	132,567	3,362	899	896	3	229	323	63,914	2,254	24	52
53	Millinery	415	287	86,114	3,910	1,214	1,144	70	583	121	10,543	383	68	53
54	Other apparel and products made from fabrics	2,252	1,738	1,021,009	83,922	30,535	28,743	1,792	10,406	479	51,753	2,763	120	54
55	Apparel and products made from fabrics not allocable	604	422	311,070	27,276	9,976	9,586	390	3,431	159	20,938	1,727	51	55
56	Leather and products	2,869	2,195	2,730,553	235,940	89,355	83,243	6,112	36,673	630	103,599	6,641	38	56
57	Leather, tanned, curried, and finished	401	342	703,055	89,003	34,143	32,593	1,550	11,321	52	7,310	675	6	57
58	Footwear, except rubber	1,349	1,029	1,617,820	117,553	44,960	40,813	4,147	21,694	296	60,536	3,891	5	58
59	Other leather products	1,070	788	385,051	27,136	9,423	9,046	377	3,196	270	34,980	2,044	26	59
60	Leather and products not allocable	49	36	24,627	2,248	829	791	38	462	12	773	31	1	60

For footnotes, see pp. 30 - 31

Table 1. - Corporation income tax returns, 1/ 1946, by major industrial groups and minor industrial groups, for returns with net income and returns with no net income: Number of returns, total compiled receipts, net income or deficit, and dividends paid in cash and assets other than own stock; also, for returns with net income: Total tax, income tax, and excess profits tax - Continued

(Money figures in thousands of dollars)

	Major industrial groups and minor industrial groups 8/- Continued	Total number of returns 9/	Returns with net income 2/: Number of returns	Returns with net income 2/: Total compiled receipts 10/	Returns with net income 2/: Net income 2/	Taxes: Total tax	Taxes: Income tax 3/	Taxes: Excess profits tax 4/	Returns with net income 2/: Dividends paid in cash and assets other than own stock	Returns with no net income 2/: Number of returns	Returns with no net income 2/: Total compiled receipts 10/	Returns with no net income 2/: Deficit 2/	Returns with no net income 2/: Dividends paid in cash and assets other than own stock	
	Manufacturing - Continued													
61	Rubber products	584	400	3,084,209	321,391	122,017	114,151	7,866	62,190	161	49,092	3,394	106	61
62	Tires and inner tubes	52	40	2,542,507	249,581	94,223	88,408	5,815	51,214	9	942	87	-	62
63	Other rubber products, including rubberized fabrics and clothing	532	360	541,702	71,810	27,794	25,743	2,051	10,976	152	48,150	3,307	106	63
64	Lumber and timber basic products	3,135	2,298	1,999,280	283,057	96,884	94,546	2,338	50,000	712	98,054	10,360	485	64
65	Logging camps and sawmills	2,233	1,589	1,456,275	213,574	71,762	70,373	1,389	41,024	542	66,909	7,502	479	65
66	Planing mills	902	709	543,005	69,483	25,122	24,173	949	8,976	170	31,145	2,858	6	66
67	Furniture and finished lumber products	5,300	3,872	2,566,246	249,725	89,103	86,684	2,419	39,076	1,301	203,593	16,232	1,262	67
68	Furniture (wood and metal)	2,556	1,907	1,365,243	142,341	51,740	49,984	1,756	18,528	579	118,715	8,808	586	68
69	Partitions and fixtures	549	415	131,518	13,725	4,566	4,507	59	742	120	7,186	1,502	-	69
70	Wooden containers	538	416	299,803	24,552	8,426	8,233	193	4,573	113	17,178	1,443	26	70
71	Matches	18	10	88,337	6,562	2,398	2,398	-	2,693	8	2,564	271	1	71
72	Other finished lumber products, including cork products	1,452	1,002	603,082	56,023	19,651	19,301	350	11,835	422	52,920	3,617	463	72
73	Furniture and finished lumber products not allocable	187	122	78,263	6,522	2,322	2,261	61	705	59	5,030	591	186	73
74	Paper and allied products	2,395	2,099	4,314,669	576,522	213,122	207,684	5,438	110,939	262	66,401	6,636	177	74
75	Pulp, paper, and paperboard	450	409	2,405,915	346,870	128,181	124,694	3,487	72,833	29	17,351	1,893	-	75
76	Pulp goods and converted paper products	1,925	1,683	1,906,434	229,471	84,892	82,945	1,947	38,105	225	48,485	4,443	177	76
77	Paper and allied products not allocable	20	7	2,320	181	49	45	4	1	8	565	300	-	77
78	Printing and publishing industries	11,284	8,518	4,593,908	677,279	239,878	236,163	3,715	151,003	2,478	253,169	20,767	852	78
79	Newspapers	2,542	1,994	1,514,254	296,089	104,445	103,342	1,103	75,959	508	81,457	3,909	324	79
80	Periodicals	1,218	700	719,679	94,916	34,544	33,916	628	24,571	484	69,989	8,544	134	80
81	Books and music	940	529	415,728	53,323	19,066	18,912	154	12,431	360	37,309	4,417	205	81
82	Commercial printing	3,277	2,746	1,193,682	142,714	50,616	49,482	1,134	24,385	496	26,337	1,195	38	82
83	Other printing and publishing	1,603	1,357	370,583	48,495	16,690	16,306	384	8,428	216	11,763	743	107	83
84	Printing and publishing industries not allocable	1,704	1,192	379,982	41,742	14,517	14,205	312	5,229	414	26,314	1,959	44	84
85	Chemicals and allied products	7,145	4,608	10,558,939	1,524,699	549,315	538,262	11,053	465,880	2,229	270,887	27,311	1,050	85
86	Paints, varnishes, and colors	934	780	1,197,283	117,062	45,341	40,926	4,415	25,413	116	11,074	825	28	86
87	Soap and glycerin	240	173	993,687	125,376	47,345	47,327	18	34,133	61	4,692	465	36	87
88	Drugs, toilet preparations, etc.	2,490	1,271	1,565,211	277,614	101,076	99,952	1,124	71,764	1,093	96,269	11,445	662	88
89	Rayon (raw material) and allied products	8	6	237,146	47,029	17,692	17,692	-	10,491	1	-	25	-	89
90	Fertilizers	264	209	348,746	40,144	14,729	14,280	449	8,636	44	2,254	275	-	90
91	Oils, animal and vegetable, except lubricants and cooking oils	266	221	1,046,694	97,040	37,324	34,549	2,775	12,150	40	14,813	884	-	91
92	Plastic materials	230	109	161,940	20,462	7,592	7,553	39	4,919	113	7,253	1,181	-	92
93	Industrial chemicals	703	500	3,415,311	592,948	202,133	201,332	801	254,090	183	86,082	7,093	133	93
94	Other chemical products	1,305	866	614,638	68,755	25,105	24,568	537	15,281	391	34,796	3,249	154	94
95	Chemicals and allied products not allocable	705	473	978,283	138,269	50,978	50,083	895	29,003	187	13,654	1,869	37	95
96	Petroleum and coal products	520	346	10,630,769	742,103	230,669	230,216	453	434,935	139	189,072	7,070	850	96
97	Petroleum refining	310	204	10,064,921	694,410	213,607	213,340	267	421,936	87	172,365	6,679	830	97
98	Other petroleum and coal products	197	135	564,368	47,548	17,027	16,841	186	12,948	48	16,686	361	-	98
99	Petroleum and coal products not allocable	13	7	1,480	145	35	35	-	51	4	21	30	-	99
100	Stone, clay, and glass products	3,773	2,641	2,839,855	373,149	135,505	133,723	1,782	93,450	986	110,399	9,553	405	100
101	Cut-stone products	376	298	59,348	6,354	1,914	1,907	7	1,011	74	5,193	326	9	101
102	Structural clay products	733	546	344,406	46,491	15,693	15,576	117	8,582	151	8,600	2,146	27	102
103	Pottery and porcelain products	274	206	226,996	30,787	11,559	11,319	240	4,775	56	8,035	928	-	103
104	Glass and glass products	560	422	872,215	96,701	35,860	35,412	448	26,051	120	11,062	1,208	63	104
105	Cement	111	91	294,962	56,812	20,791	20,791	-	20,591	18	5,267	780	209	105
106	Concrete and gypsum products, wallboard	1,169	718	400,325	58,221	21,406	20,502	904	9,648	401	17,096	2,261	9	106
107	Abrasives and asbestos products	461	303	602,799	72,034	26,224	26,176	48	21,685	140	50,249	1,656	49	107
108	Stone, clay, and glass products not allocable	89	57	38,804	5,749	2,058	2,040	18	1,107	26	4,897	248	39	108
109	Iron, steel, and products	7,952	5,655	12,676,283	1,103,648	406,974	400,559	6,415	299,399	2,041	1,048,368	90,768	12,299	109
110	Blast furnaces and rolling mills	140	109	5,579,077	294,511	107,789	107,789	-	122,180	26	160,411	6,731	3,586	110
111	Structural steel, fabricated; ornamental metal work	1,001	780	573,008	64,932	24,109	23,131	978	9,111	198	56,455	6,217	677	111
112	Tin cans and other tinware	83	63	511,595	24,167	8,638	8,632	6	14,945	17	39,084	2,753	12	112
113	Hand tools, cutlery, and hardware	840	569	716,504	109,957	40,483	39,916	567	26,251	245	63,283	5,701	708	113
114	Heating apparatus, except electrical, and plumbers' supplies	1,316	958	1,568,094	184,308	67,888	66,880	1,008	34,579	299	108,969	9,681	816	114
115	Firearms, guns, howitzers, mortars, and related equipment	23	8	19,467	2,068	773	773	-	503	15	11,350	2,928	-	115
116	Ammunition	18	11	109,039	14,045	5,198	5,083	115	4,601	6	11,573	1,434	10	116
117	Tanks	6	2	1,101	61	17	17	-	-	4	64	55	-	117
118	Sighting and fire-control equipment (except optical)	7	2	2,205	131	49	49	-	26	5	10,479	2,064	350	118
119	Ordnance and accessories, not elsewhere classified	15	5	11,500	698	261	261	-	50	9	13,536	750	305	119
120	Other iron, steel, and products (not classified below)	4,079	2,848	3,097,378	357,755	132,731	129,468	3,263	76,738	1,100	486,590	43,957	4,627	120
121	Iron, steel, and products not allocable	424	300	487,315	51,015	19,038	18,560	478	10,415	117	86,574	8,497	1,208	121

For footnotes, see pp. [illegible] - 51

Table 1. - Corporation income tax returns, 1/ 1946, by major industrial groups and minor industrial groups, for returns with net income and returns with no net

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(Money figures in thousands of dollars)

	Major industrial groups and minor industrial groups 8/ - Continued	Total number of returns 9/	Returns with net income 2/: Number of returns	Returns with net income 2/: Total compiled receipts 10/	Returns with net income 2/: Net income 2/	Taxes: Total tax	Taxes: Income tax 3/	Taxes: Excess profits tax 4/	Returns with net income 2/: Dividends paid in cash and assets other than own stock	Returns with no net income 2/: Number of returns	Returns with no net income 2/: Total compiled receipts 10/	Returns with no net income 2/: Deficit 2/	Returns with no net income 2/: Dividends paid in cash and assets other than own stock	
	Manufacturing - Continued													
122	Nonferrous metals and their products	3,558	2,426	4,058,961	386,874	139,403	137,474	1,929	103,209	1,054	253,639	27,302	709	122
123	Nonferrous metal basic products	292	239	1,823,736	157,948	54,646	54,567	79	59,654	43	61,500	1,803	65	123
124	Clocks and watches	96	64	182,112	23,907	8,917	8,870	47	5,269	29	28,693	6,835	237	124
125	Jewelry (except costume), silverware, plated ware	1,015	706	552,617	67,792	24,976	24,523	453	8,785	293	48,836	3,986	48	125
126	Other manufactures of nonferrous metals and their alloys	2,134	1,403	1,481,955	136,047	50,427	49,077	1,350	29,475	683	114,283	14,661	359	126
127	Nonferrous metals and products not allocable	21	14	18,541	1,180	437	437	-	26	6	327	17	-	127
128	Electrical machinery and equipment	2,662	1,508	3,866,041	317,970	116,900	114,434	2,466	111,862	1,041	1,650,937	140,127	35,576	128
129	Electrical equipment for public utility, manufacturing, mining, transportation (except automotive), and construction use	894	578	1,960,546	143,412	52,039	51,457	582	68,716	290	137,308	14,885	434	129
130	Automotive electrical equipment	105	66	182,749	16,895	6,294	6,278	16	10,091	34	27,129	3,964	341	130
131	Communication equipment and phonographs	685	305	876,329	71,657	26,898	25,770	1,128	11,063	360	1,069,009	38,062	20,086	131
132	Electrical appliances	293	171	272,470	34,200	12,888	12,592	296	6,841	105	39,428	2,431	633	132
133	Other electrical machinery and equipment	434	254	335,657	28,198	9,804	9,757	47	8,674	155	25,097	2,840	188	133
134	Electrical machinery and equipment not allocable	251	134	238,290	23,608	8,977	8,580	397	6,477	97	352,966	77,945	13,894	134
135	Machinery, except transportation equipment and electrical	7,774	4,969	7,797,663	890,451	330,937	321,055	9,882	232,946	2,542	1,351,692	169,872	21,677	135
136	Special industry machinery	1,195	887	1,001,437	121,600	44,367	43,094	1,273	31,123	270	83,994	15,003	1,322	136
137	General industry machinery	2,365	1,453	1,771,306	201,043	74,224	72,934	1,290	46,206	841	247,289	30,708	1,005	137
138	Metal-working machinery, including machine tools	1,959	1,136	1,059,577	130,429	48,492	47,086	1,406	33,207	771	253,226	26,554	5,168	138
139	Engines and turbines	97	43	150,826	15,634	6,497	5,294	1,203	3,821	48	144,898	26,061	2,282	139
140	Construction and mining machinery	402	298	798,433	97,502	36,740	35,587	1,153	21,929	96	119,606	10,801	1,241	140
141	Agricultural machinery	396	271	1,146,784	85,653	32,536	31,626	910	35,302	103	190,986	30,031	6,599	141
142	Office and store machines	248	155	611,106	94,516	35,543	34,865	678	25,598	76	72,052	4,965	2,079	142
143	Household and service-industry machines	492	321	550,001	68,252	24,236	23,020	1,216	22,785	142	113,920	9,575	673	143
144	Machinery, except transportation equipment and electrical, not allocable	620	405	708,193	75,822	28,302	27,549	753	12,975	195	125,721	16,174	1,308	144
145	Automobiles and equipment, except electrical	932	650	4,621,558	210,438	73,583	72,706	877	154,513	250	1,959,569	94,112	11,790	145
146	Automobiles and trucks (including bodies and industrial trailers)	408	284	3,588,677	99,523	31,839	31,528	311	132,907	110	1,728,589	71,201	7,514	146
147	Automobile accessories, parts (except electrical), and passenger trailers	509	356	1,019,947	108,332	40,783	40,217	566	21,596	136	230,631	22,885	4,276	147
148	Automobiles and equipment, except electrical, not allocable	15	10	12,934	2,583	961	961	-	10	4	349	26	-	148
149	Transportation equipment, except automobiles	1,084	507	1,864,928	174,774	62,563	59,521	2,842	62,918	518	1,034,459	187,663	30,333	149
150	Railroad and railway equipment	97	67	609,301	59,828	21,053	20,935	118	27,565	26	39,050	2,566	489	150
151	Aircraft and parts	298	86	370,095	38,322	12,339	11,724	615	14,790	188	802,929	155,777	27,146	151
152	Ship and boat building	621	311	824,917	71,182	26,964	24,911	2,053	18,978	282	186,925	27,903	2,692	152
153	Motorcycles and bicycles	39	25	51,486	4,620	1,727	1,674	53	1,448	14	4,392	1,313	-	153
154	Other transportation equipment, except automobiles	27	17	9,097	821	280	277	3	137	8	1,163	104	6	154
155	Transportation equipment, except automobiles, not allocable	2	1	32	1	-	-	-	-	-	-	-	-	155
156	Other manufacturing	5,695	3,458	2,540,561	287,020	103,948	101,018	2,930	59,953	2,065	356,880	59,344	4,717	156
157	Manufacturing not allocable	3,887	2,061	1,609,150	155,104	56,019	54,791	1,228	30,331	1,333	249,105	42,582	962	157
158	Public utilities	23,441	14,395	17,574,664	2,726,169	898,063	895,607	2,456	1,282,505	7,428	5,351,782	383,487	60,522	158
159	Transportation	16,167	10,027	9,416,514	967,153	333,705	332,291	1,414	324,355	5,115	4,961,039	357,498	53,729	159
160	Railroads, switching, terminal, and passenger car service companies	735	333	4,648,569	406,979	144,223	144,223	-	185,123	302	3,927,829	263,599	48,070	160
161	Railway express companies	4	1	434,133	7	1	1	-	-	3	210	10	-	161
162	Railways, street, suburban, and interurban, including bus lines operated in conjunction therewith	138	81	353,421	29,132	10,617	10,617	-	10,855	40	259,160	22,240	2,150	162
163	Taxicab companies	1,007	608	189,587	19,178	6,653	5,910	743	3,259	322	19,712	901	62	163
164	Other highway passenger transportation	1,975	1,295	713,637	147,021	49,166	49,064	102	50,572	611	66,174	4,584	138	164
165	Highway freight transportation, warehousing, and storage	7,990	5,512	1,314,561	109,949	32,709	32,562	147	16,491	2,116	262,096	10,566	572	165
166	Air transportation and allied services	981	263	257,630	18,268	6,268	6,266	2	2,356	591	268,954	38,121	907	166
167	Pipe line transportation	159	102	172,214	39,706	14,718	14,688	30	15,539	43	24,051	849	272	167
168	Water transportation	1,434	805	870,416	140,845	49,650	49,528	122	27,478	503	85,231	8,459	1,074	168
169	Services incidental to transportation	1,528	935	420,275	52,383	18,432	18,164	268	12,111	513	44,546	7,768	484	169
170	Transportation not allocable	216	92	42,071	3,685	1,268	1,268	-	571	71	3,076	401	-	170

For footnotes, see pp. 30 - 31

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(Money figures in thousands of dollars)

	Major industrial groups and minor industrial groups 8/ - Continued	Total number of returns 9/	Returns with net income 2/: Number of returns	Returns with net income 2/: Total compiled receipts 10/	Returns with net income 2/: Net income 2/	Taxes: Total tax	Taxes: Income tax 3/	Taxes: Excess profits tax 4/	Dividends paid in cash and assets other than own stock	Returns with no net income 2/: Number of returns	Returns with no net income 2/: Total compiled receipts 10/	Returns with no net income 2/: Deficit 2/	Returns with no net income 2/: Dividends paid in cash and assets other than own stock	
	Public utilities - Continued													
171	Communication	4,116	2,235	2,920,553	575,766	156,450	155,851	599	393,381	1,526	239,322	15,682	133	171
172	Telephone (wire and radio)	3,007	1,623	2,566,231	511,695	133,132	133,132	-	377,811	1,245	16,169	990	110	172
173	Telegraph (wire and radio) and cable	23	6	15,315	3,052	1,150	1,150	-	736	13	210,265	12,104	-	173
174	Radio broadcasting and television	1,071	596	338,141	60,720	22,073	21,474	599	14,721	264	12,831	2,585	23	174
175	Other communication	15	10	866	299	95	95	-	113	4	57	3	-	175
176	Other public utilities	3,158	2,133	5,237,597	1,183,250	407,908	407,465	443	564,769	787	151,421	10,307	6,660	176
177	Electric light and power	759	574	4,103,055	954,804	326,393	326,329	64	446,132	126	55,961	3,996	2,922	177
178	Gas, distribution and manufacture	600	421	1,019,546	202,667	72,948	72,591	357	107,776	156	67,599	2,802	2,856	178
179	Water	1,525	990	94,194	23,298	7,812	7,795	17	10,242	418	10,104	2,048	871	179
180	Public utilities not elsewhere classified	206	116	16,893	1,852	591	586	5	453	66	17,373	1,329	5	180
181	Other public utilities not allocable	68	32	3,909	629	164	164	-	166	21	384	132	6	181
182	Trade	155,487	122,132	92,867,195	5,714,298	2,028,250	1,946,115	82,135	922,408	29,379	3,866,349	132,262	5,464	182
183	Wholesale	48,959	38,416	45,508,531	2,329,733	843,439	791,494	51,945	329,535	9,241	2,064,949	61,175	2,389	183
184	Commission merchants	7,053	4,862	2,274,809	156,178	52,742	49,906	2,836	26,745	1,938	188,086	7,004	275	184
185	Other wholesalers	41,906	33,554	43,233,722	2,173,555	790,697	741,588	49,109	302,790	7,303	1,876,863	54,171	2,114	185
186	Food, including market milk dealers	7,123	5,730	9,357,696	281,597	99,466	96,242	3,224	45,395	1,238	613,877	10,686	350	186
187	Alcoholic beverages	1,668	1,284	3,675,799	240,045	104,512	73,857	30,655	20,381	320	124,156	3,043	154	187
188	Apparel and dry goods	5,080	4,127	3,830,181	298,651	107,729	103,281	4,448	39,297	855	140,227	4,180	186	188
189	Chemicals, paints, and drugs	1,971	1,392	2,205,018	106,712	37,894	36,739	1,155	22,323	520	94,904	4,442	71	189
190	Hardware, electrical goods, plumbing and heating equipment	3,753	3,225	3,635,911	255,587	92,741	91,672	1,069	29,443	453	87,339	3,877	173	190
191	Lumber and millwork	1,283	1,056	921,448	56,900	19,852	19,366	486	8,033	191	21,372	711	23	191
192	Wholesalers not elsewhere classified	18,354	14,820	16,970,789	810,862	284,712	278,133	6,579	113,326	3,132	681,412	23,767	986	192
193	Wholesalers not allocable	2,674	1,920	2,636,880	123,201	43,791	42,298	1,493	24,592	594	113,576	3,465	171	193
194	Retail	86,702	68,343	39,698,040	2,905,584	1,023,157	996,380	26,777	524,426	16,415	1,374,376	56,343	2,007	194
195	General merchandise	6,026	5,051	12,538,956	1,164,066	434,672	426,590	8,082	272,318	843	87,843	4,771	307	195
196	Department, dry goods, other general merchandise	5,372	4,616	10,455,264	944,405	351,911	343,903	8,008	202,612	648	70,657	3,009	234	196
197	Limited-price variety stores	365	289	1,792,828	200,240	75,553	75,492	61	66,197	68	4,121	87	17	197
198	Mail-order houses	289	146	290,864	19,421	7,208	7,195	13	3,509	127	13,065	1,675	56	198
199	Food stores, including market milk dealers	6,633	4,813	7,946,405	275,960	99,962	99,049	913	46,018	1,646	184,167	4,083	184	199
200	Package liquor stores	2,061	1,743	274,796	12,438	3,292	3,197	95	636	294	24,112	681	7	200
201	Drug stores	4,341	3,452	1,154,408	61,116	20,832	18,845	1,987	11,428	796	65,758	1,451	84	201
202	Apparel and accessories	12,318	10,043	4,465,884	354,671	124,519	115,849	8,670	55,179	2,015	210,392	8,654	281	202
203	Furniture and house furnishings	6,506	5,376	1,596,226	153,983	51,365	50,146	1,219	27,273	1,022	60,018	3,057	177	203
204	Eating and drinking places	11,609	7,098	1,422,149	80,980	25,459	24,154	1,305	14,427	4,236	339,806	16,624	400	204
205	Automotive dealers	12,212	10,525	4,342,596	398,696	135,399	133,271	2,128	31,969	1,350	97,172	4,650	158	205
206	Automobiles and trucks	10,567	9,345	3,877,704	357,021	121,004	119,123	1,881	24,994	931	72,140	3,126	140	206
207	Accessories, parts, etc.	1,645	1,180	464,892	41,675	14,395	14,148	247	6,975	419	25,032	1,524	18	207
208	Filling stations	1,944	1,348	345,635	23,943	7,833	7,818	15	6,388	518	25,065	741	12	208
209	Hardware	2,479	2,199	333,972	27,680	7,825	7,674	151	3,022	253	10,253	497	5	209
210	Building materials, fuel, and ice	7,827	6,487	1,968,510	140,225	43,832	43,297	535	25,273	1,191	90,921	2,696	197	210
211	Other retail trade	8,373	6,536	1,974,822	137,998	44,813	43,527	1,286	18,146	1,657	105,936	6,699	107	211
212	Retail trade not allocable	4,373	3,672	1,333,681	73,828	23,354	22,963	391	12,349	594	72,933	1,739	88	212
213	Trade not allocable	19,826	15,373	7,660,624	478,981	161,654	158,241	3,413	68,447	3,723	427,024	14,744	1,068	213
214	Service	42,624	26,169	6,600,362	874,592	293,069	276,818	16,251	203,589	13,479	773,183	72,068	1,500	214
215	Hotels and other lodging places	4,993	3,469	1,206,243	139,764	46,698	45,071	1,627	20,535	1,336	132,701	11,496	688	215
216	Personal service	9,212	6,165	1,010,312	74,887	21,861	21,303	558	13,636	2,703	153,850	8,231	339	216
217	Laundries, cleaners, and dyers	4,979	3,459	771,338	52,697	15,747	15,379	368	9,240	1,299	108,391	4,600	285	217
218	Photographic studios	988	607	62,632	4,179	1,149	1,133	16	400	349	15,184	2,033	22	218
219	Other personal service	3,230	2,089	174,776	17,954	4,952	4,778	174	3,996	1,050	30,095	1,589	32	219
220	Personal service not allocable	15	10	1,566	57	13	13	-	-	5	180	9	-	220
221	Business service	7,978	4,598	1,244,683	111,149	36,840	36,076	764	27,753	2,878	203,643	10,939	110	221
222	Advertising	2,149	1,452	809,795	52,551	18,290	17,805	485	11,916	577	56,096	2,885	45	222
223	Other business service	5,813	3,137	431,031	56,677	18,267	17,988	279	15,636	2,295	147,466	8,049	65	223
224	Business service not allocable	16	9	3,857	1,921	283	283	-	201	6	81	5	-	224
225	Automotive repair services and garages	3,232	2,244	237,330	25,586	7,046	6,893	153	2,663	865	29,123	1,868	9	225
226	Miscellaneous repair services, hand trades	1,741	1,068	110,110	8,136	2,239	2,210	29	775	629	20,889	2,039	4	226
227	Motion pictures	4,546	3,424	1,890,731	369,575	128,316	116,746	11,570	113,276	854	58,643	13,408	35	227
228	Motion-picture production	855	350	948,342	166,746	55,137	51,723	3,414	55,635	368	29,515	12,287	18	228
229	Motion-picture theatres	3,691	3,074	942,389	202,829	73,179	65,023	8,156	57,641	486	29,128	1,121	17	229
230	Amusement, except motion pictures	5,187	2,622	525,508	103,683	37,092	35,680	1,412	18,831	1,956	74,007	12,208	60	230
231	Other service, including schools	5,390	2,425	358,792	39,712	12,372	12,237	135	5,680	2,118	91,147	10,772	250	231
232	Service not allocable	345	154	16,653	2,100	605	602	3	440	140	9,180	1,107	5	232

For footnotes, see pp. 50 - 51

Table 1. - Corporation income tax returns, 1/ 1946, by major industrial groups and minor industrial groups, for returns with net income and returns with no net income: Number of returns, total compiled receipts, net income or deficit, and dividends paid in cash and assets other than own stock; also, for returns with net income: Total tax, income tax, and excess profits tax - Continued

(Money figures in thousands of dollars)

	Major industrial groups and minor industrial groups 8/ - Continued	Total number of returns 9/	Returns with net income 2/: Number of returns	Returns with net income 2/: Total compiled receipts 10/	Returns with net income 2/: Net income 2/	Returns with net income 2/: Taxes: Total tax	Returns with net income 2/: Taxes: Income tax 3/	Returns with net income 2/: Taxes: Excess profits tax 4/	Returns with net income 2/: Dividends paid in cash and assets other than own stock	Returns with no net income 2/: Number of returns	Returns with no net income 2/: Total compiled receipts 10/	Returns with no net income 2/: Deficit 2/	Returns with no net income 2/: Dividends paid in cash and assets other than own stock	
233	Finance, insurance, real estate, and lessors of real property	152,566	102,278	10,829,109	4,289,105	736,663	733,346	3,317	1,249,401	42,095	1,562,441	284,621	48,419	233
234	Finance	36,437	27,424	4,835,715	2,018,645	447,959	446,103	1,856	926,929	7,551	108,707	69,857	15,366	234
235	Banks and trust companies	15,212	14,298	3,218,966	1,139,053	329,239	328,611	628	306,405	613	28,118	12,685	1,866	235
236	Long-term credit agencies, mortgage companies, except banks	2,847	1,728	38,037	11,960	3,037	3,019	18	3,149	1,010	4,498	2,948	453	236
237	Short-term credit agencies, except banks	4,155	2,887	323,234	83,437	26,819	26,392	427	34,879	972	24,353	8,567	252	237
238	Sales finance and industrial credit	1,698	1,127	160,465	35,081	10,982	10,855	127	15,663	448	15,088	6,731	168	238
239	Personal credit	1,781	1,316	143,645	43,456	14,328	14,121	207	17,227	385	7,842	1,413	61	239
240	Other short-term credit agencies	179	127	2,722	841	229	229	-	356	33	281	45	2	240
241	Short-term credit agencies, except banks, not allocable	497	317	16,402	4,059	1,280	1,187	93	1,633	106	1,142	378	21	241
242	Investment trusts and investment companies 11/	3,784	2,812	374,978	307,178	18,544	18,544	-	251,430	888	4,266	6,961	1,034	242
243	Management type	545	444	223,633	197,280	7,587	7,587	-	165,318	91	880	340	21	243
244	Fixed or semifixed type	95	73	13,657	12,148	933	933	-	16,929	21	83	695	14	244
245	Installment investment plans and guaranteed face-amount certificates	96	62	24,627	2,585	207	207	-	667	25	198	94	-	245
246	Mineral, oil, and gas royalty companies	199	121	5,348	2,468	805	805	-	1,621	63	552	335	72	246
247	Investment trusts and investment companies not allocable	2,849	2,112	107,713	92,697	9,012	9,012	-	66,895	688	2,553	5,497	927	247
248	Other investment companies, including holding companies	1,990	1,509	550,275	383,244	43,643	43,636	7	294,467	438	12,098	11,932	5,123	248
249	Holding companies 12/	906	658	266,275	230,940	20,476	20,476	-	189,494	207	2,834	8,996	2,602	249
250	Operating-holding companies 13/	1,084	851	284,000	152,304	23,167	23,160	7	104,973	231	9,264	2,936	2,521	250
251	Security and commodity-exchange brokers and dealers	1,402	910	190,334	47,764	12,808	12,485	323	12,714	422	19,734	5,475	810	251
252	Other finance companies	1,573	686	80,046	26,565	8,978	8,530	448	9,255	663	7,871	7,744	1,228	252
253	Finance not allocable	5,474	2,594	59,845	19,444	4,891	4,886	5	14,630	2,545	7,769	13,545	4,600	253
254	Insurance carriers, agents, etc.	8,234	6,131	3,385,006	1,478,953	67,556	67,504	52	112,905	1,839	1,012,448	70,236	20,640	254
255	Insurance carriers	2,185	1,679	3,090,427	1,434,072	55,103	55,102	1	98,760	447	981,749	68,225	20,563	255
256	Life insurance companies	806	704	1,456,123	1,296,662	21,821	21,821	-	34,584	73	1,318	334	103	256
257	Mutual insurance, except life or marine or fire insurance companies issuing perpetual policies	516	479	33,694	27,878	9,213	9,213	-	14	36	96	154	20	257
258	Other insurance carriers	863	496	1,600,610	109,532	24,069	24,068	1	64,162	338	980,335	67,737	20,440	258
259	Insurance agents, brokers, etc.	6,049	4,452	294,579	44,881	12,453	12,402	51	14,145	1,392	30,699	2,011	77	259
260	Real estate, including lessors of buildings	101,221	65,248	2,366,514	668,693	178,742	177,364	1,378	138,723	30,043	409,929	126,105	10,033	260
261	Owner operators and lessors of buildings	77,669	53,894	1,897,381	516,791	137,189	136,164	1,025	115,793	22,307	348,135	96,114	8,778	261
262	Lessee operators of buildings	2,597	1,550	67,852	12,237	3,272	3,153	119	2,345	970	18,341	2,225	7	262
263	Owners for improvement	6,937	3,538	121,317	57,131	15,805	15,667	138	6,785	2,443	12,162	12,413	193	263
264	Trading for own account	2,930	1,720	36,419	17,614	4,543	4,517	26	3,158	959	2,935	5,886	163	264
265	Real estate agents, brokers, etc.	3,558	2,265	121,090	21,835	6,000	5,959	41	2,865	1,077	18,422	1,789	87	265
266	Title abstract companies	1,315	900	57,383	16,835	5,200	5,183	17	4,385	339	3,358	184	-	266
267	Real estate, including lessors of buildings, not allocable	6,215	1,381	65,072	26,250	6,733	6,721	12	3,392	1,948	6,576	7,494	805	267
268	Lessors of real property, except buildings	6,674	3,475	241,874	122,814	42,406	42,375	31	70,844	2,662	31,357	18,423	2,380	268
269	Agricultural, forest, etc., properties	1,066	584	14,487	7,995	2,280	2,280	-	3,115	435	1,853	1,761	689	269
270	Mining, oil, etc., properties	2,772	1,694	91,615	45,693	15,061	15,031	30	30,613	944	6,566	7,951	867	270
271	Railroad properties	426	202	101,887	50,496	18,856	18,856	-	28,823	154	16,676	2,674	32	271
272	Public-utility properties	174	96	20,845	10,272	3,848	3,848	-	4,405	68	4,623	3,134	420	272
273	Other real property, except buildings	1,871	769	7,716	4,789	1,291	1,290	1	2,032	918	1,397	2,176	122	273
274	Lessors of real property, except buildings, not allocable	365	130	5,324	3,569	1,070	1,070	-	1,856	143	242	727	250	274
275	Construction	16,971	11,161	3,732,496	269,994	83,675	82,883	792	35,996	4,688	588,065	37,916	2,319	275
276	General contractors	7,978	4,820	2,348,570	170,068	53,952	53,419	533	27,592	2,483	402,697	24,733	1,794	276
277	Special trade contractors	8,435	6,130	1,353,430	97,238	28,964	28,710	254	8,288	2,038	178,815	12,355	340	277
278	Construction not allocable	558	211	30,496	2,688	759	754	5	116	167	6,553	828	185	278
279	Agriculture, forestry, and fishery	7,020	4,260	1,138,035	205,244	67,955	65,511	2,444	33,448	2,403	136,560	21,669	610	279
280	Agriculture and services	6,353	3,914	1,078,783	194,311	64,857	62,436	2,421	28,440	2,127	128,700	19,837	591	280
281	Forestry	338	200	29,547	7,226	1,883	1,883	-	4,262	121	1,922	938	1	281
282	Fishery	329	146	29,705	3,707	1,215	1,192	23	746	155	5,938	894	18	282
283	Nature of business not allocable	17,057	2,211	181,875	24,007	6,530	6,412	118	4,648	3,268	31,005	7,203	2,891	283

For footnotes, see pp. 30 - 31

Table 2. - Corporation income tax returns, 1/ 1946, by major industrial groups: Number of returns, compiled receipts, compiled deductions, compiled net profit or net loss, net income or deficit, net operating loss deduction, income tax, excess profits tax, total tax, compiled net profit less total tax, and dividends paid by type of dividend

(Money figures in thousands of dollars)

Major industrial groups 8/

Line	Item	All industrial groups	Mining and quarrying: Total mining and quarrying	Metal mining	Anthracite mining	Bituminous coal, lignite, peat, etc.	Crude petroleum and natural gas production	Nonmetallic mining and quarrying	Mining and quarrying not allocable
1	Number of returns 14/	491,152	7,675	857	177	1,640	3,413	1,364	224
	Receipts:								
2	Gross sales 15/	234,923,814	3,453,591	604,234	391,057	1,350,973	681,036	415,245	11,046
3	Gross receipts from operations 16/	40,763,363	669,097	34,635	48,176	223,084	309,538	49,993	3,671
	Interest on Government obligations (less amortizable bond premium):								
4	Wholly taxable 17/	1,740,255	6,036	2,861	251	1,315	940	662	7
5	Subject to surtax only 18/	266,271	450	105	26	149	120	50	-
6	Wholly tax-exempt 19/	206,033	204	85	4	38	49	28	-
7	Other interest	2,494,002	5,766	1,768	423	1,657	1,551	346	21
8	Rents 20/	2,584,841	25,092	2,756	4,632	11,833	3,831	1,975	65
9	Royalties 21/	289,728	33,660	1,429	9,555	8,948	12,316	1,339	73
10	Excess of net short-term capital gain over net long-term capital loss 22/	38,851	906	119	3	213	,511	60	-
11	Excess of net long-term capital gain over net short-term capital loss 22/	1,172,534	33,447	1,953	1,768	13,571	14,134	1,969	52
12	Net gain, sales other than capital assets 23/	297,507	4,208	118	71	528	2,888	587	16
13	Dividends, domestic corporations 24/	1,712,616	30,138	14,750	940	5,358	8,008	1,075	7
14	Dividends, foreign corporations 25/	253,930	261	149	-	86	23	3	-
15	Other receipts	2,210,492	36,702	7,655	1,601	10,093	12,714	4,283	356
16	Total compiled receipts 10/	288,954,237	4,299,558	672,617	458,507	1,627,846	1,047,659	477,615	15,314
	Deductions:								
17	Cost of goods sold 26/	179,769,226	2,442,168	420,519	329,173	1,084,952	345,570	253,429	8,525
18	Cost of operations 26/	23,273,050	450,078	23,388	36,832	170,124	187,285	29,753	2,696
19	Compensation of officers	33/5,143,140	56,891	4,478	2,972	17,300	18,290	13,496	355
20	Rent paid on business property	2,823,402	26,929	4,423	2,676	4,989	11,642	3,127	72
21	Repairs 27/	2,716,302	68,628	6,174	9,981	28,567	7,201	16,226	479
22	Bad debts	352,380	2,916	115	849	761	770	421	-
23	Interest paid	2,251,044	30,507	2,678	1,983	6,030	16,840	2,887	89
24	Taxes paid 28/	5,830,522	110,285	27,088	11,538	34,026	26,593	10,470	570
25	Contributions or gifts 29/	213,872	2,083	295	165	739	555	327	2
26	Depreciation	4,198,760	154,858	17,134	7,956	43,551	68,264	17,298	655
27	Depletion	801,847	237,252	46,138	10,519	40,508	124,056	15,781	250
28	Amortization 30/	64,461	4,497	731	2	377	3,352	35	-
29	Advertising	2,408,330	3,414	307	595	938	659	891	24
30	Amounts contributed under pension plans, etc. 31/	834,625	6,876	915	375	1,103	3,872	565	46
31	Net loss, sales other than capital assets 23/	239,585	15,877	1,863	1,814	8,808	2,398	907	87
32	Other deductions	32,634,772	351,356	39,986	18,255	104,498	139,891	46,501	2,225
33	Total compiled deductions	34/263,555,318	3,964,615	596,232	435,685	1,547,271	957,238	412,114	16,075
34	Compiled net profit or net loss (16 less 33)	25,398,919	334,943	76,385	22,822	80,575	90,421	65,501	35/761
35	Net income or deficit 2/ (34 less 6)	25,192,886	334,739	76,300	22,818	80,537	90,372	65,473	35/761
36	Net operating loss deduction 32/	139,563	6,495	1,131	515	1,110	1,967	1,765	7
37	Income tax 3/	8,606,695	131,692	26,061	8,594	29,662	42,913	24,311	151
38	Excess profits tax 4/	268,145	928	9	67	313	453	86	-
39	Total tax	8,874,840	132,620	26,070	8,661	29,975	43,366	24,397	151
40	Compiled net profit less total tax (34 less 39)	16,524,079	202,323	50,315	14,161	50,600	47,055	41,104	36/912
	Dividends paid:								
41	Cash and assets other than own stock	7,502,033	207,677	68,342	13,594	33,165	68,284	24,197	95
42	Corporation's own stock	527,445	2,717	38	106	1,183	929	416	45

Item	Manufacturing: Total manufacturing	Food and kindred products	Beverages	Tobacco manufactures	Cotton manufactures	Textile-mill products, except cotton	Apparel and products made from fabrics	Leather and products	Rubber products	Lumber and timber basic products	Line
Number of returns 14/	98,131	9,842	2,864	216	947	4,595	11,714	2,825	561	3,010	1
Receipts:											
Gross sales 15/	133,656,342	23,025,937	4,765,394	2,601,757	3,740,700	6,156,295	6,450,168	2,797,488	3,078,527	1,950,412	2
Gross receipts from operations 16/	3,269,670	133,968	17,302	3,391	21,746	201,737	196,716	10,708	6,593	55,083	3
Interest on Government obligations (less amortizable bond premium):											
Wholly taxable 17/	96,803	6,417	2,376	136	2,179	4,659	2,058	1,431	2,122	1,753	4
Subject to surtax only 18/	7,649	614	109	76	76	49	96	45	31	91	5
Wholly tax-exempt 19/	7,115	450	245	72	138	301	25	28	8	39	6
Other interest	140,511	11,103	3,233	712	1,891	4,549	1,695	871	1,645	1,806	7
Rents 20/	219,839	18,573	5,874	2,659	8,312	5,640	4,147	1,768	1,294	5,949	8
Royalties 21/	100,787	4,826	396	9	141	1,281	6,840	204	2,700	2,090	9
Excess of net short-term capital gain over net long-term capital loss 22/	7,773	401	469	18	889	555	423	83	26	783	10
Excess of net long-term capital gain over net short-term capital loss 22/	329,653	25,011	9,198	2,042	9,923	12,755	3,854	1,165	1,891	53,854	11
Net gain, sales other than capital assets 23/	17,930	1,574	533	36	879	756	709	297	54	986	12
Dividends, domestic corporations 24/	463,936	34,781	10,281	4,362	12,896	15,109	2,733	3,268	11,802	6,372	13
Dividends, foreign corporations 25/	174,854	24,866	88	417	149	2,324	839	45	9,855	374	14
Other receipts	948,696	115,811	21,075	8,834	19,811	34,189	23,412	16,751	16,753	17,742	15
Total compiled receipts 10/	139,421,558	23,404,332	4,836,573	2,624,521	3,819,730	6,440,199	6,693,715	2,834,152	3,133,301	2,097,334	16
Deductions:											
Cost of goods sold 26/	100,445,562	18,918,504	3,067,805	2,218,365	2,858,456	4,623,875	5,059,144	2,229,422	2,225,599	1,424,009	17
Cost of operations 26/	2,122,719	71,117	6,048	176	11,639	122,479	142,453	6,020	770	36,343	18
Compensation of officers	2,073,440	184,017	49,513	8,188	32,693	123,276	213,431	63,541	18,788	40,697	19
Rent paid on business property	589,869	55,475	11,235	1,667	4,560	20,918	45,606	14,594	9,843	5,985	20
Repairs 27/	2,005,511	209,964	35,419	3,840	40,855	68,007	12,545	18,412	55,113	21,193	21
Bad debts	85,762	7,648	1,228	74	1,040	1,572	4,099	1,285	2,054	2,900	22
Interest paid	409,912	44,250	15,066	17,211	7,987	16,345	10,508	4,010	6,651	7,599	23
Taxes paid 28/	2,751,548	202,034	614,746	64,529	55,909	85,302	57,504	29,493	106,629	33,454	24
Contributions or gifts 29/	111,513	10,649	6,152	779	8,857	10,285	10,315	3,454	1,563	1,383	25
Depreciation	1,908,764	172,248	46,030	6,712	36,707	63,803	20,420	13,156	36,136	36,150	26
Depletion	506,805	829	6,296	-	-	1,569	9	9	47	40,002	27
Amortization 30/	33,868	2,304	198	-	126	121	94	124	43	69	28
Advertising	1,364,776	235,542	100,024	54,286	8,463	26,252	42,665	18,579	32,010	3,452	29
Amounts contributed under pension plans, etc. 31/	466,695	42,736	6,422	4,620	6,057	10,388	5,451	4,539	5,115	2,549	30
Net loss, sales other than capital assets 23/	49,832	4,414	791	139	1,407	1,225	647	336	341	2,584	31
Other deductions	12,793,903	1,698,305	366,715	70,914	181,732	425,445	586,840	197,851	314,594	166,229	32
Total compiled deductions	127,720,479	21,860,036	4,333,688	2,451,500	3,256,468	5,600,862	6,211,731	2,604,825	2,815,296	1,824,598	33
Compiled net profit or net loss (16 less 33)	11,701,079	1,544,296	502,885	173,021	563,262	839,337	481,984	229,327	318,005	272,736	34
Net income or deficit 2/ (34 less 6)	11,693,964	1,543,846	502,640	172,949	563,124	839,036	481,959	229,299	317,997	272,697	35
Net operating loss deduction 32/	38,603	5,076	945	3	177	797	803	529	194	2,732	36
Income tax 3/	4,468,311	562,204	179,549	64,530	198,817	304,214	172,767	83,243	114,151	94,546	37
Excess profits tax 4/	159,704	23,368	18,123	54	22,695	15,286	10,433	6,112	7,866	2,338	38
Total tax	4,628,015	585,572	197,672	64,584	221,512	319,500	183,200	89,355	122,017	96,884	39
Compiled net profit less total tax (34 less 39)	7,073,064	958,724	305,213	108,437	341,750	519,837	298,784	139,972	195,988	175,852	40
Dividends paid:											
Cash and assets other than own stock	3,440,636	366,008	96,996	73,061	82,542	144,895	54,589	36,711	62,296	50,485	41
Corporation's own stock	279,743	27,662	20,264	1,662	14,104	19,230	28,619	3,458	2,091	2,208	42

For footnotes, see pp. 30 - 31

For footnotes, see pp. 30 - 31

Table 2. - Corporation income tax returns, 1/ 1946, by major industrial groups: Number of returns, compiled receipts, compiled deductions, compiled net profit or net loss, net income or deficit, net operating loss deduction, income tax, excess profits tax, total tax, compiled net profit less total tax, and dividends paid by type of dividend - Continued

(Money figures in thousands of dollars)

		Major industrial groups 8/ - Continued																
		Manufacturing - Continued														Public utilities		
		Furniture and finished lumber products	Paper and allied products	Printing and publishing industries	Chemicals and allied products	Petroleum and coal products	Stone, clay, and glass products	Iron, steel, and products	Nonferrous metals and their products	Electrical machinery and equipment	Machinery, except transportation equipment and electrical	Automobiles and equipment, except electrical	Transportation equipment, except automobiles	Other manufacturing	Manufacturing not allocable	Total public utilities	Transportation	
1	Number of returns 14/	5,173	2,361	10,996	6,837	485	3,627	7,696	3,480	2,549	7,511	900	1,025	5,523	3,394	21,823	15,142	1
	Receipts:																	
2	Gross sales 15/	2,714,492	4,284,970	4,339,878	10,481,331	9,839,206	2,878,481	13,163,136	4,152,821	5,382,149	8,816,098	6,502,592	1,905,820	2,832,007	1,776,683	483,479	356,774	2
3	Gross receipts from operations 16/	19,654	10,350	388,480	112,845	397,337	21,728	371,183	102,209	33,053	178,481	3,872	910,809	22,526	49,899	21,421,383	13,429,651	3
	Interest on Government obligations (less amortizable bond premium):																	
4	Wholly taxable 17/	1,593	3,485	5,327	8,491	9,157	3,479	15,213	3,573	2,083	9,925	2,496	5,466	1,824	1,560	29,167	18,431	4
5	Subject to surtax only 18/	86	312	815	621	1,339	317	535	80	348	1,195	386	91	266	71	2,310	2,019	5
6	Wholly tax-exempt 19/	237	183	390	514	445	99	207	110	216	705	91	92	50	2,470	3,116	2,801	6
7	Other interest	1,225	7,162	2,972	10,806	20,513	2,200	25,871	4,697	10,402	13,002	4,540	5,327	2,381	1,908	108,723	65,232	7
8	Rents 20/	3,396	6,972	12,150	12,827	70,977	3,564	21,388	3,440	5,397	10,525	4,255	3,165	5,284	2,283	350,585	298,820	8
9	Royalties 21/	315	3,339	10,247	14,583	15,212	3,071	7,039	1,950	6,522	9,673	4,528	2,691	1,984	1,146	5,236	3,449	9
10	Excess of net short-term capital gain over net long-term capital loss 22/	206	90	212	577	381	329	538	44	419	451	30	581	180	88	1,000	878	10
11	Excess of net long-term capital gain over net short-term capital loss 22/	6,718	19,101	8,625	17,637	44,146	6,649	21,730	6,065	24,933	17,911	5,106	21,185	5,028	5,126	53,083	41,912	11
12	Net gain, sales other than capital assets 23/	833	199	1,111	790	476	397	1,840	246	1,395	1,395	411	1,550	757	706	5,224	4,874	12
13	Dividends, domestic corporations 24/	3,922	12,173	28,477	87,700	124,170	5,498	26,483	5,996	15,718	17,147	16,999	8,963	6,559	2,527	364,175	91,281	13
14	Dividends, foreign corporations 25/	862	5,421	1,226	34,938	32,586	5,954	13,490	3,167	11,658	15,128	5,466	3,397	1,451	1,153	8,463	1,491	14
15	Other receipts	16,300	27,313	47,167	46,166	263,896	18,488	55,998	28,202	22,685	57,719	30,355	30,250	17,144	12,635	90,502	59,940	15
16	Total compiled receipts 10/	2,769,839	4,381,070	4,847,077	10,829,826	10,819,841	2,950,254	13,724,651	4,312,600	5,516,978	9,149,355	6,581,127	2,899,387	2,897,441	1,858,255	22,926,446	14,377,553	16
	Deductions:																	
17	Cost of goods sold 26/	2,016,192	3,061,528	2,733,723	7,026,266	6,968,540	1,974,247	10,109,903	3,174,208	4,177,718	6,361,062	5,337,228	1,620,019	1,936,715	1,323,054	348,214	273,115	17
18	Cost of operations 26/	12,467	4,258	197,300	68,693	249,088	11,522	276,662	70,782	7,800	21,906	758	769,147	11,074	24,217	14,057,873	10,062,236	18
19	Compensation of officers	82,900	75,170	175,532	138,943	25,038	59,067	219,445	78,001	70,819	196,653	36,404	32,703	92,934	55,687	187,896	140,274	19
20	Rent paid on business property	14,586	18,082	42,446	36,585	102,654	9,006	49,980	20,820	29,847	35,625	11,991	17,133	20,410	10,821	692,742	603,726	20
21	Repairs 27/	28,305	98,714	23,632	161,635	220,277	73,624	395,794	57,513	88,828	170,274	122,204	49,948	30,956	18,459	51,719	43,522	21
22	Bad debts	2,846	1,638	10,228	6,911	3,282	2,073	9,004	3,855	5,610	8,127	877	2,566	4,511	2,334	24,443	10,966	22
23	Interest paid	5,972	14,112	12,103	21,452	59,677	6,689	65,010	13,680	20,696	24,348	8,762	11,220	8,097	8,467	839,039	488,524	23
24	Taxes paid 28/	38,771	64,278	63,155	144,886	309,016	42,976	224,664	63,700	116,247	144,257	145,139	58,472	61,611	24,776	1,436,469	795,001	24
25	Contributions or gifts 29/	2,411	4,178	8,563	5,588	3,167	2,158	9,009	4,972	2,757	7,472	1,874	910	3,826	1,191	11,780	3,854	25
26	Depreciation	26,036	76,156	47,246	177,348	360,707	56,733	274,418	52,167	74,704	139,892	104,988	33,139	32,725	21,143	1,166,867	441,714	26
27	Depletion	2,331	4,449	96	14,398	388,041	2,129	21,000	23,502	317	453	800	86	114	328	24,339	8,565	27
28	Amortization 30/	82	385	97	869	8,175	250	2,957	1,069	323	1,825	13,635	362	512	248	21,164	17,511	28
29	Advertising	14,474	15,522	28,906	309,359	62,576	18,520	63,712	36,702	71,784	86,179	43,394	15,878	56,009	20,488	58,937	27,809	29
30	Amounts contributed under pension plans, etc. 31/	3,600	12,947	20,715	51,944	78,568	9,569	48,842	16,545	54,908	38,591	13,341	11,928	12,777	4,543	161,492	20,574	30
31	Net loss, sales other than capital assets 23/	566	2,964	5,097	1,762	1,540	2,237	9,237	822	1,177	4,265	928	4,750	878	1,725	30,483	20,292	31
32	Other deductions	284,570	356,620	821,336	1,165,285	1,244,017	315,759	931,927	334,580	615,384	1,187,142	622,387	283,923	396,566	225,782	1,467,191	807,414	32
33	Total compiled deductions	2,536,109	3,811,001	4,190,175	9,331,924	10,084,363	2,586,559	12,711,564	3,952,918	5,338,919	8,428,071	6,464,710	2,912,184	2,669,715	1,743,263	20,580,648	13,765,097	33
34	Compiled net profit or net loss (16 less 33)	233,730	570,069	656,902	1,497,902	735,478	363,695	1,013,087	359,682	178,059	721,284	116,417	35/12,797	227,726	114,992	2,345,798	612,456	34
35	Net income or deficit 2/ (34 less 6)	233,493	569,886	656,512	1,497,388	735,033	363,596	1,012,880	359,572	177,843	720,579	116,326	35/12,889	227,676	112,522	2,342,682	609,655	35
36	Net operating loss deduction 32/	1,936	1,851	1,135	3,991	558	5,815	4,270	919	1,422	2,183	112	504	1,827	824	9,391	7,926	36
37	Income tax 3/	86,684	207,684	236,163	538,262	230,216	133,723	400,559	137,474	114,434	321,055	72,706	59,521	101,018	54,791	895,607	332,291	37
38	Excess profits tax 4/	2,419	5,438	3,715	11,053	453	1,782	6,415	1,929	2,466	9,882	877	2,842	2,930	1,228	2,456	1,414	38
39	Total tax	89,103	213,122	239,878	549,315	230,669	135,505	406,974	139,403	116,900	330,937	73,583	62,363	103,948	56,019	898,063	333,705	39
40	Compiled net profit less total tax (34 less 39)	144,627	356,947	417,024	948,587	504,809	228,190	606,113	220,279	61,159	390,347	42,834	36/75,160	123,778	58,973	1,447,735	278,751	40
	Dividends paid:																	
41	Cash and assets other than own stock	40,338	111,116	151,855	466,930	435,765	93,855	311,698	103,918	147,438	254,623	166,303	93,251	64,670	31,293	1,343,027	378,084	41
42	Corporation's own stock	6,365	11,644	11,365	22,710	3,802	5,659	24,282	7,321	17,397	20,476	7,661	9,700	9,539	2,524	14,193	11,581	42

For footnotes, see pp. 30 - 31

Table 2. - Corporation income tax returns, 1/ 1946, by major industrial groups: Number of returns, compiled receipts, compiled deductions, compiled net profit or net loss, net income or deficit, net operating loss deduction, income tax, excess profits tax, total tax, compiled net profit less total tax, and dividends paid by type of dividend - Continued

(Money figures in thousands of dollars)

		Major industrial groups 8/ - Continued																		
		Public utilities - Continued		Trade																
					Wholesale			Retail												
		Communi-cation	Other public utilities	Total trade	Total wholesale	Commis-sion merchants	Other whole-salers	Total retail	General merchan-dise	Food stores, including market milk dealers	Package liquor stores	Drug stores	Apparel and acces-sories	Furniture and house furnish-ings	Eating and drinking places	Automo-tive dealers	Filling stations	Hard-ware	Building mate-rials, fuel, and ice	
1	Number of returns 14/	3,761	2,920	151,511	47,657	6,800	40,857	84,758	5,894	6,459	2,037	4,248	12,058	6,398	11,334	11,875	1,866	2,452	7,678	1
	Receipts:																			
2	Gross sales 15/	40,229	86,476	93,472,183	45,841,732	1,839,810	44,001,922	39,860,354	12,332,760	8,041,633	291,356	1,192,532	4,491,146	1,573,757	1,637,693	4,252,467	356,663	336,462	1,986,761	2
3	Gross receipts from operations 16/	2,885,108	5,106,624	2,016,409	1,276,582	563,556	713,026	541,894	39,459	54,187	6,783	9,412	60,592	19,508	100,252	145,514	5,641	2,347	37,662	3
	Interest on Government obligations (less amortizable bond premium):																			
4	Wholly taxable 17/	3,488	7,248	27,747	9,104	869	8,235	16,743	8,484	1,243	18	183	2,054	1,120	517	1,019	114	114	872	4
5	Subject to surtax only 18/	39	252	1,777	355	27	328	1,329	130	885	-	5	46	43	22	67	21	2	52	5
6	Wholly tax-exempt 19/	51	264	1,001	421	71	350	490	164	108	-	7	90	45	7	18	7	3	15	6
7	Other interest	6,362	37,129	54,502	25,828	6,657	19,171	23,580	8,122	1,696	15	519	1,724	1,769	348	3,151	122	280	2,000	7
8	Rents 20/	23,687	28,078	164,324	32,592	3,213	29,379	117,685	54,715	6,859	189	2,235	22,828	4,534	5,739	4,706	3,577	563	4,214	8
9	Royalties 21/	1,031	756	9,346	5,631	335	5,296	1,978	615	153	6	160	199	71	41	169	4	41	177	9
10	Excess of net short-term capital gain over net long-term capital loss 22/	66	56	4,246	2,129	247	1,882	1,800	792	89	4	20	50	42	213	278	48	13	138	10
11	Excess of net long-term capital gain over net short-term capital loss 22/	4,359	6,812	85,731	35,968	3,429	32,539	38,521	10,282	4,067	183	1,079	3,810	1,256	3,107	4,449	837	329	5,731	11
12	Net gain, sales other than capital assets 23/	72	278	12,012	3,736	260	3,475	6,642	241	1,729	48	204	399	374	991	450	176	102	985	12
13	Dividends, domestic corporations 24/	185,848	87,046	91,151	42,165	5,360	36,805	43,395	18,078	2,598	6	2,334	9,237	2,554	1,401	1,692	741	94	1,797	13
14	Dividends, foreign corporations 25/	1,764	5,208	33,468	18,832	226	18,606	7,620	7,366	61	-	8	9	5	175	22	-	-	1	14
15	Other receipts	7,771	22,791	759,647	278,406	38,835	239,571	410,385	145,591	15,319	300	11,468	84,092	51,166	11,449	25,766	2,749	3,875	19,026	15
16	Total compiled receipts 10/	3,159,875	5,389,018	96,733,544	47,573,480	2,462,895	45,110,585	41,072,416	12,626,799	8,130,572	298,908	1,220,166	4,676,276	1,656,244	1,761,955	4,439,768	370,700	344,225	2,059,431	16
	Deductions:																			
17	Cost of goods sold 26/	25,465	49,634	73,891,604	39,456,106	1,695,497	37,760,609	28,284,555	8,186,441	6,488,352	236,055	815,442	2,977,690	957,694	926,507	3,215,956	263,243	246,159	1,502,095	17
18	Cost of operations 26/	1,598,640	2,396,997	1,085,365	684,663	206,268	478,395	311,446	15,167	36,863	5,762	4,807	30,297	5,738	62,544	90,389	3,496	1,301	26,693	18
19	Compensation of officers	15,645	31,977	1,688,271	734,748	86,161	648,587	776,134	103,643	54,976	11,876	28,402	121,297	63,403	64,001	142,542	6,985	15,265	63,977	19
20	Rent paid on business property	49,608	39,408	1,021,792	146,257	13,833	132,424	812,472	234,987	75,567	4,805	39,661	209,177	40,936	76,366	45,162	4,926	4,615	9,655	20
21	Repairs 27/	4,697	3,500	271,908	60,211	2,272	57,939	187,274	61,940	33,239	588	6,405	15,181	6,267	21,897	15,178	3,642	829	10,599	21
22	Bad debts	6,697	6,780	110,380	39,696	3,673	36,023	57,759	18,008	2,708	51	271	8,678	5,868	558	5,586	299	676	5,799	22
23	Interest paid	58,847	291,668	134,800	69,332	6,998	62,334	52,344	12,356	7,013	628	2,089	5,714	3,165	4,066	6,245	593	548	3,702	23
24	Taxes paid 28/	186,398	455,070	680,514	208,479	12,310	196,169	412,013	154,606	52,246	2,864	12,625	41,569	18,496	32,535	30,157	7,395	3,413	19,330	24
25	Contributions or gifts 29/	2,603	5,323	58,148	22,127	1,599	20,528	31,845	13,525	3,109	201	715	5,539	1,889	960	2,241	97	238	1,215	25
26	Depreciation	253,765	471,388	346,136	89,860	4,103	85,757	218,007	65,000	39,894	1,036	7,631	21,070	6,407	23,030	16,971	4,042	1,263	14,057	26
27	Depletion	4	15,770	4,635	2,689	75	2,614	981	78	141	-	7	33	12	60	68	78	5	227	27
28	Amortization 30/	43	3,610	2,487	1,015	25	990	1,290	97	61	15	26	286	134	211	158	11	18	48	28
29	Advertising	17,846	13,282	792,241	217,162	12,262	204,900	523,758	249,975	35,578	1,183	15,765	95,748	34,267	10,456	28,866	1,876	1,988	7,819	29
30	Amounts contributed under pension plans, etc. 31/	89,218	51,700	115,544	39,589	2,469	37,120	70,593	49,461	5,143	48	1,597	4,604	2,198	1,091	1,653	468	99	873	30
31	Net loss, sales other than capital assets 23/	479	9,712	10,140	2,834	321	2,513	5,126	614	1,081	31	99	554	245	873	411	212	29	451	31
32	Other deductions	289,785	369,992	10,936,542	3,529,733	265,784	3,263,949	6,477,088	2,301,442	1,022,616	22,008	224,952	792,732	358,554	472,437	444,121	50,128	40,593	255,347	32
33	Total compiled deductions	2,599,740	4,215,811	91,150,507	45,304,501	2,313,650	42,990,851	38,222,685	11,467,340	7,858,587	287,151	1,160,494	4,330,169	1,505,273	1,697,592	4,045,704	347,491	317,039	1,921,887	33
34	Compiled net profit or net loss (16 less 33)	560,135	1,173,207	5,583,037	2,268,979	149,245	2,119,734	2,849,731	1,159,459	271,985	11,757	59,672	346,107	150,971	64,363	394,064	23,209	27,186	137,544	34
35	Net income or deficit 2/ (34 less 6)	560,084	1,172,943	5,582,036	2,268,558	149,174	2,119,384	2,849,241	1,159,295	271,877	11,757	59,665	346,017	150,926	64,356	394,046	23,202	27,183	137,529	35
36	Net operating loss deduction 32/	153	1,312	22,804	10,224	1,374	8,850	9,618	227	802	91	138	427	997	1,725	2,864	301	49	1,048	36
37	Income tax 3/	155,851	407,465	1,946,115	791,494	49,906	741,588	996,380	426,590	99,049	3,197	18,845	115,849	50,146	24,154	133,271	7,818	7,674	43,297	37
38	Excess profits tax 4/	599	443	82,135	51,945	2,836	49,109	26,777	8,082	913	95	1,987	8,670	1,219	1,305	2,128	15	151	535	38
39	Total tax	156,450	407,908	2,028,250	843,439	52,742	790,697	1,023,157	434,672	99,962	3,292	20,832	124,519	51,365	25,459	135,399	7,833	7,825	43,832	39
40	Compiled net profit less total tax (34 less 39)	403,685	765,299	3,554,787	1,425,540	96,503	1,329,037	1,826,574	724,787	172,023	8,465	38,840	221,588	99,606	38,904	258,665	15,376	19,361	93,712	40
	Dividends paid:																			
41	Cash and assets other than own stock	393,514	571,429	927,872	331,924	27,020	304,904	526,433	272,625	46,202	643	11,512	55,460	27,450	14,827	32,127	6,400	3,027	25,470	41
42	Corporation's own stock	1,375	1,237	140,163	78,424	5,148	73,276	50,735	9,501	3,662	340	467	10,311	4,514	1,106	11,613	261	1,389	2,700	42

For footnotes, see pp. 50 - 51

Table 2. - Corporation income tax returns, 1/ 1946, by major industrial groups: Number of returns, compiled receipts, compiled deductions, compiled net

Table 2. - Corporation income tax returns, 1/ 1946, by major industrial groups: Number of returns, compiled receipts, compiled deductions, compiled net profit or net loss, net income or deficit, net operating loss deduction, income tax, excess profits tax, total tax, compiled net profit less total tax, and dividends paid by type of dividend - Continued

(Money figures in thousands of dollars)

		Major industrial groups 8/ - Continued																	
		Trade - Continued			Service										Finance, insurance, real estate, and lessors of real property				
		Retail - Continued														Finance			
		Other retail trade	Retail trade not allocable	Trade not allocable	Total service	Hotels and other lodging places	Personal service	Business service	Automotive repair services and garages	Miscellaneous repair services, hand trades	Motion pictures	Amusement, except motion pictures	Other service, including schools	Service not allocable	Total finance, insurance, real estate, and lessors of real property	Total finance	Banks and trust companies	Long-term credit agencies, mortgage companies, except banks	Short-term credit agencies, except banks
1	Number of returns 14/	8,193	4,266	19,096	39,648	4,805	8,868	7,476	3,109	1,697	4,278	4,578	4,543	294	144,373	34,975	14,911	2,738	3,859
	Receipts:																		
2	Gross sales 15/	2,003,975	1,363,149	7,770,097	1,369,955	504,319	337,561	133,252	128,248	89,880	46,001	74,690	50,954	5,050	103,486	48,889	-	-	-
3	Gross receipts from operations 16/	42,049	18,488	197,933	5,623,009	724,600	809,471	1,267,331	118,871	39,638	1,771,139	497,571	375,844	18,544	4,550,539	882,842	475,302	21,812	182,546
	Interest on Government obligations (less amortizable bond premium):																		
4	Wholly taxable 17/	662	343	1,900	5,081	1,697	375	838	154	34	1,071	494	395	23	1,571,839	993,977	956,136	335	3,002
5	Subject to surtax only 18/	24	32	93	205	27	27	86	1	1	19	7	37	-	253,454	233,709	226,174	13	26
6	Wholly tax-exempt 19/	23	3	90	251	40	15	154	-	-	2	3	37	-	193,699	158,881	152,582	18	56
7	Other interest	2,860	974	5,094	9,076	1,287	575	1,222	236	33	4,690	539	437	57	2,168,263	1,328,394	1,081,769	10,214	135,955
8	Rents 20/	4,197	3,329	14,047	144,611	77,018	2,869	12,116	8,936	266	32,444	7,391	2,225	1,346	1,647,546	117,333	93,209	1,378	1,185
9	Royalties 21/	260	82	1,737	5,015	244	68	596	17	12	1,488	982	1,605	3	130,690	52,180	1,248	16	233
10	Excess of net short-term capital gain over net long-term capital loss 22/	13	100	317	865	185	90	83	67	23	163	176	75	3	22,489	14,380	8,984	216	538
11	Excess of net long-term capital gain over net short-term capital loss 22/	1,880	1,511	11,242	30,236	11,058	2,932	2,966	4,543	177	4,008	3,005	1,436	111	597,100	383,359	178,044	3,876	6,975
12	Net gain, sales other than capital assets 23/	340	603	1,635	4,373	989	704	817	460	69	319	537	382	96	246,027	88,178	3,156	1,374	488
13	Dividends, domestic corporations 24/	1,515	1,348	5,591	55,871	3,559	1,117	4,607	374	9	44,258	1,432	422	93	692,622	530,508	18,571	292	3,768
14	Dividends, foreign corporations 25/	15	13	7,016	8,236	5	4	812	-	-	7,313	42	60	-	25,614	23,778	2,845	-	159
15	Other receipts	22,945	16,639	70,856	116,761	13,916	8,354	23,446	4,546	857	36,459	12,646	16,030	507	188,182	88,014	49,064	2,991	12,656
16	Total compiled receipts 10/	2,080,758	1,406,614	8,087,648	7,373,545	1,338,944	1,164,162	1,448,326	266,453	130,999	1,949,374	599,515	449,939	25,833	12,391,550	4,944,422	3,247,084	42,535	347,587
	Deductions:																		
17	Cost of goods sold 26/	1,406,759	1,062,162	6,150,943	799,021	273,907	182,929	90,154	85,581	60,348	30,263	41,641	31,104	3,094	71,656	38,752	-	-	-
18	Cost of operations 26/	17,487	10,902	89,256	2,884,541	240,840	459,123	735,920	60,397	26,250	930,285	234,709	186,721	10,296	186,217	47,073	197	1,972	18,931
19	Compensation of officers	72,424	27,343	177,389	301,506	26,156	69,630	89,079	14,651	9,682	33,667	21,294	34,685	2,662	33/605,939	381,928	286,645	6,258	22,475
20	Rent paid on business property	49,159	17,456	63,063	258,949	57,176	28,843	24,506	17,040	2,257	95,722	20,418	12,220	767	190,499	64,238	43,840	960	9,894
21	Repairs 27/	6,123	5,386	24,423	126,679	58,850	17,741	7,700	3,165	1,065	20,581	12,644	4,551	382	141,353	23,158	18,796	198	687
22	Bad debts	6,319	2,938	12,925	11,996	2,055	2,225	2,902	403	290	1,570	661	1,673	217	109,755	95,198	63,273	717	18,578
23	Interest paid	3,798	2,427	13,124	59,091	29,757	3,792	3,730	1,858	337	14,457	3,343	1,557	260	753,568	401,688	291,099	5,008	35,047
24	Taxes paid 28/	25,107	11,670	60,022	158,409	51,271	21,887	15,512	5,452	1,906	34,090	20,388	7,343	560	622,399	163,440	128,745	1,378	7,848
25	Contributions or gifts 29/	1,463	653	4,176	8,120	1,171	1,078	1,032	150	58	1,968	2,279	367	17	18,642	12,950	10,210	69	603
26	Depreciation	10,093	7,513	38,269	165,681	54,738	23,806	18,767	8,171	2,029	34,455	15,169	8,009	537	368,511	67,565	47,860	434	2,480
27	Depletion	91	181	965	300	31	53	47	11	2	35	91	30	-	25,363	3,691	189	6	104
28	Amortization 30/	82	143	182	1,267	179	99	53	26	5	722	112	69	2	933	101	2	1	8
29	Advertising	28,039	12,198	51,321	98,596	13,384	13,859	6,993	1,188	771	48,074	7,928	6,170	229	71,891	48,782	30,843	590	11,701
30	Amounts contributed under pension plans, etc. 31/	2,197	1,161	5,362	22,331	934	1,010	9,412	80	189	7,445	807	2,384	70	54,692	42,672	37,716	52	1,263
31	Net loss, sales other than capital assets 23/	292	234	2,180	9,384	4,768	881	555	727	76	729	1,007	633	8	117,592	32,829	20,590	1,128	154
32	Other deductions	320,003	172,155	929,721	1,664,899	395,419	270,535	341,600	43,835	19,637	339,142	125,546	123,446	5,739	4,854,357	1,412,688	988,129	14,734	142,888
33	Total compiled deductions	1,949,436	1,334,522	7,623,321	6,570,770	1,210,636	1,097,491	1,347,962	242,735	124,902	1,593,205	508,037	420,962	24,840	34/8,193,367	2,836,753	1,968,134	33,505	272,661
34	Compiled net profit or net loss (16 less 33)	131,322	72,092	464,327	802,775	128,308	66,671	100,364	23,718	6,097	356,169	91,478	28,977	993	4,198,183	2,107,669	1,278,950	9,030	74,926
35	Net income or deficit 2/ (34 less 6)	131,299	72,089	464,237	802,524	128,268	66,656	100,210	23,718	6,097	356,167	91,475	28,940	993	4,004,484	1,948,788	1,126,368	9,012	74,870
36	Net operating loss deduction 32/	656	293	2,962	11,548	3,743	1,618	1,042	591	141	1,101	1,930	1,330	52	39,800	8,429	3,144	636	425
37	Income tax 3/	43,527	22,963	158,241	276,818	45,071	21,303	36,076	6,893	2,210	116,746	35,680	12,237	602	733,346	446,103	328,611	3,019	26,392
38	Excess profits tax 4/	1,286	391	3,413	16,251	1,627	558	764	153	29	11,570	1,412	135	3	3,317	1,856	628	18	427
39	Total tax	44,813	23,354	161,654	293,069	46,698	21,861	36,840	7,046	2,239	128,316	37,092	12,372	605	736,663	447,959	329,239	3,037	26,819
40	Compiled net profit less total tax (34 less 39)	86,509	48,738	302,673	509,706	81,610	44,810	63,524	16,672	3,858	227,853	54,386	16,605	388	3,461,520	1,659,710	949,711	5,993	48,107
	Dividends paid:																		
41	Cash and assets other than own stock	18,253	12,437	69,515	205,089	21,223	13,975	27,863	2,672	779	113,311	18,891	5,930	445	1,297,820	942,295	308,271	3,602	35,131
42	Corporation's own stock	3,563	1,309	11,004	11,805	134	946	1,218	382	202	1,063	6,717	1,133	10	64,310	51,918	36,939	197	2,157

For footnotes, see pp. 30 - 31

Table 2. - Corporation income tax returns, 1/ 1946, by major industrial groups: Number of returns, compiled receipts, compiled deductions, compiled net profit or net loss, net income or deficit, net operating loss deduction, income tax, excess profits tax, total tax, compiled net profit less total tax, and dividends paid by type of dividend - Continued

(Money figures in thousands of dollars)

		Major industrial groups 8/ - Continued																
		Finance, insurance, real estate, and lessors of real property - Continued											Agriculture, forestry, and fishery					
		Finance - Continued					Insurance carriers, agents, etc.											
		Investment trusts and investment companies 11/	Other investment companies, including holding companies 12/13/	Security and commodity-exchange brokers and dealers	Other finance companies	Finance not allocable	Total insurance carriers, agents, etc.	Insurance carriers	Insurance agents, brokers, etc.	Real estate, including lessors of buildings	Lessors of real property, except buildings	Construction	Total agriculture, forestry, and fishery	Agriculture and services	Forestry	Fishery	Nature of business not allocable	
1	Number of returns 14/	3,700	1,947	1,332	1,349	5,139	7,970	2,126	5,844	95,291	6,137	15,849	6,663	6,041	321	301	5,479	1
	Receipts:																	
2	Gross sales 15/	-	40,478	-	8,411	-	-	-	-	46,816	7,781	1,320,022	961,967	926,880	14,079	21,008	122,789	2
3	Gross receipts from operations 16/	-	61,574	87,421	19,476	34,711	2,659,343	2,357,647	301,696	1,008,354	-	2,900,100	245,910	223,505	8,656	13,749	67,246	3
	Interest on Government obligations (less amortizable bond premium):																	
4	Wholly taxable 17/	10,055	7,380	12,537	354	4,178	560,311	559,921	390	16,357	1,194	2,058	1,266	1,167	69	30	258	4
5	Subject to surtax only 18/	497	956	5,899	25	119	19,227	19,201	26	425	93	114	295	291	4	-	17	5
6	Wholly tax-exempt 19/	856	1,432	3,395	21	521	34,092	34,078	14	649	77	375	241	234	7	-	31	6
7	Other interest	23,351	56,700	6,418	2,233	11,754	807,127	804,996	2,131	31,098	1,644	2,716	2,720	2,490	204	26	1,725	7
8	Rents 20/	1,295	11,563	1,809	5,435	1,459	92,789	90,736	2,053	1,272,604	164,820	15,311	12,994	12,475	430	89	4,539	8
9	Royalties 21/	4,851	2,023	94	43,635	80	268	23	245	4,708	73,534	677	3,506	3,227	279	-	811	9
10	Excess of net short-term capital gain over net long-term capital loss 22/	1,744	886	1,515	16	481	1,255	1,199	56	6,556	298	679	684	614	68	2	209	10
11	Excess of net long-term capital gain over net short-term capital loss 22/	130,969	40,397	13,142	1,692	8,264	57,964	56,353	1,611	146,964	8,813	18,501	19,824	13,723	5,839	262	4,959	11
12	Net gain, sales other than capital assets 23/	12,263	2,757	64,217	2,715	1,208	897	735	162	155,591	1,361	2,999	3,177	1,915	1,150	112	1,557	12
13	Dividends, domestic corporations 24/	186,636	311,484	7,428	1,089	1,240	139,299	135,425	3,874	20,707	2,108	8,207	4,459	4,255	175	29	2,057	13
14	Dividends, foreign corporations 25/	4,488	16,003	59	211	13	1,622	1,188	434	204	10	168	2,835	2,832	3	-	31	14
15	Other receipts	2,239	8,740	6,134	2,604	3,586	23,260	10,674	12,586	65,410	11,498	48,634	14,717	13,875	506	336	6,651	15
16	Total compiled receipts 10/	379,244	562,373	210,068	87,917	67,614	4,397,454	4,072,176	325,278	2,776,443	273,231	4,320,561	1,274,595	1,207,483	31,469	35,643	212,880	16
	Deductions:																	
17	Cost of goods sold 26/	-	31,777	-	6,975	-	-	-	-	27,131	5,773	1,008,207	668,389	641,097	11,586	15,706	94,405	17
18	Cost of operations 26/	-	5,499	617	10,473	9,384	57,126	1,790	55,336	82,018	-	2,349,006	118,272	104,476	5,704	8,092	18,979	18
19	Compensation of officers	7,072	11,895	38,359	3,708	5,516	33/72,503	33/12,390	60,113	145,790	5,718	178,173	32,026	30,198	750	1,078	18,998	19
20	Rent paid on business property	696	1,822	5,270	754	1,002	23,041	13,724	9,317	99,739	3,481	19,299	20,366	20,138	63	165	2,957	20
21	Repairs 27/	200	1,516	910	604	247	2,796	2,207	589	113,400	1,999	26,548	21,773	20,433	213	1,127	2,183	21
22	Bad debts	775	5,970	395	3,103	2,387	3,601	2,091	1,510	10,686	270	5,047	1,291	1,170	60	61	790	22
23	Interest paid	17,683	32,111	12,247	1,583	6,910	4,871	3,737	1,134	286,432	60,577	11,840	9,420	8,611	589	220	2,867	23
24	Taxes paid 28/	4,468	10,805	6,773	1,284	2,139	85,799	81,339	4,460	350,522	22,638	44,967	22,186	20,597	1,111	478	3,745	24
25	Contributions or gifts 29/	692	916	331	50	79	1,322	775	547	4,219	151	2,361	963	956	10	17	262	25
26	Depreciation	621	6,346	1,538	6,715	1,571	17,807	16,167	1,640	272,337	10,802	52,687	31,480	29,934	557	989	3,776	26
27	Depletion	1,743	1,518	14	92	25	169	160	9	1,101	20,402	585	2,286	1,043	1,242	1	282	27
28	Amortization 30/	2	37	11	36	4	-	-	-	666	166	170	27	23	2	2	48	28
29	Advertising	147	763	3,167	638	913	9,626	6,696	2,930	13,446	37	9,462	6,933	6,820	65	48	2,080	29
30	Amounts contributed under pension plans, etc. 31/	169	1,047	1,759	340	326	9,456	8,061	1,395	2,249	315	4,134	2,615	2,580	9	26	246	30
31	Net loss, sales other than capital assets 23/	1,091	3,307	2,000	2,414	2,145	2,745	2,699	46	75,367	6,651	1,504	3,868	3,323	458	87	905	31
32	Other deductions	42,812	74,280	90,993	30,306	28,546	2,663,783	2,520,415	143,368	748,103	29,783	374,118	148,884	141,396	2,755	4,733	43,522	32
33	Total compiled deductions	78,171	189,629	164,384	69,075	61,194	34/2,954,645	34/2,672,251	282,394	2,233,206	168,763	4,088,108	1,090,779	1,032,775	25,174	32,830	196,045	33
34	Compiled net profit or net loss (16 less 33)	301,073	372,744	45,684	18,842	6,420	1,442,809	1,399,925	42,884	543,237	104,468	232,453	183,816	174,708	6,295	2,813	16,835	34
35	Net income or deficit 2/ (34 less 6)	300,217	371,312	42,289	18,821	5,899	1,408,717	1,365,847	42,870	542,588	104,391	232,078	183,575	174,474	6,288	2,813	16,804	35
36	Net operating loss deduction 32/	407	1,855	107	977	878	2,664	2,154	510	27,229	1,478	7,561	2,688	2,279	307	102	673	36
37	Income tax 3/	18,544	43,636	12,485	8,530	4,886	67,504	55,102	12,402	177,364	42,375	82,883	65,511	62,436	1,883	1,192	6,412	37
38	Excess profits tax 4/	-	7	323	448	5	52	1	51	1,378	31	792	2,444	2,421	-	23	118	38
39	Total tax	18,544	43,643	12,808	8,978	4,891	67,556	55,103	12,453	178,742	42,406	83,675	67,955	64,857	1,883	1,215	6,530	39
40	Compiled net profit less total tax (34 less 39)	282,529	329,101	32,876	9,864	1,529	1,375,253	1,344,822	30,431	364,495	62,062	148,778	115,861	109,851	4,412	1,598	10,305	40
	Dividends paid:																	
41	Cash and assets other than own stock	252,464	299,590	13,524	10,483	19,230	133,545	119,323	14,222	148,756	73,224	38,315	34,058	29,031	4,263	764	7,539	41
42	Corporation's own stock	5,667	1,882	4,587	22	467	5,882	5,273	609	6,479	31	12,700	1,344	1,319	25	-	470	42

For footnotes, see pp. 30 - 31

Table 3. - Corporation income tax returns with balance sheets, 1/ 1946, by major industrial groups, for returns with net income and returns with no net income: 2/ Number of returns, assets and liabilities, compiled receipts, compiled deductions, compiled net profit or net loss, net income or deficit, and dividends paid by type of dividend; also, for returns with net income: Net operating loss deduction, income tax, excess profits tax, total tax, and compiled net profit less total tax

41	Cash and assets other than own stock	252,464	299,590	13,524	10,483	19,230	133,545	119,323	14,222	148,756	73,224	38,315	34,058	29,031	4,263	764	7,539	41
42	Corporation's own stock	5,667	1,882	4,587	22	467	5,882	5,273	609	6,479	31	12,700	1,344	1,319	25	-	470	42

For footnotes, see pp. 30 - 31

Table 3. - Corporation income tax returns with balance sheets, 1/ 1946, by major industrial groups, for returns with net income and returns with no net income: 2/ Number of returns, assets and liabilities, compiled receipts, compiled deductions, compiled net profit or net loss, net income or deficit, and dividends paid by type of dividend; also, for returns with net income: Net operating loss deduction, income tax, excess profits tax, total tax, and compiled net profit less total tax

(Money figures in thousands of dollars)

		Major industrial groups 8/																
				Mining and quarrying														
		All industrial groups		Total mining and quarrying		Metal mining		Anthracite mining		Bituminous coal, lignite, peat, etc.		Crude petroleum and natural gas production		Nonmetallic mining and quarrying		Mining and quarrying not allocable		
		Net income	No net income	Net income	No net income	Net income	No net income	Net income	No net income	Net income	No net income	Net income	No net income	Net income	No net income	Net income	No net income	
1	Number of returns with balance sheets 37/	334,042	106,708	3,858	2,901	215	488	104	62	954	484	1,670	1,351	893	380	22	136	1
	Assets:																	
2	Cash 38/	55,782,308	2,719,225	570,423	70,801	155,076	11,039	33,303	1,637	157,593	8,731	149,923	45,437	73,776	3,232	752	725	2
3	Notes and accounts receivable	58,428,583	3,714,715	511,757	97,440	117,875	20,017	42,625	2,418	159,536	16,749	131,783	50,867	58,919	6,079	1,019	1,310	3
4	Less: Reserve for bad debts	689,421	83,131	5,728	2,958	547	15	637	45	2,759	292	666	2,232	1,118	88	1	286	4
5	Inventories	33,122,238	3,842,523	299,577	41,133	116,033	7,316	9,230	819	53,551	7,748	74,321	21,059	45,123	3,631	1,319	560	5
6	Investments, Government obligations 39/	107,980,347	1,929,261	433,264	14,554	209,662	5,843	19,228	404	86,291	3,976	69,806	3,847	48,224	408	53	76	6
7	Other investments 40/	71,761,069	5,327,958	615,061	89,202	194,912	23,432	49,398	934	158,911	9,705	185,346	48,350	26,288	2,997	206	3,784	7
8	Gross capital assets 41/ (except land)	124,947,772	24,020,249	4,903,903	1,400,451	1,106,752	377,091	421,969	15,207	1,169,243	201,723	1,729,707	728,240	454,989	55,837	21,243	22,353	8
9	Less: Reserves	50,083,685	7,337,636	2,742,249	633,456	732,201	172,202	212,191	10,073	610,577	104,308	950,103	320,083	219,807	23,261	17,370	3,529	9
10	Land	7,363,122	1,418,880	73,321	48,145	8,364	26,935	3,984	86	16,228	8,174	25,956	7,840	18,518	3,181	271	1,929	10
11	Other assets	8,231,725	2,309,071	111,695	52,371	39,367	20,087	10,236	1,151	23,608	4,651	23,441	22,440	14,588	2,540	455	1,502	11
12	Total assets 42/	416,844,058	37,861,115	4,771,024	1,177,683	1,215,293	319,543	377,145	12,538	1,211,625	156,857	1,439,514	605,765	519,500	54,556	7,947	28,424	12
	Liabilities:																	
13	Accounts payable	18,050,737	3,285,572	364,777	112,419	61,796	22,967	26,329	5,396	92,370	18,873	157,149	55,640	26,406	6,745	727	2,798	13
	Bonds, notes, mortgages payable:																	
14	Maturity less than 1 year	7,902,675	1,601,158	98,391	63,552	9,043	6,420	2,495	1,322	24,630	5,025	46,861	44,765	11,165	5,504	4,197	516	14
15	Maturity 1 year or more	34,141,375	10,827,010	436,582	282,137	32,780	22,868	54,497	2,481	99,279	34,671	204,812	203,609	45,029	14,856	185	3,652	15
16	Other liabilities	208,114,820	6,168,059	289,028	85,058	83,399	21,004	30,244	3,348	72,988	13,055	72,124	40,040	29,591	6,556	682	1,055	16
17	Capital stock, preferred	13,381,340	1,475,533	147,401	39,251	31,391	7,443	13,497	386	29,698	5,365	42,353	22,721	30,024	2,831	438	505	17
18	Capital stock, common	58,604,723	9,728,869	1,350,278	518,220	304,333	201,654	104,311	3,708	358,417	60,606	424,758	203,705	157,571	26,407	888	22,140	18
19	Surplus reserves	9,872,872	1,130,731	221,038	51,936	71,339	7,983	8,517	1,424	49,407	2,822	59,545	36,043	32,217	1,561	13	2,103	19
20	Surplus and undivided profits 43/	70,276,554	8,559,500	2,081,973	300,042	656,339	97,217	152,340	939	530,712	46,459	541,315	141,757	200,406	8,198	861	5,472	20
21	Less: Deficit 44/	3,501,038	4,915,317	218,444	274,932	35,127	68,013	15,085	6,466	45,876	30,019	109,403	142,515	12,909	18,102	44	9,817	21
22	Total liabilities 42/	416,844,058	37,861,115	4,771,024	1,177,683	1,215,293	319,543	377,145	12,538	1,211,625	156,857	1,439,514	605,765	519,500	54,556	7,947	28,424	22
	Receipts:																	
23	Gross sales 15/	217,059,097	13,984,893	3,044,406	372,278	558,184	45,524	340,234	48,631	1,215,903	123,160	531,338	131,480	390,651	23,155	8,096	328	23
24	Gross receipts from operations 16/	32,251,790	7,687,801	510,426	139,537	28,810	4,526	41,601	6,421	148,225	64,951	247,333	56,591	42,347	6,582	2,110	466	24
	Interest on Government obligations (less amortizable bond premium):																	
25	Wholly taxable 17/	1,686,036	36,502	5,733	279	2,766	92	243	8	1,239	73	827	100	656	6	2	-	25
26	Subject to surtax only 18/	256,475	6,848	428	21	93	12	26	-	143	6	116	3	50	-	-	-	26
27	Wholly tax-exempt 19/	198,887	5,537	145	58	29	55	3	1	38	-	48	1	27	1	-	-	27
28	Other interest	2,389,644	72,298	5,071	609	1,688	61	414	9	1,549	97	1,131	378	283	63	6	1	28
29	Rents 20/	2,082,404	386,834	21,606	3,184	2,607	147	4,579	53	10,115	1,535	2,488	1,236	1,759	207	58	6	29
30	Royalties 21/	253,400	29,481	28,039	5,373	1,236	184	9,463	92	7,870	1,004	8,090	4,072	1,314	21	66	-	30
31	Excess of net short-term capital gain over net long-term capital loss 22/	31,873	4,401	631	272	56	63	3	-	197	16	321	187	54	6	-	-	31
32	Excess of net long-term capital gain over net short-term capital loss 22/	1,052,293	52,850	29,726	2,534	1,790	160	1,752	13	13,000	238	11,420	1,997	1,736	119	28	7	32
33	Net gain, sales other than capital assets 23/	243,373	34,640	1,721	2,352	34	71	10	61	364	139	787	2,025	516	53	10	3	33
34	Dividends, domestic corporations 24/	1,611,513	79,976	28,562	596	14,673	65	940	-	5,092	38	6,779	492	1,074	1	4	-	34
35	Dividends, foreign corporations 25/	248,732	3,326	198	63	87	62	-	-	86	-	23	-	2	1	-	-	35
36	Other receipts	1,966,117	200,383	28,754	7,402	5,586	1,975	1,366	219	8,706	1,327	8,988	3,408	3,842	416	266	57	36
37	Total compiled receipts 10/	261,331,634	22,585,770	3,705,446	534,558	617,639	52,997	400,634	55,508	1,412,527	192,584	819,689	201,970	444,311	30,631	10,646	868	37
	Deductions:																	
38	Cost of goods sold 26/	164,981,328	11,789,070	2,136,379	282,462	381,407	38,746	282,963	44,347	968,049	106,810	262,956	74,345	234,699	17,814	6,305	400	38
39	Cost of operations 26/	17,483,758	5,298,595	330,702	108,155	19,326	3,196	31,271	5,498	106,212	56,830	147,913	37,664	24,485	4,697	1,495	270	39
40	Compensation of officers	33/4,553,656	33/478,946	44,640	10,989	3,557	833	2,513	438	14,344	2,584	12,098	5,576	11,848	1,502	280	56	40
41	Rent paid on business property	2,228,503	536,078	18,203	7,949	4,051	354	2,208	411	3,745	1,002	5,521	5,727	2,634	433	44	22	41
42	Repairs 27/	2,338,208	331,650	59,530	8,335	4,561	1,602	9,662	309	25,168	3,260	5,166	1,747	14,701	1,393	272	24	42
43	Bad debts	276,832	66,781	1,572	1,317	58	54	98	751	502	248	595	164	319	100	-	-	43
44	Interest paid	1,719,173	479,159	20,491	9,410	1,987	621	1,886	96	4,392	1,557	10,051	6,369	2,153	715	22	52	44
45	Taxes paid 28/	5,024,275	710,224	92,497	16,164	23,503	3,532	10,413	1,112	29,323	4,263	19,135	6,578	9,788	635	335	44	45
46	Contributions or gifts 29/	208,161	2,459	1,918	119	292	2	158	7	676	27	470	77	320	6	2	-	46
47	Depreciation	3,602,836	525,029	121,553	30,636	14,711	2,373	6,904	1,021	36,828	5,998	47,485	19,209	15,298	1,893	327	142	47
48	Depletion	736,282	44,417	204,319	28,837	43,136	2,881	10,358	156	38,503	1,757	96,527	23,948	15,670	91	125	4	48
49	Amortization 30/	37,350	25,759	3,015	1,479	110	621	2	-	287	90	2,601	748	15	20	-	-	49
50	Advertising	2,170,503	183,997	3,131	250	304	3	567	28	886	49	520	119	833	50	21	1	50
51	Amounts contributed under pension plans, etc. 31/	756,719	70,022	6,296	539	906	9	374	1	961	126	3,488	370	533	31	34	2	51
52	Net loss, sales other than capital assets 23/	93,432	106,418	9,969	5,224	504	1,238	1,789	25	6,633	2,081	745	1,338	298	535	-	7	52
53	Other deductions	28,241,095	3,791,812	256,737	84,912	31,296	7,916	14,797	3,081	87,595	14,213	80,794	54,026	41,205	4,855	1,050	821	53
54	Total compiled deductions	34/234,452,111	34/24,440,416	3,310,952	596,777	529,709	63,981	375,963	57,281	1,324,104	200,895	696,065	238,005	374,799	34,770	10,312	1,845	54
55	Compiled net profit or net loss (37 less 54)	26,879,523	35/1,854,646	394,494	35/62,219	87,930	35/10,984	24,671	35/1,773	88,423	35/8,311	123,624	35/36,035	69,512	35/4,139	334	35/977	55
56	Net income or deficit 2/ (55 less 27)	26,680,636	35/1,860,183	394,349	35/62,277	87,901	35/11,039	24,668	35/1,774	88,385	35/8,311	123,576	35/36,036	69,485	35/4,140	334	35/977	56
57	Net operating loss deduction 32/	131,515	-	6,202	-	1,130	-	515	-	1,091	-	1,719	-	1,744	-	3	-	57
58	Income tax 3/	8,447,187	-	129,931	-	26,031	-	8,592	-	29,371	-	41,610	-	24,231	-	96	-	58
59	Excess profits tax 4/	263,245	-	921	-	9	-	67	-	308	-	451	-	86	-	-	-	59
60	Total tax	8,710,432	-	130,852	-	26,040	-	8,659	-	29,679	-	42,061	-	24,317	-	96	-	60
61	Compiled net profit less total tax (55 less 60)	18,169,091	35/1,854,646	263,642	35/62,219	61,890	35/10,984	16,012	35/1,773	58,744	35/8,311	81,563	35/36,035	45,195	35/4,139	238	35/977	61
	Dividends paid:																	
62	Cash and assets other than own stock	7,134,624	242,983	200,263	6,567	67,823	357	13,591	3	32,485	675	62,260	5,362	24,028	151	76	19	62
63	Corporation's own stock	515,824	6,722	2,677	2	-	-	106	-	1,183	-	927	2	416	-	45	-	63

For footnotes, see pp. 30 - 31

Table 3. - Corporation income tax returns with balance sheets, 1/ 1946, by major industrial groups, for returns with net income and returns with no net income: 2/ Number of returns, assets and liabilities, compiled receipts, compiled deductions, compiled net profit or net loss, net income or deficit, and dividends paid by type of dividend; also, for returns with net income: Net operating loss deduction, income tax, excess profits tax, total tax, and compiled net profit less total tax - Continued

(Money figures in thousands of dollars)

		Major industrial groups 8/ - Continued																
		Manufacturing																
		Total manufacturing		Food and kindred products		Beverages		Tobacco manufactures		Cotton manufactures		Textile-mill products, except cotton		Apparel and products made from fabrics		Leather and products		
		Net income	No net income	Net income	No net income	Net income	No net income	Net income	No net income	Net income	No net income	Net income	No net income	Net income	No net income	Net income	No net income	
1	Number of returns with balance sheets 37/	69,953	22,818	7,668	1,504	2,159	595	137	64	816	65	3,753	648	8,831	2,330	2,136	575	1
	Assets:																	
2	Cash 38/	10,022,342	1,019,469	995,362	18,747	272,401	8,107	88,486	967	229,597	1,927	477,846	6,300	335,387	12,663	168,946	2,690	2
3	Notes and accounts receivable	12,293,000	1,582,233	1,158,537	32,954	275,361	14,629	343,505	1,466	277,407	3,316	562,253	9,139	495,037	26,210	229,477	6,619	3
4	Less: Reserve for bad debts	318,740	39,017	27,511	722	8,163	477	2,748	28	3,552	28	14,085	184	13,869	939	6,518	122	4
5	Inventories	20,420,939	2,860,678	2,366,124	83,599	699,837	43,893	1,244,681	9,049	598,123	7,342	1,046,147	23,538	773,109	45,986	419,878	16,347	5
6	Investments, Government obligations 39/	6,718,154	450,049	427,617	12,060	149,442	2,523	9,865	7	160,338	54	336,959	5,167	115,814	3,423	104,743	433	6
7	Other investments 40/	8,835,754	557,463	680,534	25,348	233,719	17,053	81,688	415	124,791	1,921	254,433	4,844	104,612	6,922	64,082	1,505	7
8	Gross capital assets 41/ (except land)	52,459,426	4,811,043	4,234,246	200,289	1,054,277	69,626	261,786	4,281	1,135,085	16,373	1,741,713	47,895	342,132	27,409	302,263	10,609	8
9	Less: Reserves	27,309,099	2,440,596	1,967,559	79,533	425,164	19,943	106,458	1,113	654,550	4,669	897,996	18,836	155,496	8,956	164,239	3,328	9
10	Land	1,687,857	205,196	258,661	17,652	73,757	3,122	8,992	241	29,390	456	54,798	1,195	18,019	885	14,279	231	10
11	Other assets	1,905,008	578,806	203,610	12,791	106,099	6,841	17,382	583	31,106	1,287	88,747	4,887	51,737	5,190	30,036	2,154	11
12	Total assets 42/	86,714,641	9,585,324	8,329,621	323,185	2,431,566	145,374	1,947,179	15,868	1,927,755	27,979	3,650,815	83,945	2,066,482	118,793	1,162,947	37,138	12
	Liabilities:																	
13	Accounts payable	7,852,709	1,301,526	705,856	45,013	241,166	19,907	61,696	2,653	125,584	2,964	306,640	13,388	328,834	27,301	139,017	9,745	13
	Bonds, notes, mortgages payable:																	
14	Maturity less than 1 year	2,798,643	693,719	344,639	45,573	114,440	29,408	234,784	3,555	68,610	2,515	104,332	7,210	111,609	16,381	34,274	4,356	14
15	Maturity 1 year or more	6,929,195	949,628	685,401	44,757	265,525	26,895	482,778	1,463	72,868	4,549	198,332	14,228	77,165	13,712	29,274	4,604	15
16	Other liabilities	7,367,960	816,716	702,345	18,538	261,911	12,676	106,343	541	189,565	1,023	384,154	7,578	272,684	12,019	113,803	5,146	16
17	Capital stock, preferred	5,771,284	527,345	645,466	10,124	125,308	2,001	196,980	2,300	77,985	1,247	285,131	4,873	113,198	5,474	85,210	1,179	17
18	Capital stock, common	21,727,214	1,989,552	2,003,898	102,500	384,575	32,687	429,370	3,189	419,532	9,771	829,266	27,062	469,280	41,531	281,964	12,007	18
19	Surplus reserves	5,175,027	495,465	602,878	4,851	114,061	748	28,753	1	169,383	160	224,509	2,602	65,616	627	85,580	182	19
20	Surplus and undivided profits 43/	29,508,295	3,293,573	2,688,937	87,685	932,823	30,727	407,374	3,355	813,886	7,582	1,349,275	17,188	636,648	14,749	402,496	5,768	20
21	Less: Deficit 44/	415,686	482,200	49,799	35,856	8,243	9,675	899	1,189	9,658	1,832	30,624	10,184	8,552	13,001	6,671	5,849	21
22	Total liabilities 42/	86,714,641	9,585,324	8,329,621	323,185	2,431,566	145,374	1,947,179	15,868	1,927,755	27,979	3,650,815	83,945	2,066,482	118,793	1,162,947	37,138	22
	Receipts:																	
23	Gross sales 15/	121,796,581	9,742,879	22,140,641	450,839	4,532,651	160,848	2,580,120	15,772	3,446,215	35,733	5,878,504	111,659	6,006,263	327,500	2,676,779	98,928	23
24	Gross receipts from operations 16/	2,762,428	313,841	96,881	21,004	14,037	2,322	3,337	1	18,886	277	188,192	4,476	162,256	25,547	9,106	1,357	24
	Interest on Government obligations (less amortizable bond premium):																	
25	Wholly taxable 17/	88,134	7,814	6,123	189	2,318	44	136	-	2,044	5	4,491	52	1,979	62	1,417	11	25
26	Subject to surtax only 18/	7,248	323	600	13	105	1	76	-	73	-	49	-	92	4	45	-	26
27	Wholly tax-exempt 19/	6,786	310	437	13	245	-	72	-	124	-	293	7	25	-	28	-	27
28	Other interest	124,726	14,420	10,338	669	3,116	99	699	2	1,760	32	4,382	126	1,595	68	854	14	28
29	Rents 20/	201,545	14,236	16,911	1,395	5,082	712	2,641	18	7,510	171	5,321	202	3,977	149	1,677	61	29
30	Royalties 21/	87,820	11,443	4,759	65	376	20	9	-	100	-	1,239	5	6,832	6	158	46	30
31	Excess of net short-term capital gain over net long-term capital loss 22/	6,257	1,296	394	6	86	345	18	-	881	-	545	1	380	30	82	1	31
32	Excess of net long-term capital gain over net short-term capital loss 22/	295,741	17,585	22,530	453	8,209	378	2,031	11	9,206	34	12,057	146	3,307	324	1,082	41	32
33	Net gain, sales other than capital assets 23/	10,288	6,837	1,074	386	368	148	16	20	867	12	657	45	520	127	237	41	33
34	Dividends, domestic corporations 24/	451,859	9,774	34,156	540	10,203	69	4,359	3	12,553	21	15,001	91	2,595	26	3,262	6	34
35	Dividends, foreign corporations 25/	172,959	1,769	24,866	-	88	-	417	-	149	-	2,263	-	839	-	45	-	35
36	Other receipts	851,933	80,627	103,463	7,933	18,870	1,723	8,663	171	17,163	75	32,527	757	21,680	1,253	16,116	532	36
37	Total compiled receipts 10/	126,864,305	10,223,154	22,463,173	483,505	4,595,754	166,709	2,602,594	15,998	3,517,531	36,360	6,145,521	117,567	6,212,340	355,096	2,710,888	101,038	37
	Deductions:																	
38	Cost of goods sold 26/	90,483,806	8,354,733	18,173,834	390,359	2,886,824	129,180	2,199,352	14,052	2,628,576	30,028	4,405,746	93,408	4,691,280	278,159	2,126,179	86,067	38
39	Cost of operations 26/	1,733,430	236,904	42,901	15,598	4,200	1,169	173	-	9,883	51	112,993	3,038	118,702	17,889	5,140	728	39
40	Compensation of officers	1,826,686	217,376	172,063	8,872	44,470	4,480	7,704	469	30,431	642	116,630	4,687	191,805	18,223	58,862	4,142	40
41	Rent paid on business property	498,849	80,239	50,916	3,177	10,043	1,000	1,550	111	4,135	373	18,977	1,512	39,697	5,114	13,065	1,372	41
42	Repairs 27/	1,736,206	247,647	201,654	5,407	34,154	1,072	3,768	70	37,203	360	65,378	1,464	11,294	1,086	17,903	434	42
43	Bad debts	64,433	20,328	6,985	538	881	338	54	15	993	32	1,299	253	2,987	1,037	1,137	141	43
44	Interest paid	351,540	51,839	40,558	3,106	13,238	1,603	16,853	196	7,141	185	15,048	935	8,673	1,698	3,554	413	44
45	Taxes paid 28/	2,504,164	209,691	192,454	7,115	595,159	10,013	64,134	370	51,723	447	81,544	1,446	52,868	3,408	28,105	1,119	45
46	Contributions or gifts 29/	109,180	799	10,517	45	6,069	26	779	-	8,266	2	10,089	15	10,152	42	3,391	20	46
47	Depreciation	1,694,327	183,167	161,154	8,189	42,630	2,892	6,569	135	33,433	538	60,707	1,765	18,224	1,966	12,283	773	47
48	Depletion	483,130	8,190	819	4	6,292	4	-	-	-	-	1,569	-	8	1	9	-	48
49	Amortization 30/	15,465	17,346	1,920	383	193	4	-	-	126	-	97	24	86	8	120	4	49
50	Advertising	1,230,899	113,469	226,444	3,808	94,488	3,007	53,926	359	7,367	344	24,649	613	40,668	1,749	18,165	377	50
51	Amounts contributed under pension plans, etc. 31/	410,599	50,420	42,022	529	6,372	38	4,606	14	4,192	-	10,008	56	5,363	77	4,404	128	51
52	Net loss, sales other than capital assets 23/	29,344	15,258	3,440	723	661	94	127	12	253	817	766	428	320	263	272	45	52
53	Other deductions	11,237,134	1,362,464	1,601,236	61,592	341,393	21,307	68,646	1,896	164,678	4,555	397,657	14,950	537,176	40,732	184,453	11,550	53
54	Total compiled deductions	114,409,192	11,169,870	20,928,917	509,445	4,087,067	176,227	2,428,241	17,699	2,988,400	38,374	5,323,157	124,594	5,729,303	371,452	2,477,042	107,313	54
55	Compiled net profit or net loss (37 less 54)	12,455,113	35/946,716	1,534,256	35/25,940	508,687	35/9,518	174,353	35/1,701	529,131	35/2,014	822,364	35/7,027	483,037	35/16,356	233,846	35/6,275	55
56	Net income or deficit 2/ (55 less 27)	12,448,327	35/947,026	1,533,819	35/25,953	508,442	35/9,518	174,281	35/1,701	529,007	35/2,014	822,071	35/7,034	483,012	35/16,356	233,818	35/6,275	56
57	Net operating loss deduction 32/	36,044	-	4,834	-	863	-	2	-	151	-	760	-	747	-	514	-	57
58	Income tax 3/	4,386,827	-	548,030	-	178,210	-	64,392	-	186,108	-	295,550	-	167,200	-	82,521	-	58
59	Excess profits tax 4/	156,122	-	23,260	-	18,115	-	54	-	20,983	-	14,599	-	10,077	-	6,067	-	59
60	Total tax	4,542,949	-	571,290	-	196,325	-	64,446	-	207,091	-	310,149	-	177,277	-	88,588	-	60
61	Compiled net profit less total tax (55 less 60)	7,912,164	35/946,716	962,966	35/25,940	312,362	35/9,518	109,907	35/1,701	322,040	35/2,014	512,215	35/7,027	305,760	35/16,356	145,258	35/6,275	61
	Dividends paid:																	
62	Cash and assets other than own stock	3,250,865	126,795	324,080	1,862	95,382	1,500	72,207	52	76,346	556	142,873	915	51,898	370	36,607	23	62
63	Corporation's own stock	274,422	3,407	27,2[illegible]	457	20,226	58	1,662	-	13,59[illegible]	-	19,159	-	28,411	153	3,[illegible]	54	63

Table 3. - Corporation income tax returns with balance sheets, 1/ 1946, by major industrial groups, for returns with net income and returns with no net income: 2/ Number of returns, assets and liabilities, compiled receipts, compiled deductions, compiled net profit or net loss, net income or deficit, and dividends paid by type of dividend; also, for returns with net income: Net operating loss deduction, income tax, excess profits tax, total tax, and compiled net profit less total tax - Continued

Table 3. - Corporation income tax returns with balance sheets, 1/ 1946, by major industrial groups, for returns with net income and returns with no net income: 2/ Number of returns, assets and liabilities, compiled receipts, compiled deductions, compiled net profit or net loss, net income or deficit, and dividends paid by type of dividend; also, for returns with net income: Net operating loss deduction, income tax, excess profits tax, total tax, and compiled net profit less total tax - Continued

(Money figures in thousands of dollars)

		Major industrial groups 8/ - Continued																		
		Manufacturing - Continued																		
		Rubber products		Lumber and timber basic products		Furniture and finished lumber products		Paper and allied products		Printing and publishing industries		Chemicals and allied products		Petroleum and coal products		Stone, clay, and glass products		Iron, steel, and products		
		Net income	No net income	Net income	No net income	Net income	No net income	Net income	No net income	Net income	No net income	Net income	No net income	Net income	No net income	Net income	No net income	Net income	No net income	
1	Number of returns with balance sheets 37/	385	146	2,178	581	3,753	1,150	2,041	236	8,095	2,047	4,405	1,947	335	125	2,561	858	5,539	1,883	1
	Assets:																			
2	Cash 38/	162,818	4,880	167,614	5,786	144,272	8,418	352,947	3,112	459,654	16,584	1,054,980	15,673	975,505	8,512	276,061	6,568	1,296,728	109,446	2
3	Notes and accounts receivable	343,825	7,279	199,496	16,198	240,613	20,788	409,634	4,906	599,200	33,670	1,069,736	26,784	1,171,118	21,914	305,219	9,518	1,255,292	152,979	3
4	Less: Reserve for bad debts	10,562	109	4,183	399	7,456	858	12,398	247	21,758	2,635	30,834	748	27,712	350	8,785	292	39,748	5,209	4
5	Inventories	435,194	6,894	252,206	23,137	400,228	51,137	515,946	8,548	368,158	17,948	1,704,730	48,387	1,380,350	34,588	361,658	19,299	2,124,942	266,568	5
6	Investments, Government obligations 39/	137,011	152	112,562	3,074	91,822	2,398	265,443	931	335,229	5,396	696,084	4,768	871,984	1,663	251,367	1,841	1,231,749	47,314	6
7	Other investments 40/	174,512	2,595	121,388	6,904	87,387	6,597	422,754	1,243	555,690	12,213	1,331,489	11,430	1,901,441	14,842	161,154	4,871	640,976	54,339	7
8	Gross capital assets 41/ (except land)	926,469	24,986	1,002,946	75,756	586,156	72,674	2,267,407	23,302	1,594,222	54,380	4,681,522	106,051	12,604,303	219,051	1,687,312	104,493	8,314,737	683,970	8
9	Less: Reserves	516,091	10,348	393,305	19,164	278,912	25,885	1,162,968	8,889	681,355	16,325	2,340,385	36,349	6,721,846	157,271	878,657	44,838	4,879,453	373,930	9
10	Land	15,661	706	48,579	4,155	35,220	3,734	65,498	613	101,718	4,656	144,451	5,375	326,605	5,809	62,060	5,039	181,335	27,724	10
11	Other assets	15,019	1,657	72,060	3,610	36,413	7,685	104,403	2,164	127,550	12,511	160,841	18,523	151,287	5,509	56,710	4,949	157,155	78,710	11
12	Total assets 42/	1,685,856	38,692	1,579,363	119,057	1,335,743	146,688	3,228,666	35,683	3,438,308	138,398	8,472,614	199,894	12,633,035	154,267	2,274,099	111,448	10,283,713	1,041,911	12
	Liabilities:																			
13	Accounts payable	172,944	5,052	118,660	18,256	122,022	32,248	198,287	5,912	287,228	29,401	718,191	27,679	804,533	29,326	143,441	13,162	1,121,740	117,992	13
	Bonds, notes, mortgages payable:																			
14	Maturity less than 1 year	17,401	2,634	52,289	16,253	54,490	19,074	52,161	4,208	123,756	9,961	255,514	22,749	107,260	9,092	30,488	19,633	150,492	47,157	14
15	Maturity 1 year or more	233,373	5,340	99,438	23,137	79,440	16,071	309,661	4,043	219,191	24,701	439,045	27,219	1,847,613	16,815	111,687	16,215	930,171	118,214	15
16	Other liabilities	209,821	2,881	140,870	9,921	129,183	8,244	267,196	3,002	441,271	26,049	785,249	14,328	454,762	7,536	182,102	6,812	847,072	87,264	16
17	Capital stock, preferred	233,963	3,027	49,186	5,157	64,427	10,905	341,573	2,388	190,657	14,519	693,120	17,606	398,945	6,354	137,343	8,051	805,998	70,080	17
18	Capital stock, common	274,344	8,842	550,166	36,002	348,914	50,805	735,823	10,733	770,258	35,722	1,968,866	74,947	4,235,365	25,359	747,492	34,834	2,632,943	242,965	18
19	Surplus reserves	122,240	2,387	57,371	2,002	49,234	2,581	140,807	637	164,370	4,569	522,213	5,832	811,858	10,631	91,657	2,233	559,586	47,412	19
20	Surplus and undivided profits 43/	432,691	10,364	580,714	26,880	497,346	23,982	1,198,007	8,894	1,281,655	31,941	3,107,007	45,939	3,981,393	56,664	861,875	37,080	3,260,580	349,633	20
21	Less: Deficit 44/	12,921	1,835	69,331	18,551	9,313	17,222	14,849	4,134	40,078	38,465	16,591	36,405	8,694	7,510	51,986	26,572	24,869	38,806	21
22	Total liabilities 42/	1,685,856	38,692	1,579,363	119,057	1,335,743	146,688	3,228,666	35,683	3,438,308	138,398	8,472,614	199,894	12,633,035	154,267	2,274,099	111,448	10,283,713	1,041,911	22
	Receipts:																			
23	Gross sales 15/	2,998,879	45,360	1,827,134	83,153	2,489,530	193,463	4,167,297	56,254	4,116,648	191,891	10,066,408	212,295	9,445,832	174,930	2,742,462	102,930	12,066,371	1,004,921	23
24	Gross receipts from operations 16/	5,731	799	46,238	5,331	15,678	2,231	9,705	388	333,320	41,187	107,155	3,206	374,330	8,925	18,695	2,073	363,305	7,247	24
	Interest on Government obligations (less amortizable bond premium):																			
25	Wholly taxable 17/	2,052	62	1,688	42	1,522	56	3,434	24	5,160	151	8,359	74	9,130	17	3,438	36	13,703	1,464	25
26	Subject to surtax only 18/	30	1	89	1	80	5	299	5	796	19	610	8	1,289	-	315	2	494	41	26
27	Wholly tax-exempt 19/	8	-	38	-	230	7	183	-	387	3	513	-	225	220	98	1	195	12	27
28	Other interest	1,619	15	1,621	152	1,134	68	7,118	21	2,776	183	10,464	187	20,043	197	2,078	89	24,114	1,689	28
29	Rents 20/	1,262	24	5,597	253	2,923	438	6,757	110	11,116	937	11,404	594	68,835	987	3,223	294	19,828	1,490	29
30	Royalties 21/	2,682	2	2,063	26	273	41	3,323	9	7,516	2,551	14,339	193	14,164	111	2,946	104	6,668	369	30
31	Excess of net short-term capital gain over net long-term capital loss 22/	14	12	653	49	184	21	83	6	175	12	560	17	364	17	315	12	479	57	31
32	Excess of net long-term capital gain over net short-term capital loss 22/	1,854	13	50,298	324	6,137	319	17,791	716	8,195	256	15,335	558	42,675	259	5,991	123	17,506	2,692	32
33	Net gain, sales other than capital assets 23/	50	3	760	176	643	161	164	35	973	58	571	193	374	102	261	107	978	815	33
34	Dividends, domestic corporations 24/	11,752	50	6,247	58	3,783	93	12,130	32	28,399	60	86,986	176	123,398	22	5,447	51	25,460	854	34
35	Dividends, foreign corporations 25/	9,805	-	364	10	862	-	5,421	-	1,226	-	34,913	25	32,586	-	5,954	-	13,484	6	35
36	Other receipts	16,399	175	16,312	1,025	14,826	1,214	26,308	527	43,400	3,221	43,236	2,108	262,378	765	17,167	1,081	48,298	6,912	36
37	Total compiled receipts 10/	3,052,137	46,516	1,959,102	90,600	2,537,805	198,117	4,260,013	58,127	4,560,087	240,529	10,400,853	219,634	10,395,623	186,552	2,808,390	106,903	12,600,883	1,028,569	37
	Deductions:																			
38	Cost of goods sold 26/	2,161,963	37,862	1,323,976	69,998	1,827,046	165,127	2,963,181	48,111	2,580,310	133,540	6,727,298	151,115	6,671,563	142,387	1,862,553	88,593	9,185,686	854,912	38
39	Cost of operations 26/	88	662	29,856	4,115	10,009	1,337	3,825	287	162,758	26,684	66,005	1,254	235,236	6,091	9,322	1,524	271,674	4,623	39
40	Compensation of officers	16,701	1,637	37,109	2,642	74,772	6,949	72,497	1,974	161,538	11,320	126,969	10,208	22,518	1,603	54,362	3,839	190,592	26,818	40
41	Rent paid on business property	9,154	391	5,193	610	12,420	1,942	17,191	695	37,803	4,176	33,145	2,971	97,605	2,055	8,030	817	43,592	5,916	41
42	Repairs 27/	53,423	1,345	19,823	960	25,063	2,821	96,763	611	22,576	824	157,753	2,032	216,674	3,546	70,930	1,462	357,856	35,540	42
43	Bad debts	2,007	45	2,519	336	2,086	739	1,490	103	7,716	2,417	6,042	718	2,825	449	1,805	209	6,044	2,891	43
44	Interest paid	6,360	195	6,414	1,023	4,869	995	13,365	450	10,986	1,007	19,148	1,628	57,702	751	5,777	762	59,419	5,273	44
45	Taxes paid 28/	105,004	758	31,092	1,561	35,155	3,188	62,881	695	60,109	2,465	140,427	2,798	301,369	2,264	40,995	1,414	203,469	19,892	45
46	Contributions or gifts 29/	1,520	1	1,342	5	2,380	25	4,147	4	8,475	45	5,517	30	3,076	6	2,126	6	8,848	96	46
47	Depreciation	34,800	972	32,573	2,873	22,992	2,716	73,908	924	44,799	1,995	170,073	3,554	342,542	7,178	53,675	2,346	251,070	22,003	47
48	Depletion	45	1	37,737	1,863	2,189	142	4,388	-	91	3	13,723	35	369,206	4,496	1,782	319	20,898	101	48
49	Amortization 30/	36	6	55	14	70	12	148	237	71	22	795	74	7,316	-	237	13	1,694	1,144	49
50	Advertising	51,586	285	5,113	312	13,203	1,124	14,668	787	25,467	3,219	291,935	13,782	61,966	550	17,856	519	56,253	6,155	50
51	Amounts contributed under pension plans, etc. 31/	4,950	130	2,494	54	3,493	83	12,735	59	20,298	283	50,919	261	77,464	72	8,829	412	45,736	2,963	51
52	Net loss, sales other than capital assets 23/	222	51	1,251	1,308	172	324	1,047	525	4,853	228	1,408	219	1,370	78	1,263	277	5,688	3,259	52
53	Other deductions	306,930	5,338	149,128	12,563	255,016	26,037	345,535	7,915	739,786	71,841	1,082,820	55,199	1,203,658	21,479	299,655	12,554	797,670	124,611	53
54	Total compiled deductions	2,734,789	49,679	1,683,675	100,217	2,290,935	213,559	3,687,759	63,377	3,887,636	260,069	8,893,977	245,878	9,672,090	192,985	2,439,197	115,066	11,506,169	1,116,195	54
55	Compiled net profit or net loss (37 less 54)	317,348	35/3,163	275,427	35/9,617	246,870	35/15,442	572,254	35/5,250	672,451	35/19,540	1,506,876	35/26,244	723,533	35/6,433	369,193	35/8,163	1,094,714	35/87,626	55
56	Net income or deficit 2/ (55 less 27)	317,340	35/3,163	275,389	35/9,617	246,640	35/15,449	572,071	35/5,250	672,064	35/19,543	1,506,363	35/26,244	723,308	35/6,653	369,095	35/8,164	1,094,519	35/87,638	56
57	Net operating loss deduction 32/	194	-	2,604	-	1,876	-	1,850	-	1,053	-	2,534	-	555	-	5,776	-	4,247	-	57
58	Income tax 3/	112,629	-	92,161	-	85,652	-	206,126	-	234,466	-	532,303	-	223,496	-	132,354	-	397,397	-	58
59	Excess profits tax 4/	7,838	-	2,327	-	2,415	-	5,433	-	3,702	-	10,990	-	453	-	1,662	-	6,387	-	59
60	Total tax	120,467	-	94,488	-	88,067	-	211,559	-	238,168	-	543,293	-	223,949	-	134,016	-	403,784	-	60
61	Compiled net profit less total tax (55 less 60)	196,881	35/3,163	180,939	35/9,617	158,803	35/15,442	360,695	35/5,250	434,283	35/19,540	963,583	35/26,244	499,584	35/6,433	235,177	35/8,163	690,930	35/87,626	61
	Dividends paid:																			
62	Cash and assets other than own stock	62,029	101	48,741	482	37,846	1,021	110,599	177	150,514	821	463,564	1,035	434,634	830	93,369	196	298,692	12,226	62
63	Corporation's own stock	1,423	-	2,078	59	6,344	21	11,534	110	11,329	36	22,081	91	3,802	-	5,633	26	24,204	78	63

For footnotes, see pp. 30 - 31.

Table 3. - Corporation income tax returns with balance sheets, 1/ 1946, by major industrial groups, for returns with net income and returns with no net income: 2/ Number of returns, assets and liabilities, compiled receipts, compiled deductions, compiled net profit or net loss, net income or deficit, and dividends paid by type of dividend; also, for returns with net income: Net operating loss deduction, income tax, excess profits tax, total tax, and compiled net profit less total tax - Continued

(Money figures in thousands of dollars)

		Major industrial groups 8/ - Continued														
		Manufacturing - Continued														
		Nonferrous metals and their products		Electrical machinery and equipment		Machinery, except transportation equipment and electrical		Automobiles and equipment, except electrical		Transportation equipment, except automobiles		Other manufacturing		Manufacturing not allocable		
		Net income	No net income	Net income	No net income	Net income	No net income	Net income	No net income	Net income	No net income	Net income	No net income	Net income	No net income	
1	Number of returns with balance sheets 37/	2,348	960	1,462	975	4,868	2,356	628	225	490	476	3,377	1,870	1,988	1,20[illegible]	1
	Assets:															
2	Cash 38/	318,979	13,086	372,234	126,937	734,337	129,490	624,960	303,974	216,399	179,010	182,436	23,802	114,393	12,790	2
3	Notes and accounts receivable	400,324	27,280	505,989	320,817	1,057,667	257,367	473,825	192,745	287,529	295,106	264,755	58,639	367,201	41,910	3
4	Less: Reserve for bad debts	10,208	620	10,216	7,651	34,423	9,979	6,080	1,486	3,224	3,216	10,299	1,933	4,428	785	4
5	Inventories	749,784	55,449	861,808	597,550	1,978,584	517,879	999,185	429,103	421,599	389,706	463,444	106,794	255,224	57,937	5
6	Investments, Government obligations 39/	215,185	2,187	150,170	14,205	634,917	81,655	89,668	82,250	149,427	170,940	105,051	4,432	75,707	3,176	6
7	Other investments 40/	217,738	3,988	583,504	135,183	464,818	68,839	310,897	90,321	104,137	48,221	131,455	19,888	82,555	17,981	7
8	Gross capital assets 41/ (except land)	2,566,905	106,264	876,009	650,717	2,771,375	701,505	1,901,323	1,004,584	653,044	406,414	604,043	107,415	350,151	92,999	8
9	Less: Reserves	1,554,604	57,945	399,820	363,112	1,423,497	351,815	938,258	517,159	333,564	252,351	282,191	37,572	152,731	31,265	9
10	Land	26,447	3,331	27,604	22,162	98,233	28,048	22,190	46,486	24,765	16,921	30,042	3,534	19,553	3,121	10
11	Other assets	87,170	11,451	99,372	104,623	152,762	75,284	54,509	105,710	37,380	72,440	40,325	27,527	23,335	12,720	11
12	Total assets 42/	3,017,720	164,471	3,066,654	1,601,431	6,434,773	1,498,273	3,532,219	1,736,528	1,557,492	1,323,191	1,529,061	312,526	1,130,960	210,584	12
	Liabilities:															
13	Accounts payable	252,632	25,843	409,592	200,901	618,486	190,975	523,702	241,484	182,770	162,867	151,427	42,328	118,261	37,129	13
	Bonds, notes, mortgages payable:															
14	Maturity less than 1 year	82,507	18,691	306,941	144,874	208,946	107,732	78,967	42,005	48,154	68,986	53,792	27,460	162,797	24,212	14
15	Maturity 1 year or more	111,175	35,867	149,676	198,498	323,834	154,205	53,035	84,481	41,424	36,040	68,093	42,081	100,996	36,493	15
16	Other liabilities	235,937	14,128	293,655	73,567	613,376	117,756	241,691	99,209	195,739	216,156	190,928	47,736	108,303	24,606	16
17	Capital stock, preferred	245,691	6,240	86,712	100,979	406,329	106,066	346,686	74,937	96,785	41,990	69,080	23,039	77,511	8,809	17
18	Capital stock, common	994,129	37,552	610,622	487,089	1,542,236	340,551	642,625	141,837	258,528	108,995	417,338	67,521	179,680	57,051	18
19	Surplus reserves	142,382	4,400	254,797	107,195	487,365	79,753	223,514	51,036	124,501	149,013	79,159	10,075	53,393	6,538	19
20	Surplus and undivided profits 43/	958,961	33,435	958,063	317,778	2,264,843	446,459	1,423,118	1,037,337	618,287	565,606	516,716	85,330	335,600	49,197	20
21	Less: Deficit 44/	5,694	11,685	3,404	29,450	30,642	45,224	1,119	35,798	8,696	26,462	17,472	33,044	5,581	33,451	21
22	Total liabilities 42/	3,017,720	164,471	3,066,654	1,601,431	6,434,773	1,498,273	3,532,219	1,736,528	1,557,492	1,323,191	1,529,061	312,526	1,130,960	210,584	22
	Receipts:															
23	Gross sales 15/	3,871,459	244,835	3,726,359	1,602,437	7,455,119	1,291,646	4,537,045	1,922,139	1,039,698	847,979	2,466,990	331,020	1,518,177	236,347	23
24	Gross receipts from operations 16/	98,823	2,460	15,918	16,507	168,173	8,939	2,757	675	648,446	149,642	15,648	5,784	45,811	3,463	24
	Interest on Government obligations (less amortizable bond premium):															
25	Wholly taxable 17/	3,451	90	1,551	517	8,633	1,240	1,785	700	2,595	2,746	1,696	115	1,429	117	25
26	Subject to surtax only 18/	74	6	310	38	1,130	60	292	94	66	24	264	-	70	1	26
27	Wholly tax-exempt 19/	96	14	210	6	697	8	75	16	90	-	48	2	2,469	1	27
28	Other interest	4,458	211	7,510	2,771	10,443	2,436	3,288	1,179	2,109	3,183	1,616	751	1,591	278	28
29	Rents 20/	3,225	158	4,364	967	8,538	1,922	3,251	971	2,165	987	4,200	873	1,738	523	29
30	Royalties 21/	1,876	60	3,028	3,430	8,252	1,319	3,086	1,424	1,448	1,234	1,690	276	993	152	30
31	Excess of net short-term capital gain over net long-term capital loss 22/	17	26	119	300	199	248	17	3	475	98	155	10	62	25	31
32	Excess of net long-term capital gain over net short-term capital loss 22/	5,570	442	23,299	1,571	14,444	2,853	2,485	2,448	18,545	1,188	3,987	997	3,207	1,439	32
33	Net gain, sales other than capital assets 23/	153	59	107	1,284	669	686	123	286	69	1,350	473	254	181	489	33
34	Dividends, domestic corporations 24/	5,945	50	9,674	6,016	16,540	604	16,835	98	8,520	436	6,167	392	2,447	26	34
35	Dividends, foreign corporations 25/	3,167	-	11,253	405	15,038	75	4,435	1,031	3,333	64	1,298	153	1,153	-	35
36	Other receipts	26,663	1,486	16,480	5,923	46,746	10,326	18,277	11,883	15,707	14,162	12,204	4,587	9,050	2,788	36
37	Total compiled receipts 10/	4,024,977	249,897	3,820,182	1,642,172	7,754,621	1,322,362	4,593,751	1,942,947	1,743,266	1,023,093	2,516,436	345,214	1,588,378	245,649	37
	Deductions:															
38	Cost of goods sold 26/	2,932,310	216,969	2,763,439	1,370,631	5,213,841	1,094,934	3,609,835	1,690,557	830,008	768,826	1,624,412	288,068	1,094,594	211,850	38
39	Cost of operations 26/	68,588	1,682	5,060	2,271	15,805	5,365	482	159	532,622	136,408	6,947	3,392	21,161	2,577	39
40	Compensation of officers	68,038	9,041	51,951	17,930	157,053	37,702	28,084	7,756	19,955	12,246	78,009	13,711	44,573	10,485	40
41	Rent paid on business property	18,162	2,495	14,888	14,572	26,438	8,761	7,693	4,081	5,861	10,874	15,682	4,246	7,609	2,978	41
42	Repairs 27/	54,452	2,406	39,793	48,053	134,123	34,663	49,196	71,586	25,123	24,178	26,565	4,165	14,739	3,562	42
43	Bad debts	3,329	469	2,375	3,205	6,150	1,920	743	123	735	1,815	2,860	1,590	1,371	945	43
44	Interest paid	12,365	1,272	12,718	7,761	16,655	7,426	5,535	3,074	4,648	6,243	4,737	3,226	5,777	2,637	44
45	Taxes paid 28/	59,143	3,800	69,140	46,367	116,424	26,693	111,027	33,512	26,646	30,096	54,959	6,162	20,337	4,108	45
46	Contributions or gifts 29/	4,928	28	2,700	49	7,380	79	1,705	165	858	26	3,751	62	1,164	24	46
47	Depreciation	48,051	3,809	45,375	28,828	110,593	28,261	64,939	39,448	20,945	11,685	26,913	5,485	16,079	4,832	47
48	Depletion	23,500	1	105	212	295	157	-	800	52	32	108	5	314	14	48
49	Amortization 30/	564	491	162	161	873	945	93	13,541	222	93	443	67	144	103	49
50	Advertising	33,098	2,246	49,576	21,587	68,916	16,314	26,001	17,197	5,398	10,341	49,102	5,477	17,064	3,319	50
51	Amounts contributed under pension plans, etc. 31/	15,863	634	25,188	29,569	33,175	5,332	9,774	3,498	7,708	4,056	10,747	1,922	4,259	270	51
52	Net loss, sales other than capital assets 23/	399	362	305	788	1,165	1,859	707	219	2,365	2,332	530	300	780	747	52
53	Other deductions	300,729	30,570	421,575	188,740	961,340	213,949	470,528	148,742	95,908	183,994	327,748	63,403	183,869	38,947	53
54	Total compiled deductions	3,643,519	276,275	3,504,350	1,780,724	6,870,226	1,484,360	4,386,342	2,034,458	1,579,054	1,203,245	2,233,513	401,281	1,433,834	287,398	54
55	Compiled net profit or net loss (37 less 54)	381,458	35/26,378	315,832	35/138,552	884,395	35/161,998	207,409	35/91,511	164,212	35/180,152	282,923	35/56,067	154,544	35/41,749	55
56	Net income or deficit 2/ (55 less 27)	381,362	35/26,392	315,622	35/138,558	883,698	35/162,006	207,334	35/91,527	164,122	35/180,152	282,875	35/56,069	152,075	35/41,750	56
57	Net operating loss deduction 32/	764	-	1,413	-	2,158	-	111	-	488	-	1,813	-	737	-	57
58	Income tax 3/	135,500	-	113,595	-	318,675	-	71,564	-	55,608	-	99,507	-	53,783	-	58
59	Excess profits tax 4/	1,913	-	2,466	-	9,763	-	873	-	2,626	-	2,907	-	1,212	-	59
60	Total tax	137,413	-	116,061	-	328,438	-	72,437	-	58,234	-	102,414	-	54,995	-	60
61	Compiled net profit less total tax (55 less 60)	244,045	35/26,378	199,771	35/138,552	555,957	35/161,998	134,972	35/91,511	105,978	35/180,152	180,509	35/56,067	99,549	35/41,749	61
	Dividends paid:															
62	Cash and assets other than own stock	102,643	646	111,213	35,576	231,450	21,627	154,462	11,347	62,879	30,014	58,753	4,681	30,084	957	62
63	Corporation's own stock	7,260	61	16,940	457	19,805	671	6,887	774	9,446	250	9,490	49	2,502	22	63

For footnotes, see pp. 30 - 31

Table 3. - Corporation income tax returns with balance sheets, 1/ 1946, by major industrial groups, for returns with net income and returns with no net income: 2/ Number of returns, assets and liabilities, compiled receipts, compiled deductions, compiled net profit or net loss, net income or deficit, and dividends paid by type of dividend;

Table 3. – Corporation income tax returns with balance sheets, 1/ 1946, by major industrial groups, for returns with net income and returns with no net income: 2/ Number of returns, assets and liabilities, compiled receipts, compiled deductions, compiled net profit or net loss, net income or deficit, and dividends paid by type of dividend; also, for returns with net income: Net operating loss deduction, income tax, excess profits tax, total tax, and compiled net profit less total tax – Continued

(Money figures in thousands of dollars)

		Major industrial groups 8/ – Continued															
		Public utilities								Trade							
		Total public utilities		Transportation		Communication		Other public utilities		Total trade		Wholesale					
												Total wholesale		Commission merchants		Other wholesalers	
		Net income	No net income	Net income	No net income	Net income	No net income	Net income	No net income	Net income	No net income	Net income	No net income	Net income	No net income	Net income	No net income
1	Number of returns with balance sheets 37/	13,043	5,518	9,331	4,174	1,783	737	1,929	607	115,319	24,497	37,013	8,184	4,564	1,652	32,449	6,532
	Assets:																
2	Cash 38/	2,263,059	595,382	1,229,691	552,026	146,966	27,658	886,402	15,698	4,143,282	156,617	1,708,309	89,552	221,662	20,611	1,486,647	68,941
3	Notes and accounts receivable	1,822,533	493,648	1,048,023	435,476	298,874	39,786	475,636	18,386	7,021,571	357,168	3,868,681	224,513	424,218	41,335	3,444,463	183,178
4	Less: Reserve for bad debts	35,041	5,274	4,236	1,725	2,472	2,407	28,333	1,142	236,459	11,811	101,639	6,885	7,809	549	93,830	6,336
5	Inventories	1,093,176	334,302	580,603	309,172	119,530	13,602	393,043	11,528	10,313,108	433,124	4,490,122	217,424	93,705	16,737	4,396,417	200,687
6	Investments, Government obligations 39/	1,081,777	66,413	579,357	57,774	37,490	3,079	464,930	5,560	1,696,395	21,379	552,565	13,512	59,251	1,785	493,314	11,727
7	Other investments 40/	9,002,155	2,105,245	3,162,620	2,039,113	3,637,711	46,132	2,201,824	20,000	2,412,643	82,208	1,137,498	47,069	116,284	6,637	1,021,214	40,432
8	Gross capital assets 41/ (except land)	44,585,397	13,181,149	17,704,455	12,166,801	7,145,495	509,638	19,735,447	504,710	6,207,828	425,371	1,633,866	133,506	73,560	8,860	1,560,306	124,646
9	Less: Reserves	12,394,448	3,067,812	5,421,439	2,720,673	2,519,179	238,875	4,453,830	108,264	2,720,618	128,645	658,792	31,943	28,673	1,795	630,119	30,148
10	Land	408,751	43,346	181,419	24,147	14,914	6,347	212,418	12,852	905,116	42,862	200,112	9,089	10,339	667	189,773	8,422
11	Other assets	1,357,639	880,743	803,623	850,004	93,364	13,650	460,652	17,089	741,809	94,746	294,398	57,249	26,103	4,743	268,295	52,506
12	Total assets 42/	49,184,998	14,627,142	19,864,116	13,712,115	8,972,693	418,610	20,348,189	496,417	30,484,675	1,473,019	13,125,120	753,086	988,640	99,031	12,136,480	654,055
	Liabilities:																
13	Accounts payable	1,634,007	684,812	1,019,348	641,231	281,760	15,096	332,899	28,485	5,199,973	404,102	2,842,415	238,869	333,392	48,378	2,509,023	190,491
	Bonds, notes, mortgages payable:																
14	Maturity less than 1 year	251,791	98,095	129,232	80,365	17,377	2,391	105,182	15,339	2,022,737	176,473	1,276,965	88,202	75,643	6,704	1,201,322	81,498
15	Maturity 1 year or more	15,208,031	6,254,935	5,419,773	5,930,086	2,180,819	109,714	7,607,439	215,135	1,815,422	201,758	795,770	88,073	67,780	11,849	727,990	76,224
16	Other liabilities	3,168,766	1,863,474	1,664,264	1,779,486	363,176	54,068	1,141,326	29,920	3,083,686	159,982	1,262,312	86,164	72,946	11,970	1,189,366	74,194
17	Capital stock, preferred	4,067,653	383,019	996,043	343,351	138,202	2,895	2,933,408	36,773	1,240,799	58,704	464,332	28,438	20,014	2,388	444,318	26,050
18	Capital stock, common	15,444,407	4,068,490	5,105,484	3,733,516	5,048,372	141,795	5,290,551	193,179	6,697,467	437,307	2,619,190	187,951	180,115	23,457	2,439,075	164,494
19	Surplus reserves	1,008,254	351,449	419,923	318,045	30,542	18,961	557,789	14,443	1,091,137	25,181	403,359	9,699	25,921	878	377,438	8,821
20	Surplus and undivided profits 43/	8,868,816	2,440,880	5,420,098	2,309,825	920,995	81,797	2,527,723	49,258	9,677,601	201,122	3,596,944	104,570	222,121	7,180	3,374,823	97,390
21	Less: Deficit 44/	466,727	1,518,012	310,049	1,423,790	8,550	8,107	148,128	86,115	344,147	191,610	136,167	78,880	9,292	13,773	126,875	65,107
22	Total liabilities 42/	49,184,998	14,627,142	19,864,116	13,712,115	8,972,693	418,610	20,348,189	496,417	30,484,675	1,473,019	13,125,120	753,086	988,640	99,031	12,136,480	654,055
	Receipts:																
23	Gross sales 15/	398,585	79,812	277,019	75,391	38,089	1,752	83,477	2,669	88,455,660	3,370,882	43,165,337	1,832,615	1,684,268	128,625	41,481,069	1,703,990
24	Gross receipts from operations 16/	16,292,320	4,961,921	8,726,747	4,593,499	2,642,705	229,434	4,922,868	138,988	1,684,691	204,109	1,114,681	118,475	500,444	45,207	614,237	73,268
	Interest on Government obligations (less amortizable bond premium):																
25	Wholly taxable 17/	23,428	5,590	13,616	4,726	2,817	641	6,995	223	26,830	589	8,733	249	819	38	7,914	211
26	Subject to surtax only 18/	1,821	486	1,559	460	32	6	230	20	1,748	26	346	9	27	–	319	9
27	Wholly tax-exempt 19/	2,061	1,051	1,769	1,031	39	10	253	10	995	6	416	5	71	–	345	5
28	Other interest	79,876	22,906	37,498	21,832	5,491	853	36,887	221	51,816	1,726	24,182	1,030	6,511	98	17,671	932
29	Rents 20/	207,760	138,227	156,976	137,621	23,169	196	27,615	410	153,998	7,796	30,095	1,907	2,891	280	27,204	1,627
30	Royalties 21/	3,844	1,374	2,080	1,362	1,022	2	742	10	7,413	1,807	3,897	1,683	324	11	3,573	1,672
31	Excess of net short-term capital gain over net long-term capital loss 22/	763	232	642	231	65	1	56	–	3,343	707	1,551	530	238	–	1,313	530
32	Excess of net long-term capital gain over net short-term capital loss 22/	46,490	3,916	36,614	3,846	3,788	46	6,088	24	78,622	2,434	33,277	1,160	3,301	56	29,976	1,104
33	Net gain, sales other than capital assets 23/	3,048	1,816	2,798	1,787	41	4	209	25	9,689	1,228	3,148	406	153	57	2,995	349
34	Dividends, domestic corporations 24/	323,686	39,137	52,635	37,489	184,854	948	86,197	700	89,885	718	41,558	424	5,299	23	36,259	401
35	Dividends, foreign corporations 25/	7,654	809	925	566	1,521	243	5,208	–	31,893	73	17,260	71	225	–	17,035	71
36	Other receipts	67,273	22,134	39,988	19,295	5,195	2,310	22,090	529	714,833	32,960	259,248	15,131	33,060	4,739	226,188	10,392
37	Total compiled receipts 10/	17,458,609	5,279,411	9,350,866	4,899,136	2,908,828	236,446	5,198,915	143,829	91,311,416	3,625,061	44,703,729	1,973,695	2,237,631	179,134	42,466,098	1,794,561
	Deductions:																
38	Cost of goods sold 26/	284,928	59,992	213,325	56,806	23,774	1,578	47,829	1,608	69,813,096	2,777,013	37,102,985	1,633,479	1,553,966	116,889	35,549,019	1,516,590
39	Cost of operations 26/	9,836,244	4,120,224	6,141,569	3,852,546	1,410,424	183,057	2,284,251	84,621	852,237	147,984	571,726	87,707	175,887	24,150	395,839	63,557
40	Compensation of officers	157,030	26,224	113,054	23,498	14,017	1,185	29,959	1,541	1,547,400	103,737	679,939	43,553	75,472	8,607	604,467	34,946
41	Rent paid on business property	359,350	327,205	285,177	312,647	36,264	13,170	37,909	1,388	945,230	56,113	131,958	11,774	11,587	1,885	120,371	9,889
42	Repairs 27/	38,262	11,018	31,843	9,690	3,391	931	3,028	397	252,026	13,869	55,962	3,314	1,874	279	54,088	3,035
43	Bad debts	15,278	8,969	3,213	7,612	5,480	1,196	6,585	161	99,593	9,227	33,933	5,179	3,016	577	30,917	4,602
44	Interest paid	540,805	286,328	208,366	270,159	53,791	4,806	278,648	11,363	120,054	12,061	62,602	5,715	6,438	463	56,164	5,252
45	Taxes paid 28/	1,098,588	329,584	480,995	308,506	175,842	9,579	441,751	11,499	634,119	31,568	192,595	11,564	10,079	1,971	182,516	9,593
46	Contributions or gifts 29/	11,359	347	3,517	302	2,547	41	5,295	4	56,804	417	21,571	128	1,533	33	20,038	95
47	Depreciation	975,228	184,408	283,337	154,244	237,577	15,375	454,314	14,789	316,158	23,462	82,114	6,493	3,540	448	78,574	6,045
48	Depletion	20,397	3,507	5,343	3,217	3	1	15,051	289	3,595	920	2,168	447	72	3	2,096	444
49	Amortization 30/	15,611	5,434	12,542	4,960	34	9	3,035	465	2,107	358	881	130	23	2	858	128
50	Advertising	46,124	12,490	15,540	12,017	17,589	235	12,995	238	727,589	38,697	181,531	17,167	10,769	1,245	170,762	15,922
51	Amounts contributed under pension plans, etc. 31/	151,476	9,760	14,760	5,667	85,697	3,516	51,019	577	112,977	1,357	38,262	958	2,338	102	35,924	856
52	Net loss, sales other than capital assets 23/	19,476	10,291	10,526	9,225	205	269	8,745	797	5,061	4,244	1,890	808	105	196	1,785	612
53	Other deductions	1,180,412	255,404	567,741	214,962	269,871	16,796	342,800	23,646	10,216,073	524,257	3,264,797	202,290	230,051	28,827	3,034,746	173,463
54	Total compiled deductions	14,750,568	5,650,985	8,390,848	5,245,858	2,336,506	251,744	4,023,214	153,383	85,704,119	3,745,284	42,424,914	2,030,706	2,086,750	185,677	40,338,164	1,845,029
55	Compiled net profit or net loss (37 less 54)	2,708,041	35/371,574	960,018	35/346,722	572,322	35/15,298	1,175,701	35/9,554	5,607,297	35/120,223	2,278,815	35/57,011	150,881	35/6,543	2,127,934	35/50,468
56	Net income or deficit 2/ (55 less 27)	2,705,980	35/372,625	958,249	35/347,753	572,283	35/15,308	1,175,448	35/9,564	5,606,302	35/120,229	2,278,399	35/57,016	150,810	35/6,543	2,127,589	35/50,473
57	Net operating loss deduction 32/	9,029	–	7,683	–	133	–	1,213	–	21,756	–	9,896	–	1,328	–	8,568	–
58	Income tax 3/	889,049	–	329,463	–	154,697	–	404,889	–	1,911,280	–	774,413	–	48,648	–	725,765	–
59	Excess profits tax 4/	2,440	–	1,398	–	599	–	443	–	81,050	–	51,110	–	2,771	–	48,339	–
60	Total tax	891,489	–	330,861	–	155,296	–	405,332	–	1,992,330	–	825,523	–	51,419	–	774,104	–
61	Compiled net profit less total tax (55 less 60)	1,816,552	35/371,574	629,157	35/346,722	417,026	35/15,298	770,369	35/9,554	3,614,967	35/120,223	1,453,292	35/57,011	99,462	35/6,543	1,353,830	35/50,468
	Dividends paid:																
62	Cash and assets other than own stock	1,278,551	59,448	322,473	53,274	392,686	115	563,392	6,056	910,050	4,633	323,477	1,970	25,682	131	297,795	1,839
63	Corporation's own stock	13,865	239	11,284	236	1,369	3	1,212	–	138,481	1,158	77,114	918	4,852	100	72,262	818

For footnotes, see pp. 30 – 51

Table 3. - Corporation income tax returns with balance sheets, 1/ 1946, by major industrial groups, for returns with net income and returns with no net income: 2/ Number of returns, assets and liabilities, compiled receipts, compiled deductions, compiled net profit or net loss, net income or deficit, and dividends paid by type of dividend; also, for returns with net income: Net operating loss deduction, income tax, excess profits tax, total tax, and compiled net profit less total tax - Continued

(Money figures in thousands of dollars)

		Major industrial groups 8/ - Continued																		
		Trade - Continued																		
		Retail																		
		Total retail		General merchandise		Food stores, including market milk dealers		Package liquor stores		Drug stores		Apparel and accessories		Furniture and house furnishings		Eating and drinking places		Automotive dealers		
		Net income	No net income	Net income	No net income	Net income	No net income	Net income	No net income	Net income	No net income	Net income	No net income	Net income	No net income	Net income	No net income	Net income	No net income	
1	Number of returns with balance sheets 37/	63,719	13,207	4,737	659	4,299	1,264	1,578	238	2,940	586	9,617	1,749	5,162	848	5,933	3,200	10,225	1,176	1
	Assets:																			
2	Cash 38/	2,109,237	50,155	631,147	4,941	267,349	3,464	11,513	641	62,663	1,974	301,925	9,542	75,938	2,594	78,695	7,210	323,512	5,652	2
3	Notes and accounts receivable	2,473,384	84,615	855,838	5,803	171,241	6,978	3,549	426	34,773	1,187	308,072	14,977	272,180	12,258	29,144	4,610	219,654	6,817	3
4	Less: Reserve for bad debts	109,284	3,592	55,034	232	3,885	225	14	-	812	26	10,451	421	11,104	468	201	25	6,432	189	4
5	Inventories	4,943,908	160,803	1,944,496	17,321	649,135	8,420	46,237	4,957	179,110	10,403	556,466	33,307	289,931	13,568	68,930	16,127	397,070	13,898	5
6	Investments, Government obligations 39/	1,035,612	5,425	489,053	645	112,719	161	586	67	10,658	143	131,234	1,242	67,081	445	22,007	629	67,465	402	6
7	Other investments 40/	950,904	24,257	397,912	6,225	72,160	1,936	1,791	89	18,268	534	173,830	3,746	51,360	1,128	39,489	3,152	45,319	1,537	7
8	Gross capital assets 41/ (except land)	3,919,185	234,654	1,539,413	22,601	615,874	25,747	11,455	1,710	119,767	6,984	310,683	21,074	124,907	5,970	268,459	74,919	282,885	16,778	8
9	Less: Reserves	1,771,446	78,418	706,131	7,035	288,536	8,540	3,283	395	59,513	2,611	143,443	6,677	44,756	1,434	127,995	24,261	90,450	2,520	9
10	Land	585,821	23,332	270,861	1,220	51,496	1,371	566	24	5,524	86	32,747	651	21,394	1,290	32,508	7,429	56,400	2,539	10
11	Other assets	383,035	28,702	131,394	2,264	52,720	2,533	2,748	467	10,019	1,210	45,947	3,929	18,484	1,381	20,708	6,517	37,176	2,794	11
12	Total assets 42/	14,520,356	529,933	5,498,949	53,753	1,700,273	41,845	75,148	7,986	380,457	19,884	1,707,010	81,370	865,415	36,732	431,744	96,307	1,332,599	47,708	12
	Liabilities:																			
13	Accounts payable	1,889,733	121,828	574,571	8,615	323,606	10,613	14,030	1,891	55,301	6,528	253,450	26,224	85,340	6,339	53,475	21,513	179,513	8,119	13
	Bonds, notes, mortgages payable:																			
14	Maturity less than 1 year	597,164	62,335	72,837	10,111	191,497	3,188	8,913	1,229	6,692	1,303	45,193	7,973	37,658	4,842	16,855	12,128	93,197	7,414	14
15	Maturity 1 year or more	856,074	86,952	263,601	10,499	97,957	7,411	6,907	1,566	54,233	2,664	114,133	6,319	38,467	4,988	52,965	25,052	86,285	7,798	15
16	Other liabilities	1,554,000	52,415	565,599	3,380	134,301	2,940	6,585	579	30,731	1,479	198,837	8,634	126,236	5,904	51,237	11,366	200,131	4,247	16
17	Capital stock, preferred	686,701	23,446	356,821	2,822	78,964	1,680	949	20	14,898	486	95,761	4,534	33,366	1,086	13,605	4,665	22,200	1,691	17
18	Capital stock, common	3,415,751	190,165	1,345,946	14,786	284,242	17,145	15,141	2,474	79,716	6,843	323,065	24,876	230,842	14,588	100,087	33,417	291,085	22,060	18
19	Surplus reserves	604,731	5,508	355,735	1,006	58,290	222	290	1	18,011	59	49,927	1,483	25,321	540	10,144	238	32,447	154	19
20	Surplus and undivided profits 43/	5,098,265	70,902	1,973,708	7,921	579,626	4,273	22,646	784	146,943	3,232	640,248	10,872	301,826	3,552	143,099	9,539	441,247	3,643	20
21	Less: Deficit 44/	182,063	83,618	9,869	5,387	48,210	5,627	313	558	26,068	2,710	13,604	9,545	13,641	5,107	9,723	21,611	13,506	7,418	21
22	Total liabilities 42/	14,520,356	529,933	5,498,949	53,753	1,700,273	41,845	75,148	7,986	380,457	19,884	1,707,010	81,370	865,415	36,732	431,744	96,307	1,332,599	47,708	22
	Receipts:																			
23	Gross sales 15/	38,067,310	1,159,320	12,113,928	76,531	7,796,500	154,139	256,604	20,439	1,093,155	54,596	4,232,532	190,082	1,496,117	52,270	1,285,321	270,153	4,126,025	81,231	23
24	Gross receipts from operations 16/	405,528	69,029	36,574	2,318	34,007	8,959	3,661	498	5,505	1,234	50,733	7,988	16,304	1,462	46,949	22,320	133,611	7,739	24
	Interest on Government obligations (less amortizable bond premium):																			
25	Wholly taxable 17/	16,283	280	8,374	16	1,236	5	17	1	167	13	1,992	51	1,102	5	452	38	915	93	25
26	Subject to surtax only 18/	1,311	15	128	1	885	-	-	-	5	-	32	12	43	-	22	-	67	-	26
27	Wholly tax-exempt 19/	490	-	164	-	108	-	-	-	7	-	90	-	45	-	7	-	18	-	27
28	Other interest	22,767	520	7,975	55	1,650	22	8	5	460	41	1,653	47	1,674	83	305	23	3,083	54	28
29	Rents 20/	111,626	4,329	53,594	608	6,455	244	155	16	1,968	152	21,933	702	4,305	194	4,443	1,010	4,229	431	29
30	Royalties 21/	1,921	32	597	3	152	1	5	-	158	1	198	1	71	-	21	19	163	1	30
31	Excess of net short-term capital gain over net long-term capital loss 22/	1,549	127	783	7	75	7	4	-	14	-	47	2	41	1	120	23	263	-	31
32	Excess of net long-term capital gain over net short-term capital loss 22/	34,914	1,009	9,995	130	3,592	130	155	8	927	22	3,512	92	1,179	15	2,049	248	4,190	122	32
33	Net gain, sales other than capital assets 23/	5,221	582	183	20	1,590	60	34	5	87	27	168	97	231	26	602	111	375	67	33
34	Dividends, domestic corporations 24/	43,025	204	17,967	35	2,526	68	5	1	2,333	1	9,229	3	2,529	18	1,395	3	1,636	2	34
35	Dividends, foreign corporations 25/	7,617	2	7,366	-	6	-	-	-	8	-	8	-	5	-	175	-	22	-	35
36	Other receipts	389,871	14,111	141,828	1,466	14,416	599	264	29	10,792	530	80,019	2,972	48,756	1,879	7,881	2,719	24,623	860	36
37	Total compiled receipts 10/	39,109,433	1,249,560	12,399,456	81,190	7,863,198	164,234	260,912	21,002	1,115,586	56,617	4,402,146	202,049	1,572,402	55,953	1,349,742	296,667	4,299,220	90,600	37
	Deductions:																			
38	Cost of goods sold 26/	27,005,740	828,560	8,029,466	59,249	6,291,817	125,376	207,588	16,796	741,927	40,088	2,799,404	130,552	907,075	33,309	719,744	157,040	3,113,169	66,533	38
39	Cost of operations 26/	216,123	47,746	14,008	832	20,411	7,365	3,107	428	1,809	858	24,272	4,797	4,188	663	26,988	15,407	81,869	5,469	39
40	Compensation of officers	705,113	48,886	99,888	2,230	48,451	4,276	10,206	1,014	23,634	2,429	111,782	7,481	59,063	3,212	45,491	12,498	137,130	3,902	40
41	Rent paid on business property	756,329	40,210	231,378	1,507	71,780	2,274	4,065	500	36,404	2,114	193,483	12,212	38,392	1,852	60,364	11,923	42,753	1,841	41
42	Repairs 27/	175,857	8,878	60,713	459	31,531	1,027	479	62	5,966	223	14,152	867	5,918	243	16,716	3,871	14,389	620	42
43	Bad debts	54,094	2,954	17,750	165	2,516	152	46	3	228	28	8,075	523	5,289	480	405	98	5,337	175	43
44	Interest paid	46,256	4,777	11,443	570	6,604	286	473	87	1,900	146	5,081	523	2,706	383	2,705	1,135	5,779	378	44
45	Taxes paid 28/	385,983	16,909	151,647	1,128	50,496	1,088	2,431	282	10,941	1,087	38,688	2,306	17,664	576	23,156	6,393	29,121	717	45
46	Contributions or gifts 29/	31,157	235	13,415	37	3,024	7	187	3	676	10	5,455	26	1,839	16	817	66	2,217	7	46
47	Depreciation	199,805	15,688	63,591	764	37,575	1,515	846	141	6,960	428	19,026	1,754	5,989	309	16,617	5,155	15,806	955	47
48	Depletion	858	79	27	48	109	-	-	-	5	2	32	1	12	-	44	10	57	11	48
49	Amortization 30/	1,079	197	82	15	55	4	15	-	23	2	257	29	116	17	110	95	145	13	49
50	Advertising	499,731	17,609	244,645	2,886	34,496	571	1,046	98	15,071	400	89,013	5,689	32,688	1,216	7,139	2,667	27,777	858	50
51	Amounts contributed under pension plans, etc. 31/	69,652	324	49,037	27	5,057	32	44	4	1,580	7	4,549	37	2,193	3	995	67	1,633	13	51
52	Net loss, sales other than capital assets 23/	2,639	1,952	537	68	573	362	12	4	66	22	212	293	167	15	123	621	264	116	52
53	Other deductions	6,096,382	266,689	2,259,200	15,578	986,343	23,378	18,700	2,155	209,248	9,965	739,001	42,990	337,094	16,375	351,521	93,924	425,976	13,230	53
54	Total compiled deductions	36,246,778	1,299,693	11,246,827	85,563	7,590,838	167,713	249,245	21,577	1,056,438	57,809	4,052,482	210,080	1,420,393	58,669	1,272,935	310,970	3,903,422	94,838	54
55	Compiled net profit or net loss (37 less 54)	2,862,655	35/50,133	1,152,629	35/4,373	272,360	35/3,479	11,667	35/575	59,148	35/1,192	349,664	35/8,031	152,009	35/2,716	76,807	35/14,303	395,798	35/4,238	55
56	Net income or deficit 2/ (55 less 27)	2,862,165	35/50,133	1,152,465	35/4,373	272,252	35/3,479	11,667	35/575	59,141	35/1,192	349,574	35/8,031	151,964	35/2,716	76,800	35/14,303	395,780	35/4,238	56
57	Net operating loss deduction 32/	8,999	-	217	-	649	-	81	-	108	-	413	-	948	-	1,537	-	2,809	-	57
58	Income tax 3/	983,009	-	422,391	-	97,980	-	3,009	-	18,346	-	114,283	-	49,572	-	23,168	-	132,491	-	58
59	Excess profits tax 4/	26,601	-	8,075	-	888	-	89	-	1,987	-	8,616	-	1,203	-	1,297	-	2,108	-	59
60	Total tax	1,009,610	-	430,466	-	98,868	-	3,098	-	20,333	-	122,899	-	50,775	-	24,465	-	134,599	-	60
61	Compiled net profit less total tax (55 less 60)	1,853,045	35/50,133	722,163	35/4,373	173,492	35/3,479	8,569	35/575	38,815	35/1,192	226,765	35/8,031	101,234	35/2,716	52,342	35/14,303	261,199	35/4,238	61
	Dividends paid:																			
62	Cash and assets other than own stock	518,991	1,722	271,281	268	44,780	175	623	2	11,399	81	54,306	270	27,034	146	14,229	390	31,490	90	62
63	Corporation's own stock	50,559	64	9,493	6	3,661	-	333	7	467	-	10,278	20	4,495	19	1,105	-	11,613	-	63

For footnotes, see pp. 30 - 31

Table 3. - Corporation income tax returns with balance sheets, 1/ 1946, by major industrial groups, for returns with net income and returns with no net income: 2/ Number of returns, assets and liabilities, compiled receipts, compiled deductions, compiled net profit or net loss, net income or deficit, and dividends paid by type of dividend; also, for returns with net income: Net operating loss deduction, income tax, excess profits tax, total tax, and compiled net profit less total tax - Continued

Table 3. - Corporation income tax returns with balance sheets, 1/ 1946, by major industrial groups, for returns with net income and returns with no net income: 2/ Number of returns, assets and liabilities, compiled receipts, compiled deductions, compiled net profit or net loss, net income or deficit, and dividends paid by type of dividend; also, for returns with net income: Net operating loss deduction, income tax, excess profits tax, total tax, and compiled net profit less total tax - Continued

(Money figures in thousands of dollars)

		Major industrial groups 8/ - Continued																		
		Trade - Continued												Service						
		Retail - Continued										Trade not allocable		Total service		Hotels and other lodging places		Personal service		
		Filling stations		Hardware		Building materials, fuel, and ice		Other retail trade		Retail trade not allocable										
		Net income	No net income	Net income	No net income	Net income	No net income	Net income	No net income	Net income	No net income	Net income	No net income	Net income	No net income	Net income	No net income	Net income	No net income	
1	Number of returns with balance sheets 37/	1,240	397	2,061	185	6,284	1,025	6,161	1,390	3,482	490	14,587	3,106	23,725	10,504	3,151	1,025	5,667	2,213	1
	Assets:																			
2	Cash 38/	23,871	853	23,365	511	130,372	4,154	112,122	5,633	66,765	2,986	325,736	16,910	692,860	61,690	123,903	10,387	71,247	5,492	2
3	Notes and accounts receivable	22,127	1,367	26,754	607	231,983	11,088	204,547	13,002	93,522	5,495	679,506	48,040	572,218	77,023	62,316	6,916	68,359	10,280	3
4	Less: Reserve for bad debts	593	33	675	6	7,906	421	8,404	1,389	3,773	157	25,536	1,334	16,485	1,812	2,350	104	1,891	197	4
5	Inventories	24,425	1,163	65,370	2,723	219,786	8,587	320,729	22,640	182,223	7,689	879,078	54,897	495,263	41,713	49,253	5,547	42,507	5,366	5
6	Investments, Government obligations 39/	7,000	21	6,700	51	56,260	678	43,207	730	21,642	211	108,218	2,442	250,236	20,029	39,571	2,713	20,256	1,344	6
7	Other investments 40/	8,212	547	7,047	135	61,702	2,068	38,141	1,125	35,673	2,035	324,241	10,882	670,502	49,862	95,185	7,383	36,656	3,752	7
8	Gross capital assets 41/ (except land)	74,753	4,969	25,877	1,217	250,935	19,737	153,725	11,891	140,452	21,057	654,777	57,211	3,072,756	491,929	1,245,887	171,819	427,568	71,275	8
9	Less: Reserves	42,198	2,007	9,766	176	129,568	10,199	66,505	3,607	59,302	8,956	290,380	18,284	1,371,368	162,337	525,527	54,100	210,517	32,757	9
10	Land	24,379	1,825	4,684	159	54,710	4,665	14,597	713	15,955	1,360	119,183	10,441	593,679	67,781	260,461	39,347	32,468	4,414	10
11	Other assets	2,434	648	3,092	255	22,704	2,088	23,802	3,598	11,807	1,018	64,376	8,795	216,094	46,876	43,366	7,620	28,505	4,983	11
12	Total assets 42/	144,410	9,353	152,448	5,476	890,978	42,445	835,961	54,336	504,964	32,738	2,839,199	190,000	5,175,755	692,754	1,392,065	197,528	515,158	73,952	12
	Liabilities:																			
13	Accounts payable	19,541	1,786	18,444	962	101,274	9,068	146,094	14,004	65,094	6,166	467,825	43,405	471,929	106,927	67,510	18,695	43,904	13,171	13
	Bonds, notes, mortgages payable:																			
14	Maturity less than 1 year	4,807	903	5,836	611	39,992	4,700	45,340	5,766	28,347	2,167	148,608	25,936	155,180	82,409	34,847	23,511	18,304	6,275	14
15	Maturity 1 year or more	9,027	2,275	7,198	685	38,042	4,971	48,229	6,834	39,030	5,890	163,578	26,733	1,047,676	225,112	547,443	121,121	54,213	16,820	15
16	Other liabilities	17,766	823	9,975	256	60,208	2,727	98,683	8,342	53,711	1,738	267,374	21,403	538,587	92,977	101,265	31,276	46,869	7,701	16
17	Capital stock, preferred	3,292	401	1,986	95	21,281	2,122	27,431	3,470	16,147	374	89,766	6,820	217,790	35,562	68,170	10,143	27,171	4,264	17
18	Capital stock, common	49,038	3,844	53,939	2,941	313,050	18,894	196,107	20,384	133,493	7,913	662,526	59,191	1,052,514	211,280	251,853	30,943	150,572	29,851	18
19	Surplus reserves	2,068	32	1,219	22	14,974	199	22,607	1,238	13,698	314	83,047	9,974	200,751	7,412	35,673	769	5,561	490	19
20	Surplus and undivided profits 43/	40,153	801	55,951	789	321,311	8,973	272,219	5,840	159,288	10,683	982,392	25,650	1,711,216	106,046	364,377	31,464	182,948	12,482	20
21	Less: Deficit 44/	1,282	1,512	2,100	885	19,154	9,209	20,749	11,542	3,844	2,507	25,917	29,112	219,888	174,971	79,073	70,394	14,384	17,102	21
22	Total liabilities 42/	144,410	9,353	152,448	5,476	890,978	42,445	835,961	54,336	504,964	32,738	2,839,199	190,000	5,175,755	692,754	1,392,065	197,528	515,158	73,952	22
	Receipts:																			
23	Gross sales 15/	329,621	19,448	319,121	8,261	1,887,388	77,397	1,871,771	93,596	1,259,227	61,177	7,223,013	378,947	1,159,887	167,550	445,406	42,677	273,246	54,416	23
24	Gross receipts from operations 16/	3,063	1,146	1,692	123	27,787	6,088	34,445	3,651	11,197	5,503	164,482	16,605	4,950,318	499,816	630,776	62,574	697,442	87,797	24
	Interest on Government obligations (less amortizable bond premium):																			
25	Wholly taxable 17/	103	11	109	2	839	30	641	10	336	5	1,814	60	4,569	402	1,522	93	348	23	25
26	Subject to surtax only 18/	21	-	2	-	50	2	24	-	32	-	91	2	161	44	20	7	24	3	26
27	Wholly tax-exempt 19/	7	-	3	-	15	-	23	-	3	-	89	1	233	18	39	1	14	1	27
28	Other interest	117	4	275	1	1,949	39	2,731	105	887	41	4,867	176	8,314	383	1,195	51	512	48	28
29	Rents 20/	3,272	255	509	26	3,686	395	3,951	137	3,126	159	12,277	1,560	120,649	16,940	62,298	11,207	2,335	454	29
30	Royalties 21/	4	-	41	-	174	3	259	1	78	2	1,595	92	3,618	1,258	200	43	64	4	30
31	Excess of net short-term capital gain over net long-term capital loss 22/	17	31	11	-	107	11	13	-	54	45	243	50	663	96	147	17	66	7	31
32	Excess of net long-term capital gain over net short-term capital loss 22/	738	23	265	23	5,381	90	1,681	70	1,250	36	10,431	265	26,020	1,180	9,494	94	2,215	249	32
33	Net gain, sales other than capital assets 23/	135	23	62	18	914	46	282	42	558	40	1,320	240	3,366	670	794	126	474	149	33
34	Dividends, domestic corporations 24/	740	1	94	-	1,794	3	1,488	13	1,289	56	5,302	90	55,084	377	3,485	12	1,080	10	34
35	Dividends, foreign corporations 25/	-	-	-	-	1	-	13	2	13	-	7,016	-	8,230	4	5	-	4	-	35
36	Other receipts	2,538	176	3,787	48	18,253	557	20,915	1,635	15,799	641	65,714	3,718	89,654	23,314	10,940	2,448	7,001	1,196	36
37	Total compiled receipts 10/	340,376	21,118	325,971	8,502	1,948,338	84,661	1,938,237	99,262	1,293,849	67,705	7,498,254	401,806	6,430,766	712,052	1,166,321	119,350	984,825	144,357	37
	Deductions:																			
38	Cost of goods sold 26/	242,338	14,834	232,909	6,287	1,423,788	61,372	1,314,561	66,030	981,954	51,094	5,704,371	314,974	670,142	104,532	240,111	24,208	146,513	32,084	38
39	Cost of operations 26/	1,685	795	795	104	18,648	4,994	12,955	1,864	5,388	4,170	64,388	12,531	2,524,832	282,429	209,641	21,857	393,898	51,955	39
40	Compensation of officers	5,633	989	14,180	532	59,487	3,623	65,037	5,423	25,131	1,277	162,348	11,298	246,505	43,571	22,278	2,645	56,434	10,370	40
41	Rent paid on business property	4,014	685	4,208	222	8,799	695	44,633	3,492	16,056	893	56,943	4,129	215,636	30,701	47,514	6,708	22,444	5,180	41
42	Repairs 27/	3,441	146	774	18	9,732	704	5,616	356	4,410	282	22,227	1,677	105,927	15,840	48,252	8,373	14,837	2,388	42
43	Bad debts	249	30	644	17	5,324	395	5,495	729	2,736	159	11,566	1,094	9,171	2,471	1,803	174	1,760	394	43
44	Interest paid	469	99	496	37	3,214	436	3,349	397	2,037	300	11,196	1,569	47,050	9,991	23,849	4,964	2,854	832	44
45	Taxes paid 28/	6,877	365	3,227	92	18,123	953	23,122	1,486	10,490	436	55,541	3,095	136,630	15,438	44,449	4,821	18,339	2,857	45
46	Contributions or gifts 29/	88	7	229	3	1,178	24	1,404	24	628	5	4,076	54	7,767	198	1,085	59	1,002	41	46
47	Depreciation	3,735	243	1,173	56	12,957	914	8,991	878	6,539	576	34,239	3,281	135,784	24,210	46,278	6,623	19,568	3,454	47
48	Depletion	77	-	4	1	224	3	89	-	178	3	569	394	230	61	22	9	46	7	48
49	Amortization 30/	7	1	17	1	46	2	64	18	142	-	147	31	565	671	140	27	36	57	49
50	Advertising	1,749	107	1,844	113	7,389	360	25,345	2,206	11,529	438	46,327	3,921	85,209	9,830	11,489	1,441	11,101	2,352	50
51	Amounts contributed under pension plans, etc. 31/	459	9	98	-	852	14	2,157	24	998	87	5,063	75	17,525	4,600	792	57	843	149	51
52	Net loss, sales other than capital assets 23/	58	135	15	12	317	97	207	70	88	137	532	1,484	3,011	3,810	1,724	1,765	330	149	52
53	Other deductions	45,759	3,283	38,260	1,444	239,974	12,501	290,250	22,515	157,056	9,351	852,894	55,278	1,377,215	225,917	333,567	44,763	222,040	39,434	53
54	Total compiled deductions	316,638	21,728	298,873	8,939	1,810,052	87,087	1,803,275	105,512	1,225,360	69,208	7,032,427	414,885	5,583,199	774,270	1,032,994	128,494	912,045	151,703	54
55	Compiled net profit or net loss (37 less 54)	23,738	35/610	27,098	35/437	138,286	35/2,426	134,962	35/6,250	68,489	35/1,503	465,827	35/13,079	847,567	35/62,218	133,327	35/9,144	72,780	35/7,346	55
56	Net income or deficit 2/ (55 less 27)	23,731	35/610	27,095	35/437	138,271	35/2,426	134,939	35/6,250	68,486	35/1,503	465,738	35/13,080	847,334	35/62,236	133,288	35/9,145	72,766	35/7,347	56
57	Net operating loss deduction 32/	286	-	45	-	1,017	-	634	-	255	-	2,861	-	10,961	-	3,625	-	1,492	-	57
58	Income tax 3/	7,775	-	7,541	-	42,725	-	42,621	-	21,107	-	153,858	-	268,220	-	43,055	-	20,791	-	58
59	Excess profits tax 4/	15	-	151	-	525	-	1,266	-	381	-	3,339	-	16,114	-	1,536	-	552	-	59
60	Total tax	7,790	-	7,692	-	43,250	-	43,887	-	21,488	-	157,197	-	284,334	-	44,591	-	21,343	-	60
61	Compiled net profit less total tax (55 less 60)	15,948	35/610	19,406	35/437	95,036	35/2,426	91,075	35/6,250	47,001	35/1,503	308,630	35/13,079	563,233	35/62,218	88,736	35/9,144	51,437	35/7,346	61
	Dividends paid:																			
62	Cash and assets other than own stock	6,359	4	2,985	5	24,958	140	17,830	65	11,717	86	67,582	941	201,525	1,405	20,151	651	13,139	290	62
63	Corporation's own stock	261	-	1,389	-	2,700	-	3,467	-	1,297	12	10,808	176	11,606	110	109	-	921	-	63

For footnotes, see pp. 30 - 31

Table 3. - Corporation income tax returns with balance sheets, 1/ 1946, by major industrial groups, for returns with net income and returns with no net income: 2/ Number of returns, assets and liabilities, compiled receipts, compiled deductions, compiled net profit or net loss, net income or deficit, and dividends paid by type of dividend; also, for returns with net income: Net operating loss deduction, income tax, excess profits tax, total tax, and compiled net profit less total tax - Continued

(Money figures in thousands of dollars)

		Major industrial groups 8/ - Continued																
		Service - Continued														Finance, insurance, real estate, and lessors of real property		
		Business service		Automotive repair services and garages		Miscellaneous repair services, hand trades		Motion pictures		Amusement, except motion pictures		Other service, including schools		Service not allocable		Total finance, insurance, real estate, and lessors of real property		
		Net income	No net income	Net income	No net income	Net income	No net income	Net income	No net income	Net income	No net income	Net income	No net income	Net income	No net income	Net income	No net income	
1	Number of returns with balance sheets 37/	4,249	2,298	2,085	683	981	512	3,178	709	2,181	1,351	2,089	1,594	144	119	92,005	32,559	1
	Assets:																	
2	Cash 38/	120,536	18,235	18,088	1,502	8,028	1,011	207,599	5,446	96,578	5,765	43,871	11,016	3,010	2,836	37,656,968	746,822	2
3	Notes and accounts receivable	203,338	27,005	20,322	2,308	13,410	2,387	129,404	9,110	22,465	3,362	50,070	12,685	2,534	2,970	35,185,747	884,115	3
4	Less: Reserve for bad debts	5,497	410	403	45	237	26	2,295	595	140	40	3,626	372	46	23	67,443	18,762	4
5	Inventories	24,528	4,680	12,463	1,288	9,605	2,240	339,083	17,863	5,734	931	11,518	2,918	572	880	52,781	16,387	5
6	Investments, Government obligations 39/	39,220	7,221	3,034	100	1,519	167	95,978	422	32,756	1,133	16,723	6,303	1,179	626	97,605,632	1,334,981	6
7	Other investments 40/	100,061	15,373	9,097	1,065	957	435	382,897	7,388	24,073	7,349	18,701	6,204	2,875	913	49,876,720	2,360,104	7
8	Gross capital assets 41/ (except land)	230,978	70,019	106,767	13,490	24,707	6,354	690,408	44,249	219,614	57,337	119,245	55,547	7,582	1,839	12,383,501	3,401,624	8
9	Less: Reserves	93,515	23,366	42,590	4,315	12,013	1,991	338,061	13,585	96,932	14,955	49,871	16,695	2,342	573	2,976,030	789,398	9
10	Land	13,715	4,355	20,496	2,466	1,462	312	193,422	1,978	53,158	10,483	14,778	4,303	3,719	123	3,403,933	939,392	10
11	Other assets	39,425	8,974	5,214	846	1,544	859	72,401	10,952	14,496	4,706	10,589	5,792	554	2,144	3,764,633	602,634	11
12	Total assets 42/	672,789	132,086	152,488	18,705	48,982	11,748	1,770,836	83,228	371,802	76,071	231,998	87,701	19,637	11,735	236,886,442	9,477,899	12
	Liabilities:																	
13	Accounts payable	126,034	28,912	18,239	3,010	7,287	2,574	151,260	13,504	29,011	10,930	25,785	13,549	2,899	2,582	2,029,995	522,598	13
	Bonds, notes, mortgages payable:																	
14	Maturity less than 1 year	22,542	9,105	10,665	2,019	2,258	1,405	41,784	26,405	16,243	7,896	8,207	4,661	330	1,132	2,339,850	401,390	14
15	Maturity 1 year or more	44,931	19,569	39,100	6,918	4,299	1,395	289,706	21,941	42,641	21,143	19,479	13,061	5,864	3,144	8,446,351	2,785,484	15
16	Other liabilities	115,407	15,245	16,962	2,608	5,015	1,277	173,045	8,928	49,244	7,996	29,242	14,968	1,538	2,978	193,121,155	3,016,939	16
17	Capital stock, preferred	32,670	4,894	7,344	1,276	1,771	509	54,982	5,269	8,156	4,475	17,223	4,216	303	516	1,854,141	383,053	17
18	Capital stock, common	133,032	55,579	30,050	6,125	14,728	5,169	301,137	12,563	98,709	28,412	66,226	40,541	6,177	2,097	11,410,100	2,175,195	18
19	Surplus reserves	18,631	1,051	2,217	85	549	105	114,108	492	12,845	806	10,599	3,574	568	40	2,069,973	184,521	19
20	Surplus and undivided profits 43/	190,171	21,527	41,714	1,880	14,308	2,165	705,314	5,962	130,663	13,338	77,784	16,282	3,937	946	17,309,467	2,034,200	20
21	Less: Deficit 44/	10,629	23,796	13,803	5,216	1,233	2,851	60,530	11,836	15,710	18,925	22,547	23,151	1,979	1,700	1,694,590	2,025,481	21
22	Total liabilities 42/	672,789	132,086	152,488	18,705	48,982	11,748	1,770,836	83,228	371,802	76,071	231,998	87,701	19,637	11,735	236,886,442	9,477,899	22
	Receipts:																	
23	Gross sales 15/	114,837	16,339	108,108	15,637	72,605	13,996	40,369	4,550	61,748	9,676	38,960	9,923	4,608	336	90,764	8,737	23
24	Gross receipts from operations 16/	1,083,410	167,249	106,187	8,478	32,657	4,987	1,670,685	43,852	426,948	50,963	292,226	65,839	9,987	8,077	3,361,952	1,121,052	24
	Interest on Government obligations (less amortizable bond premium):																	
25	Wholly taxable 17/	776	54	137	11	27	7	1,061	9	457	34	220	169	21	2	1,534,289	21,313	25
26	Subject to surtax only 18/	60	26	1	-	1	-	18	1	6	1	31	6	-	-	244,665	5,927	26
27	Wholly tax-exempt 19/	154	-	-	-	-	-	2	-	2	1	22	15	-	-	188,192	3,925	27
28	Other interest	951	74	228	5	30	3	4,601	36	422	70	331	83	44	13	2,113,822	31,310	28
29	Rents 20/	10,256	1,539	7,482	1,082	206	50	28,804	1,154	6,300	947	1,740	399	1,228	108	1,348,754	202,732	29
30	Royalties 21/	433	106	15	2	7	4	1,399	26	952	26	545	1,047	3	-	118,288	7,829	30
31	Excess of net short-term capital gain over net long-term capital loss 22/	73	5	52	3	17	5	102	23	146	21	57	15	3	-	18,974	1,524	31
32	Excess of net long-term capital gain over net short-term capital loss 22/	2,685	197	4,436	38	142	32	3,688	52	2,257	347	1,037	134	66	37	539,115	21,449	32
33	Net gain, sales other than capital assets 23/	653	131	410	24	39	22	282	23	417	42	278	76	19	77	209,787	20,309	33
34	Dividends, domestic corporations 24/	4,389	42	368	6	7	2	44,097	27	1,188	243	377	35	93	-	648,832	28,693	34
35	Dividends, foreign corporations 25/	807	3	-	-	-	-	7,313	-	42	-	59	1	-	-	24,771	601	35
36	Other receipts	13,144	9,953	3,949	489	599	159	34,203	1,063	9,649	2,356	9,872	5,447	297	203	158,587	20,895	36
37	Total compiled receipts 10/	1,232,628	195,718	231,373	25,775	106,337	19,267	1,836,624	50,816	510,534	64,727	345,755	83,189	16,369	8,853	10,600,792	1,495,996	37
	Deductions:																	
38	Cost of goods sold 26/	77,470	11,311	71,965	10,485	47,366	10,740	26,360	3,342	33,884	5,934	23,699	6,168	2,774	260	61,877	6,734	38
39	Cost of operations 26/	617,240	112,071	54,775	3,554	21,467	3,509	881,961	20,377	197,823	27,923	143,124	35,957	4,903	5,226	150,436	24,510	39
40	Compensation of officers	74,802	12,185	12,167	1,867	7,294	1,909	29,603	3,068	17,501	2,612	24,841	7,978	1,585	937	33/540,084	33/46,530	40
41	Rent paid on business property	18,928	4,942	14,065	2,355	1,741	423	85,920	4,580	15,749	3,448	8,771	2,817	504	248	155,133	28,353	41
42	Repairs 27/	6,503	1,030	2,555	496	916	126	18,615	886	10,526	1,653	3,414	818	309	70	106,057	26,017	42
43	Bad debts	2,493	371	339	50	248	31	658	850	594	42	1,218	400	58	159	81,660	22,698	43
44	Interest paid	2,068	1,531	1,510	278	240	85	12,991	1,009	2,290	816	1,039	433	209	43	622,388	103,224	44
45	Taxes paid 28/	12,708	2,466	4,616	653	1,459	361	31,883	787	17,071	2,055	5,653	1,342	452	96	499,381	98,272	45
46	Contributions or gifts 29/	1,008	14	139	7	53	4	1,943	8	2,237	16	283	49	17		17,795	403	46
47	Depreciation	15,172	3,246	7,034	941	1,554	417	29,108	4,021	11,107	3,285	5,601	2,058	362	165	290,468	62,482	47
48	Depletion	23	19	10	1	1	1	34	1	69	21	25	2	-	-	22,323	2,420	48
49	Amortization 30/	49	4	17	9	4	1	210	506	73	38	36	27	-	2	466	438	49
50	Advertising	5,565	1,136	1,007	141	613	120	44,214	2,046	6,213	1,400	4,876	1,100	131	94	62,716	5,965	50
51	Amounts contributed under pension plans, etc. 31/	6,299	3,093	77	3	166	18	7,399	41	790	1	1,127	1,200	32	38	51,692	2,575	51
52	Net loss, sales other than capital assets 23/	230	250	52	536	29	34	412	19	163	679	70	371	1	7	25,126	64,414	52
53	Other deductions	282,118	52,074	35,989	5,913	15,315	3,340	308,908	20,893	92,539	24,563	83,768	32,344	2,971	2,593	3,534,549	1,233,851	53
54	Total compiled deductions	1,122,676	205,743	206,317	27,289	98,466	21,119	1,480,219	62,434	408,629	74,486	307,545	93,064	14,308	9,938	34/6,222,151	34/1,728,886	54
55	Compiled net profit or net loss (37 less 54)	109,952	35/10,025	25,056	35/1,514	7,871	35/1,852	356,405	35/11,618	101,905	35/9,759	38,210	35/9,875	2,061	35/1,085	4,378,641	35/232,890	55
56	Net income or deficit 2/ (55 less 27)	109,798	35/10,025	25,056	35/1,514	7,871	35/1,852	356,403	35/11,618	101,903	35/9,760	38,188	35/9,890	2,061	35/1,085	4,190,449	35/236,815	56
57	Net operating loss deduction 32/	973	-	562	-	132	-	1,034	-	1,839	-	1,252	-	52	-	37,066	-	57
58	Income tax 3/	35,758	-	6,771	-	2,144	-	112,050	-	35,199	-	11,859	-	593	-	710,089	-	58
59	Excess profits tax 4/	749	-	153	-	28	-	11,550	-	1,412	-	131	-	3	-	3,249	-	59
60	Total tax	36,507	-	6,924	-	2,172	-	123,600	-	36,611	-	11,990	-	596	-	713,338	-	60
61	Compiled net profit less total tax (55 less 60)	73,445	35/10,025	18,132	35/1,514	5,699	35/1,852	232,805	35/11,618	65,294	35/9,759	26,220	35/9,875	1,465	35/1,085	3,665,303	35/232,890	61
	Dividends paid:																	
62	Cash and assets other than own stock	27,337	104	2,618	9	739	4	112,807	35	18,747	57	5,582	250	405	5	1,221,344	39,305	62
63	Corporation's own stock	1,147	32	382	-	184	18	1,063		6,717		1,073	60	10	-	61,135	996	63

For footnotes, see [illegible] 30 - 31.

Table 3. - Corporation income tax returns with balance sheets, 1/ 1946, by major industrial groups, for returns with net income and returns with no net income: 2/ Number of returns, assets and liabilities, compiled receipts, compiled deductions, compiled net profit or net loss, net income or deficit, and dividends paid by type of dividend; also, for returns with net income: Net operating loss deduction, income tax, excess profits tax, total tax, and compiled net profit less total tax - Continued

Table 5. - Corporation income tax returns with balance sheets, 1/ 1946, by major industrial groups, for returns with net income and returns with no net income: 2/ Number of returns, assets and liabilities, compiled receipts, compiled deductions, compiled net profit or net loss, net income or deficit, and dividends paid by type of dividend; also, for returns with net income: Net operating loss deduction, income tax, excess profits tax, total tax, and compiled net profit less total tax - Continued

(Money figures in thousands of dollars)

Major industrial groups 8/ - Continued

Finance, insurance, real estate, and lessors of real property - Continued

Finance

		Total finance		Banks and trust companies		Long-term credit agencies, mortgage companies, except banks		Short-term credit agencies, except banks		Investment trusts and investment companies 11/		Other investment companies, including holding companies 12/ 13/		Security and commodity exchange brokers and dealers		Other finance companies		Finance not allocable		
		Net income	No net income	Net income	No net income	Net income	No net income	Net income	No net income	Net income	No net income	Net income	No net income	Net income	No net income	Net income	No net income	Net income	No net income	
1	Number of returns with balance sheets 37/	25,815	6,162	13,956	472	1,557	840	2,777	866	2,471	722	1,419	383	872	389	613	541	2,150	1,949	1
	Assets:																			
2	Cash 38/	35,542,711	350,812	34,477,096	182,827	25,758	7,001	223,049	62,606	210,286	9,561	366,763	21,231	125,453	14,780	24,920	9,725	89,386	43,081	2
3	Notes and accounts receivable	34,153,100	683,819	31,265,720	148,588	115,225	12,954	1,702,113	316,995	125,689	25,646	527,220	76,165	266,953	20,968	30,426	10,393	119,754	72,110	3
4	Less: Reserve for bad debts	56,381	13,515	-	-	439	151	33,224	9,155	412	523	20,173	2,289	235	111	537	74	1,361	1,212	4
5	Inventories	21,599	6,084	-	-	-	-	4,724	589	-	-	8,481	212	-	-	6,087	787	2,307	4,496	5
6	Investments, Government obligations 39/	72,607,183	444,567	70,757,167	351,653	11,563	2,771	93,635	12,842	451,013	15,788	531,566	15,916	688,102	22,375	14,814	1,527	59,323	21,695	6
7	Other investments 40/	22,550,767	1,148,137	12,943,070	70,068	126,328	36,903	263,649	14,318	3,359,600	225,318	4,946,985	656,907	516,698	51,068	40,912	23,042	353,525	70,513	7
8	Gross capital assets 41/ (except land)	1,547,013	216,748	1,073,295	14,879	12,466	7,798	28,208	6,590	53,441	18,037	239,377	29,185	39,561	3,820	73,359	44,217	27,306	92,222	8
9	Less: Reserves	317,121	79,767	159,793	4,424	2,549	1,149	10,357	2,687	15,873	6,151	64,087	6,281	19,069	1,466	36,171	17,928	9,222	39,681	9
10	Land	200,122	37,129	85,861	3,307	6,238	6,136	3,380	572	12,733	4,047	58,894	8,368	12,932	2,919	1,969	616	18,115	11,164	10
11	Other assets	1,238,541	157,674	1,005,171	5,798	11,173	3,426	32,400	3,222	23,530	18,999	54,276	28,693	82,192	5,905	7,648	5,581	22,151	86,050	11
12	Total assets 42/	167,487,534	2,951,688	151,447,587	772,696	305,763	75,689	2,307,577	405,892	4,220,007	310,722	6,649,302	828,107	1,712,587	120,258	163,427	77,886	681,284	360,438	12
	Liabilities:																			
13	Accounts payable	1,224,284	231,342	-	-	25,116	6,262	179,677	92,421	63,168	36,865	551,852	25,842	356,615	16,381	11,320	7,382	36,536	46,189	13
	Bonds, notes, mortgages payable:																			
14	Maturity less than 1 year	1,694,519	189,596	-	-	91,046	10,725	892,101	61,030	47,372	9,184	112,709	61,373	477,644	25,887	4,026	2,003	69,621	19,394	14
15	Maturity 1 year or more	1,991,459	545,261	-	-	63,214	34,387	386,373	99,101	327,921	100,068	691,640	196,405	423,394	19,499	13,685	24,063	85,232	71,738	15
16	Other liabilities	142,596,979	931,834	141,182,530	678,329	28,105	11,017	175,042	19,266	560,075	48,329	158,104	63,880	189,836	8,516	57,746	13,622	245,541	88,875	16
17	Capital stock, preferred	1,430,305	227,547	120,094	7,682	13,064	5,964	111,909	6,860	189,216	50,551	928,359	86,196	35,132	15,054	3,140	6,834	29,391	48,406	17
18	Capital stock, common	6,991,744	793,272	3,129,391	42,008	56,660	35,166	255,488	82,027	1,163,622	147,212	2,045,632	268,123	91,186	21,881	52,406	44,325	197,359	152,530	18
19	Surplus reserves	1,866,711	112,368	1,182,243	18,284	5,304	961	35,397	4,303	167,291	35,141	427,950	35,780	13,695	6,641	17,008	4,246	17,823	7,012	19
20	Surplus and undivided profits 43/	10,481,245	700,462	5,911,704	47,200	45,140	18,043	277,492	48,482	1,988,789	103,104	1,967,954	340,730	142,607	18,793	42,340	26,787	105,219	97,323	20
21	Less: Deficit 44/	789,712	779,994	78,375	20,807	21,886	46,836	5,902	7,598	287,447	219,732	234,898	250,222	17,522	12,394	38,244	51,376	105,438	171,029	21
22	Total liabilities 42/	167,487,534	2,951,688	151,447,587	772,696	305,763	75,689	2,307,577	405,892	4,220,007	310,722	6,649,302	828,107	1,712,587	120,258	163,427	77,886	681,284	360,438	22
	Receipts:																			
23	Gross sales 15/	45,781	1,959	-	-	-	-	-	-	-	-	37,534	1,795	-	-	8,247	164	-	-	23
24	Gross receipts from operations 16/	828,124	38,707	458,472	10,060	19,712	1,790	165,705	13,184	-	-	59,310	1,863	76,204	8,162	16,769	1,314	31,952	2,334	24
	Interest on Government obligations (less amortizable bond premium):																			
25	Wholly taxable 17/	974,034	5,559	938,398	4,115	285	45	2,690	286	9,633	240	7,093	217	12,035	305	279	13	3,621	338	25
26	Subject to surtax only 18/	230,670	281	223,254	201	8	2	25	1	477	5	937	12	5,880	19	24	-	65	41	26
27	Wholly tax-exempt 19/	155,525	1,914	150,322	835	9	9	56	-	685	168	1,412	20	2,645	738	3	17	393	127	27
28	Other interest	1,285,677	22,230	1,061,088	5,773	8,260	1,426	124,660	8,564	22,720	269	53,020	3,064	5,814	501	1,539	390	8,576	2,243	28
29	Rents 20/	111,348	3,905	90,572	1,331	1,097	214	1,053	74	1,130	104	10,867	393	1,257	546	4,205	1,036	1,167	207	29
30	Royalties 21/	47,171	2,962	1,200	7	12	4	231	2	4,486	316	1,884	124	94	-	39,195	2,499	69	10	30
31	Excess of net short-term capital gain over net long-term capital loss 22/	12,915	578	8,362	157	204	10	485	37	1,556	52	676	149	1,321	66	14	2	297	105	31
32	Excess of net long-term capital gain over net short-term capital loss 22/	364,834	3,543	170,511	1,606	3,504	51	6,759	147	127,366	281	37,166	763	11,024	240	1,649	15	6,855	440	32
33	Net gain, sales other than capital assets 23/	78,688	8,100	2,948	71	1,212	70	418	50	11,884	259	2,640	70	55,993	7,426	2,674	2	919	152	33
34	Dividends, domestic corporations 24/	511,588	5,028	15,778	286	251	21	3,721	30	179,096	1,840	304,187	2,117	6,650	581	743	103	1,162	50	34
35	Dividends, foreign corporations 25/	23,226	326	2,803	2	-	-	145	14	4,347	22	15,881	81	21	12	16	195	13	-	35
36	Other receipts	78,764	6,128	47,391	425	2,422	400	10,350	1,395	1,874	248	8,006	503	5,081	907	1,084	1,477	2,556	773	36
37	Total compiled receipts 10/	4,748,345	101,220	3,171,099	24,869	36,976	4,042	316,298	23,784	365,254	3,804	540,613	11,171	184,019	19,503	76,441	7,227	57,645	6,820	37
	Deductions:																			
38	Cost of goods sold 26/	35,992	1,875	-	-	-	-	-	-	-	-	29,144	1,748	-	-	6,848	127	-	-	38
39	Cost of operations 26/	42,624	3,758	99	91	1,241	622	17,501	1,102	-	-	5,362	129	431	171	10,248	217	7,742	1,426	39
40	Compensation of officers	359,784	16,111	280,321	2,656	5,146	917	20,113	2,055	5,924	826	10,545	1,176	31,821	5,617	2,517	1,078	3,397	1,786	40
41	Rent paid on business property	58,925	3,957	42,502	523	794	134	8,240	1,360	570	95	1,567	232	4,081	1,086	515	227	656	300	41
42	Repairs 27/	21,868	815	18,141	271	128	52	606	66	122	73	1,387	105	772	136	564	38	148	74	42
43	Bad debts	76,086	15,292	53,207	8,029	397	310	15,047	3,105	284	475	5,113	743	279	100	1,008	1,310	751	1,220	43
44	Interest paid	368,557	23,105	283,535	2,008	3,588	1,020	31,145	3,036	12,758	4,016	22,708	7,953	11,362	735	473	942	2,988	3,395	44
45	Taxes paid 28/	155,010	4,852	125,534	1,270	983	329	6,864	803	3,935	338	9,630	522	5,870	725	895	237	1,299	628	45
46	Contributions or gifts 29/	12,692	39	10,043	13	64	3	591	7	682	2	907	1	299	9	36	-	70	4	46
47	Depreciation	62,589	4,083	46,492	818	333	88	2,174	246	432	118	5,913	382	1,366	153	5,472	1,164	407	1,114	47
48	Depletion	3,418	213	183	-	1	5	104	-	1,604	135	1,493	17	14	-	8	44	11	12	48
49	Amortization 30/	55	45	-	2	-	1	7	1	-	1	37	-	11	-	-	36	-	4	49
50	Advertising	45,813	2,241	30,104	372	532	56	10,176	1,239	133	14	644	138	2,854	284	546	60	824	78	50
51	Amounts contributed under pension plans,etc. 31/	42,118	232	37,451	29	41	6	1,218	36	140	1	1,040	6	1,668	89	322	18	238	47	51
52	Net loss, sales other than capital assets 23/	18,454	9,195	16,306	1,897	90	964	57	94	233	692	1,046	2,184	584	1,404	66	557	72	1,403	52
53	Other deductions	1,316,238	68,074	958,190	14,433	12,206	1,889	120,518	19,018	39,055	2,398	66,591	6,389	75,542	13,607	23,381	4,751	20,755	5,589	53
54	Total compiled deductions	2,620,223	153,887	1,902,108	32,412	25,544	6,396	234,361	32,168	65,872	9,184	163,127	21,725	136,954	24,116	52,899	10,806	39,358	17,080	54
55	Compiled net profit or net loss (37 less 54)	2,128,122	35/52,667	1,268,991	35/7,543	11,432	35/2,354	81,937	35/8,384	299,382	35/5,380	377,486	35/10,554	47,065	35/4,613	23,542	35/3,579	18,287	35/10,260	55
56	Net income or deficit 2/ (55 less 27)	1,972,597	35/54,581	1,118,669	35/8,378	11,423	35/2,363	81,881	35/8,384	298,697	35/5,548	376,074	35/10,574	44,420	35/5,351	23,539	35/3,596	17,894	35/10,387	56
57	Net operating loss deduction 32/	7,718	-	2,797	-	595	-	410	-	381	-	1,808	-	107	-	943	-	677	-	57
58	Income tax 3/	435,942	-	323,336	-	2,907	-	25,859	-	17,559	-	42,687	-	11,511	-	7,501	-	4,582	-	58
59	Excess profits tax 4/	1,851	-	628	-	18	-	423	-	-	-	7	-	322	-	448	-	5	-	59
60	Total tax	437,793	-	323,964	-	2,925	-	26,282	-	17,559	-	42,694	-	11,833	-	7,949	-	4,587	-	60
61	Compiled net profit less total tax (55 less 60)	1,690,329	35/52,667	945,027	35/7,543	8,507	35/2,354	55,655	35/8,384	281,823	35/5,380	334,792	35/10,554	35,232	35/4,613	15,593	35/3,579	13,700	35/10,260	61
	Dividends paid:																			
62	Cash and assets other than own stock	908,863	9,492	301,336	1,794	2,820	320	33,979	251	246,690	543	292,752	2,180	12,362	803	9,038	1,228	9,886	2,373	62
63	Corporation's own stock	49,872	327	36,279	166	167	2	2,147	10	4,929	1	1,384	71	4,510	75	22	-	434	2	63

For footnotes, see pp. 30 - 31

Table 3. - Corporation income tax returns with balance sheets, 1/ 1946, by major industrial groups, for returns with net income and returns with no net income: 2/ Number of returns, assets and liabilities, compiled receipts, compiled deductions, compiled net profit or net loss, net income or deficit, and dividends paid by type of dividend; also, for returns with net income: Net operating loss deduction, income tax, excess profits tax, total tax, and compiled net profit less total tax - Continued

(Money figures in thousands of dollars)

		Major industrial groups 8/ - Continued												
		Finance, insurance, real estate, and lessors of real property - Continued										Construction		
		Insurance carriers, agents, etc.						Real estate, including lessors of buildings		Lessors of real property, except buildings				
		Total insurance carriers, agents, etc.		Insurance carriers		Insurance agents, brokers, etc.								
		Net income	No net income	Net income	No net income	Net income	No net income	Net income	No net income	Net income	No net income	Net income	No net income	
1	Number of returns with balance sheets 37/	5,475	1,401	1,403	333	4,072	1,068	57,847	22,909	2,868	2,087	10,516	3,890	1
	Assets:													
2	Cash 38/	1,428,672	247,865	1,323,526	239,503	105,146	8,362	616,127	123,539	69,458	24,606	275,497	43,079	2
3	Notes and accounts receivable	203,652	17,666	-	-	203,652	17,666	754,770	162,306	74,225	20,324	831,902	170,511	3
4	Less: Reserve for bad debts	1,842	240	-	-	1,842	240	8,945	4,682	275	325	6,910	2,522	4
5	Inventories	-	-	-	-	-	-	25,163	8,678	6,019	1,625	251,322	81,055	5
6	Investments, Government obligations 39/	24,636,044	852,989	24,617,689	852,192	18,355	797	315,738	29,184	46,667	8,241	94,043	17,283	6
7	Other investments 40/	25,892,845	794,676	25,808,558	790,591	84,287	4,085	1,159,309	332,920	273,799	84,371	141,170	34,235	7
8	Gross capital assets 41/ (except land)	396,927	42,919	345,422	37,612	51,505	5,207	7,339,109	2,022,943	3,100,452	1,119,114	549,963	156,825	8
9	Less: Reserves	19,995	5,615	9,864	4,364	10,131	1,251	2,277,877	551,645	361,037	152,371	236,923	68,806	9
10	Land	14,504	1,331	10,036	788	4,468	543	3,018,924	801,220	170,383	99,712	43,981	14,216	10
11	Other assets	2,205,317	299,734	2,176,939	296,037	28,378	3,697	249,151	86,012	71,624	59,214	81,753	25,541	11
12	Total assets 42/	54,756,124	2,251,225	54,272,306	2,212,359	483,818	38,866	11,191,469	3,010,475	3,451,315	1,264,511	2,025,798	471,417	12
	Liabilities:													
13	Accounts payable	232,252	22,403	-	-	232,252	22,403	516,810	210,190	56,649	58,663	357,758	86,851	13
	Bonds, notes, mortgages payable:													
14	Maturity less than 1 year	10,927	1,546	-	-	10,927	1,546	612,070	196,419	22,334	13,829	151,096	49,385	14
15	Maturity 1 year or more	18,650	5,401	-	-	18,650	5,401	4,980,486	1,617,183	1,455,756	617,639	128,889	52,419	15
16	Other liabilities	49,752,285	1,700,359	49,716,159	1,696,713	36,126	3,646	651,176	281,739	120,715	103,007	418,572	99,156	16
17	Capital stock, preferred	33,093	4,105	12,830	3,295	20,263	810	277,891	123,185	112,852	28,216	42,627	22,920	17
18	Capital stock, common	693,935	195,586	617,990	188,076	75,945	7,510	2,429,057	794,440	1,295,364	391,897	356,922	94,655	18
19	Surplus reserves	10,350	795	-	-	10,350	795	163,542	64,809	29,370	6,549	42,260	11,980	19
20	Surplus and undivided profits 43/	4,013,670	592,817	3,928,334	589,659	85,336	3,158	2,227,432	450,974	587,120	289,947	557,791	96,683	20
21	Less: Deficit 44/	9,038	271,787	3,007	265,384	6,031	6,403	666,995	728,464	228,845	245,236	30,117	42,632	21
22	Total liabilities 42/	54,756,124	2,251,225	54,272,306	2,212,359	483,818	38,866	11,191,469	3,010,475	3,451,315	1,264,511	2,025,798	471,417	22
	Receipts:													
23	Gross sales 15/	-	-	-	-	-	-	37,601	6,516	7,382	262	1,151,771	139,389	23
24	Gross receipts from operations 16/	1,709,151	929,618	1,445,988	903,458	263,163	26,160	824,677	152,727	-	-	2,440,373	404,172	24
	Interest on Government obligations (less amortizable bond premium):													
25	Wholly taxable 17/	545,722	13,507	545,352	13,495	370	12	13,496	2,107	1,037	140	1,637	415	25
26	Subject to surtax only 18/	13,554	5,616	13,532	5,614	22	2	352	27	89	3	96	18	26
27	Wholly tax-exempt 19/	32,026	1,936	32,017	1,931	9	5	579	67	62	8	320	55	27
28	Other interest	801,330	4,983	799,327	4,911	2,003	72	25,347	3,947	1,468	150	2,196	494	28
29	Rents 20/	89,430	3,093	87,557	2,970	1,873	125	1,010,866	173,108	137,110	22,626	12,897	2,209	29
30	Royalties 21/	265	2	23	-	242	2	3,701	898	67,151	3,967	481	191	30
31	Excess of net short-term capital gain over net long-term capital loss 22/	637	608	582	607	55	1	5,216	259	206	79	446	207	31
32	Excess of net long-term capital gain over net short-term capital loss 22/	42,417	15,037	40,838	15,016	1,579	21	124,143	2,644	7,721	225	15,467	2,600	32
33	Net gain, sales other than capital assets 23/	641	245	486	243	155	2	129,350	11,563	1,108	101	2,103	765	33
34	Dividends, domestic corporations 24/	116,207	22,670	112,388	22,639	3,819	31	18,963	965	2,074	30	7,735	199	34
35	Dividends, foreign corporations 25/	1,332	274	898	274	434	-	203	1	10	-	164	4	35
36	Other receipts	18,139	4,527	6,803	3,569	11,336	958	51,626	9,269	10,058	971	37,588	10,396	36
37	Total compiled receipts 10/	3,370,851	1,002,116	3,085,791	974,727	285,060	27,389	2,246,120	364,098	235,476	28,562	3,673,274	561,114	37
	Deductions:													
38	Cost of goods sold 26/	-	-	-	-	-	-	20,557	4,531	5,328	328	871,846	114,103	38
39	Cost of operations 26/	45,197	7,096	1,020	725	44,177	6,371	62,615	13,656	-	-	1,956,445	350,398	39
40	Compensation of officers	33/61,880	33/8,106	33/10,118	33/2,206	51,762	5,900	114,028	21,298	4,392	1,015	150,015	23,697	40
41	Rent paid on business property	17,710	4,984	9,876	3,817	7,834	1,167	76,173	18,362	2,325	1,050	14,955	3,786	41
42	Repairs 27/	1,840	909	1,336	857	504	52	80,944	23,824	1,405	469	20,132	5,884	42
43	Bad debts	1,673	1,829	528	1,562	1,145	267	3,795	5,434	106	143	3,894	1,038	43
44	Interest paid	2,189	2,592	1,264	2,434	925	158	209,095	61,640	42,547	15,887	8,762	2,829	44
45	Taxes paid 28/	58,485	26,899	54,500	26,549	3,985	350	268,407	62,108	17,479	4,413	37,339	6,511	45
46	Contributions or gifts 29/	1,200	104	682	93	518	11	3,760	255	143	5	2,213	107	46
47	Depreciation	15,845	1,823	14,407	1,669	1,438	154	204,912	53,381	7,122	3,195	40,940	10,917	47
48	Depletion	14	155	5	155	9	-	792	266	18,099	1,786	556	28	48
49	Amortization 30/	-	-	-	-	-	-	383	255	28	138	78	3	49
50	Advertising	7,536	1,961	4,941	1,742	2,595	219	9,348	1,745	19	18	7,309	2,025	50
51	Amounts contributed under pension plans, etc. 31/	7,371	2,064	6,042	2,018	1,329	46	1,910	258	293	21	3,422	657	51
52	Net loss, sales other than capital assets 23/	512	2,224	475	2,216	37	8	5,625	49,258	535	3,737	.694	399	52
53	Other deductions	1,642,648	1,008,769	1,517,793	994,267	124,855	14,502	559,070	146,154	16,593	10,854	288,741	73,473	53
54	Total compiled deductions	34/1,864,100	34/1,069,515	34/1,622,987	34/1,040,310	241,113	29,205	1,621,414	462,425	116,414	43,059	3,407,341	595,855	54
55	Compiled net profit or net loss (37 less 54)	1,506,751	35/67,399	1,462,804	35/65,583	43,947	35/1,816	624,706	35/98,327	119,062	35/14,497	265,933	35/34,741	55
56	Net income or deficit 2/ (55 less 27)	1,474,725	35/69,335	1,430,787	35/67,514	43,938	35/1,821	624,127	35/98,394	119,000	35/14,505	265,613	35/34,796	56
57	Net operating loss deduction 32/	2,485	-	2,001	-	484	-	25,531	-	1,332	-	7,367	-	57
58	Income tax 3/	66,495	-	54,317	-	12,178	-	166,365	-	41,287	-	81,759	-	58
59	Excess profits tax 4/	52	-	1	-	51	-	1,315	-	31	-	792	-	59
60	Total tax	66,547	-	54,318	-	12,229	-	167,680	-	41,318	-	82,551	-	60
61	Compiled net profit less total tax (55 less 60)	1,440,204	35/67,399	1,408,486	35/65,583	31,718	35/1,816	457,026	35/98,327	77,744	35/14,497	183,382	35/34,741	61
	Dividends paid:													
62	Cash and assets other than own stock	112,762	20,625	98,757	20,551	14,005	74	129,177	7,377	70,542	1,811	35,835	2,155	62
63	Corporation's own stock	5,712	164	5,117	150	595	14	5,533	492	18	13	11,903	797	63

Table 3. - Corporation income tax returns with balance sheets, 1/ 1946, by major industrial groups, for returns with net income and returns with no net income: 2/ Number of returns, assets and liabilities, compiled receipts, compiled deductions, compiled net profit or net loss, net income or deficit, and dividends paid by type of dividend; also, for returns with net income: Net operating loss deduction, income tax, excess profits tax, total tax, and compiled net profit less total tax - Continued

Table 3. - Corporation income tax returns with balance sheets, 1/ 1946, by major industrial groups, for returns with net income and returns with no net income: 2/ Number of returns, assets and liabilities, compiled receipts, compiled deductions, compiled net profit or net loss, net income or deficit, and dividends paid by type of dividend; also, for returns with net income: Net operating loss deduction, income tax, excess profits tax, total tax, and compiled net profit less total tax - Continued

(Money figures in thousands of dollars)

		Major industrial groups 8/ - Continued										
		Agriculture, forestry, and fishery								Nature of business not allocable		
		Total agriculture, forestry, and fishery		Agriculture and services		Forestry		Fishery				
		Net income	No net income	Net income	No net income	Net income	No net income	Net income	No net income	Net income	No net income	
1	Number of returns with balance sheets 37/	3,767	1,787	3,467	1,573	171	88	129	126	1,856	2,234	1
	Assets:											
2	Cash 38/	127,442	11,587	117,849	10,380	6,548	812	3,045	395	30,435	13,778	2
3	Notes and accounts receivable	125,750	25,023	112,084	22,134	11,398	2,260	2,268	629	64,105	27,554	3
4	Less: Reserve for bad debts	1,568	254	1,350	247	186	-	32	7	1,047	721	4
5	Inventories	177,263	29,575	170,685	29,168	3,765	239	2,813	168	18,809	4,556	5
6	Investments, Government obligations 39/	85,855	2,586	80,172	2,409	3,920	103	1,763	74	14,991	1,987	6
7	Other investments 40/	158,628	22,436	144,872	20,536	11,435	1,680	2,321	220	48,436	27,203	7
8	Gross capital assets 41/ (except land)	715,889	119,520	653,101	104,496	50,421	7,708	12,367	7,316	69,109	32,337	8
9	Less: Reserves	306,045	38,497	288,882	34,969	13,486	2,139	3,677	1,389	26,905	8,089	9
10	Land	227,493	45,876	215,223	41,034	11,017	4,698	1,253	144	18,991	12,066	10
11	Other assets	43,069	11,702	36,362	10,051	6,061	1,082	646	569	10,025	15,652	11
12	Total assets 42/	1,353,776	229,554	1,240,116	204,992	90,893	16,443	22,767	8,119	246,949	126,323	12
	Liabilities:											
13	Accounts payable	103,639	40,759	89,886	36,880	12,285	2,110	1,468	1,769	35,950	25,578	13
	Bonds, notes, mortgages payable:											
14	Maturity less than 1 year	66,688	21,371	64,018	19,028	1,790	1,466	880	877	18,299	14,764	14
15	Maturity 1 year or more	102,934	48,996	89,389	42,432	11,251	4,313	2,294	2,251	26,295	26,541	15
16	Other liabilities	98,389	15,576	86,221	12,006	10,929	3,190	1,239	380	28,677	18,181	16
17	Capital stock, preferred	28,119	6,768	24,873	5,588	3,066	873	180	307	11,526	18,911	17
18	Capital stock, common	494,805	118,383	453,937	105,085	34,335	9,619	6,533	3,679	71,016	115,787	18
19	Surplus reserves	49,733	1,498	44,554	1,432	3,573	26	1,606	40	14,699	1,289	19
20	Surplus and undivided profits 43/	486,938	49,275	442,424	40,584	35,284	7,733	9,230	958	74,457	37,679	20
21	Less: Deficit 44/	77,469	73,072	55,186	58,043	21,620	12,887	663	2,142	33,970	132,407	21
22	Total liabilities 42/	1,353,776	229,554	1,240,116	204,992	90,893	16,443	22,767	8,119	246,949	126,323	22
	Receipts:											
23	Gross sales 15/	857,719	86,830	825,605	85,235	13,113	570	19,001	1,025	103,724	16,536	23
24	Gross receipts from operations 16/	196,956	34,950	181,355	29,705	7,129	898	8,472	4,347	52,326	8,403	24
	Interest on Government obligations (less amortizable bond premium):											
25	Wholly taxable 17/	1,208	55	1,113	51	67	2	28	2	208	45	25
26	Subject to surtax only 18/	293	1	289	1	4	-	-	-	15	2	26
27	Wholly tax-exempt 19/	124	114	117	114	7	-	-	-	31	-	27
28	Other interest	2,347	279	2,142	269	183	8	22	2	1,476	171	28
29	Rents 20/	11,379	1,146	11,008	1,103	292	35	79	8	3,816	364	29
30	Royalties 21/	3,282	147	3,021	141	261	6	-	-	615	59	30
31	Excess of net short-term capital gain over net long-term capital loss 22/	634	41	570	41	62	-	2	-	162	26	31
32	Excess of net long-term capital gain over net short-term capital loss 22/	16,865	881	11,749	848	4,887	27	229	6	4,247	271	32
33	Net gain, sales other than capital assets 23/	2,441	440	1,519	287	900	85	22	68	930	523	33
34	Dividends, domestic corporations 24/	4,123	290	3,936	273	158	17	29	-	1,747	192	34
35	Dividends, foreign corporations 25/	2,832	3	2,829	3	3	-	-	-	31	-	35
36	Other receipts	11,991	1,918	11,299	1,831	471	24	221	63	5,504	737	36
37	Total compiled receipts 10/	1,112,194	127,095	1,056,552	119,902	27,537	1,672	28,105	5,521	174,832	27,329	37
	Deductions:											
38	Cost of goods sold 26/	580,720	75,427	555,629	74,200	10,990	341	14,101	886	78,534	14,074	38
39	Cost of operations 26/	85,406	25,205	75,601	21,880	4,993	534	4,812	2,791	14,026	2,786	39
40	Compensation of officers	26,050	4,352	24,651	4,024	603	83	796	245	15,246	2,470	40
41	Rent paid on business property	18,969	1,194	18,802	1,141	46	15	121	38	2,178	538	41
42	Repairs 27/	18,334	2,706	17,614	2,176	147	48	573	482	1,734	334	42
43	Bad debts	792	446	695	429	50	4	47	13	439	287	43
44	Interest paid	6,645	2,326	6,214	2,024	324	194	107	108	1,438	1,151	44
45	Taxes paid 28/	18,844	2,506	17,656	2,253	852	146	336	107	2,713	690	45
46	Contributions or gifts 29/	919	27	893	27	10	-	16	-	206	42	46
47	Depreciation	25,748	4,761	24,763	4,294	405	98	580	369	2,630	986	47
48	Depletion	1,607	382	950	80	656	302	1	-	125	72	48
49	Amortization 30/	21	6	19	4	2	-	-	2	22	24	49
50	Advertising	5,974	855	5,933	838	9	2	32	15	1,552	416	50
51	Amounts contributed under pension plans, etc. 31/	2,505	96	2,470	96	9	-	26	-	227	18	51
52	Net loss, sales other than capital assets 23/	605	2,414	591	2,311	6	32	8	71	146	364	52
53	Other deductions	118,984	23,317	113,915	21,798	1,964	286	3,105	1,233	31,250	8,217	53
54	Total compiled deductions	912,123	146,020	866,396	137,575	21,066	2,085	24,661	6,360	152,466	32,469	54
55	Compiled net profit or net loss (37 less 54)	200,071	35/18,925	190,156	35/17,673	6,471	35/413	3,444	35/839	22,366	35/5,140	55
56	Net income or deficit 2/ (55 less 27)	199,947	35/19,039	190,039	35/17,787	6,464	35/413	3,444	35/839	22,335	35/5,140	56
57	Net operating loss deduction 32/	2,507	-	2,124	-	282	-	101	-	583	-	57
58	Income tax 3/	64,056	-	61,261	-	1,692	-	1,103	-	5,976	-	58
59	Excess profits tax 4/	2,440	-	2,417	-	-	-	23	-	117	-	59
60	Total tax	66,496	-	63,678	-	1,692	-	1,126	-	6,093	-	60
61	Compiled net profit less total tax (55 less 60)	133,575	35/18,925	126,478	35/17,673	4,779	35/413	2,318	35/839	16,273	35/5,140	61
	Dividends paid:											
62	Cash and assets other than own stock	32,277	394	28,066	388	3,506	1	705	5	3,914	2,284	62
63	Corporation's own stock	1,277	2	1,252	2	25	-	-	-	458	11	63

For footnotes, see pp. 30 - 31

Table 4. - Corporation income tax returns with balance sheets, 1/ 1946, by total assets classes: Number of returns, assets and liabilities, compiled receipts, compiled deductions, compiled net profit or net loss, net income or deficit, net operating loss deduction, income tax, excess profits tax, total tax, compiled net profit less total tax, and dividends paid by type of dividend

(Total assets classes and money figures in thousands of dollars)

		Total	Total assets classes 42/ Under 50	50 under 100	100 under 250	250 under 500	500 under 1,000	1,000 under 5,000	5,000 under 10,000	10,000 under 50,000	50,000 under 100,000	100,000 and over
1	Number of returns with balance sheets 37/	440,750	199,076	76,821	76,592	34,264	20,803	24,618	4,241	3,341	463	531
	Assets:											
2	Cash 38/	58,501,533	748,894	800,877	1,562,870	1,464,313	1,878,424	8,219,413	4,409,389	9,486,476	4,125,162	25,805,715
3	Notes and accounts receivable	62,143,298	797,223	1,059,428	2,321,538	2,309,427	2,751,934	9,078,882	4,736,402	9,632,532	3,698,408	25,757,524
4	Less: Reserve for bad debts	772,552	19,489	25,291	54,349	55,102	60,200	142,841	67,125	127,745	38,364	182,046
5	Inventories	36,964,761	740,213	985,137	2,151,739	2,227,618	2,544,028	6,412,197	2,922,152	6,200,655	2,645,286	10,135,736
6	Investments, Government obligations 39/	109,909,608	55,317	125,196	422,245	618,086	1,392,008	12,325,109	8,240,469	17,653,060	7,449,033	61,629,085
7	Other investments 40/	77,089,027	188,106	261,419	700,789	875,299	1,346,863	5,857,722	3,619,125	10,461,664	5,469,015	48,309,025
8	Gross capital assets 41/ (except land)	148,968,021	1,960,087	2,497,490	5,519,499	5,191,706	5,787,456	15,087,964	7,788,191	20,932,275	12,114,697	72,088,656
9	Less: Reserves	57,421,321	766,248	902,664	2,031,581	2,020,984	2,408,005	6,536,589	3,346,792	8,985,632	4,247,992	26,174,834
10	Land	8,782,002	302,655	480,583	1,068,893	964,710	944,174	1,996,800	737,458	1,115,530	368,749	802,450
11	Other assets	10,540,796	189,182	208,697	431,908	422,345	407,971	1,075,996	587,979	1,526,794	873,009	4,816,915
12	Total assets 42/	454,705,173	4,195,940	5,490,872	12,093,551	11,997,418	14,584,653	53,374,653	29,627,248	67,895,609	32,457,003	222,988,226
	Liabilities:											
13	Accounts payable	21,336,309	750,023	786,875	1,627,884	1,504,379	1,545,983	3,451,226	1,378,596	2,948,810	1,198,870	6,143,663
	Bonds, notes, mortgages payable:											
14	Maturity less than 1 year	9,503,833	314,108	345,882	733,253	712,328	888,956	2,115,164	684,083	1,289,776	512,642	1,907,641
15	Maturity 1 year or more	44,968,385	651,854	903,688	2,180,526	1,945,370	1,909,284	4,329,557	1,901,399	5,310,323	3,807,786	22,028,598
16	Other liabilities	214,282,879	482,002	529,647	1,223,142	1,416,199	2,724,013	22,194,420	14,507,491	31,962,742	14,350,401	124,892,822
17	Capital stock, preferred	14,856,873	116,868	131,980	335,438	400,545	514,477	1,651,255	800,958	2,668,577	1,788,457	6,448,318
18	Capital stock, common	68,333,592	1,977,647	1,840,300	3,484,626	3,068,050	3,257,944	7,982,361	3,764,201	8,916,440	4,674,135	29,367,888
19	Surplus reserves	11,003,603	28,674	50,128	146,235	220,738	355,030	1,287,881	813,696	2,097,225	924,766	5,079,230
20	Surplus and undivided profits 43/	78,836,054	1,039,349	1,404,649	3,204,307	3,339,772	4,090,520	11,875,938	6,210,675	13,752,728	5,657,368	28,260,748
21	Less: Deficit 44/	8,416,355	1,164,585	502,277	841,860	609,963	701,554	1,513,149	433,851	1,051,012	457,422	1,140,682
22	Total liabilities 42/	454,705,173	4,195,940	5,490,872	12,093,551	11,997,418	14,584,653	53,374,653	29,627,248	67,895,609	32,457,003	222,988,226
	Receipts:											
23	Gross sales 15/	231,043,990	8,411,282	9,961,274	20,494,187	19,455,076	20,733,432	44,255,066	17,394,173	34,017,509	11,900,500	44,421,491
24	Gross receipts from operations 16/	39,939,591	2,071,119	1,522,071	2,649,769	2,091,377	2,318,772	4,743,906	1,986,731	4,551,861	2,967,360	15,036,625
	Interest on Government obligations (less amortizable bond premium):											
25	Wholly taxable 17/	1,722,538	4,040	4,027	10,110	13,997	21,472	170,777	122,538	264,261	114,440	996,876
26	Subject to surtax only 18/	263,323	52	125	432	720	1,676	14,118	11,630	35,187	17,356	182,027
27	Wholly tax-exempt 19/	204,424	87	142	581	803	2,838	21,842	14,684	29,553	12,246	121,648
28	Other interest	2,461,942	9,016	13,024	32,501	34,628	51,727	275,371	160,454	336,696	138,578	1,409,947
29	Rents 20/	2,469,238	211,199	208,844	432,416	325,649	128,782	246,853	95,887	173,257	124,589	521,762
30	Royalties 21/	282,881	9,049	6,829	18,250	16,932	19,361	59,837	40,210	57,854	17,466	37,093
31	Excess of net short-term capital gain over net long-term capital loss 22/	36,274	3,194	1,989	3,469	3,553	2,823	5,515	3,043	6,477	1,341	4,870
32	Excess of net long-term capital gain over net short-term capital loss 22/	1,105,143	38,397	35,833	70,839	68,165	70,108	201,228	101,491	247,610	94,321	177,151
33	Net gain, sales other than capital assets 23/	278,013	37,954	29,965	43,830	30,495	31,452	48,644	13,785	15,586	1,851	24,451
34	Dividends, domestic corporations 24/	1,691,489	2,964	4,349	15,168	23,529	41,025	188,975	106,111	317,767	176,581	815,020
35	Dividends, foreign corporations 25/	252,058	317	76	890	663	1,136	8,397	8,270	48,156	37,895	146,258
36	Other receipts	2,166,500	103,522	115,189	215,337	204,187	186,128	383,884	174,545	260,366	70,013	453,329
37	Total compiled receipts 10/	283,917,404	10,902,192	11,903,737	23,987,779	22,269,774	23,610,732	50,624,413	20,233,552	40,362,140	15,674,537	64,348,548
	Deductions:											
38	Cost of goods sold 26/	176,770,398	6,308,124	7,642,893	15,912,096	15,131,131	16,108,708	33,989,648	12,967,866	25,575,531	8,847,078	34,287,323
39	Cost of operations 26/	22,782,353	1,115,958	852,271	1,561,827	1,250,758	1,306,911	2,599,528	918,772	2,140,553	1,592,713	9,443,062
40	Compensation of officers	5,032,602	705,468	567,541	908,646	653,198	544,175	827,763	230,650	305,834	77,369	211,958
41	Rent paid on business property	2,764,581	276,539	173,505	259,953	189,757	180,520	343,333	138,347	257,819	126,397	818,411
42	Repairs 27/	2,669,858	76,664	71,812	138,643	124,109	138,833	395,575	204,418	505,793	199,739	814,272
43	Bad debts	343,613	19,492	20,914	39,734	30,888	31,909	62,062	20,826	36,219	13,801	67,768
44	Interest paid	2,198,332	41,417	49,483	113,578	104,257	108,301	272,914	125,916	278,637	155,836	947,993
45	Taxes paid 28/	5,734,499	148,904	148,596	297,878	287,655	321,964	857,038	404,292	886,426	398,584	1,983,162
46	Contributions or gifts 29/	210,620	4,818	6,679	16,387	17,675	20,563	50,057	19,504	31,528	12,971	30,438
47	Depreciation	4,127,865	111,846	119,495	239,057	212,390	232,993	532,272	238,345	569,219	304,278	1,567,970
48	Depletion	780,699	3,278	3,681	10,807	14,399	23,216	71,271	38,312	130,732	40,021	444,982
49	Amortization 30/	63,109	1,124	1,053	1,895	1,825	1,628	4,480	2,421	10,956	2,640	35,087
50	Advertising	2,354,500	68,816	68,383	138,533	139,243	172,125	433,280	228,806	397,550	190,747	517,017
51	Amounts contributed under pension plans, etc. 31/	826,741	2,679	2,881	8,779	15,443	27,587	94,623	52,960	136,451	69,705	415,633
52	Net loss, sales other than capital assets 23/	199,850	20,899	11,054	15,670	14,286	12,514	33,378	15,837	24,135	13,560	38,517
53	Other deductions	32,032,907	1,633,201	1,514,128	2,828,869	2,498,384	2,538,594	5,430,325	2,493,042	4,960,938	2,042,028	6,093,398
54	Total compiled deductions	258,892,527	10,539,227	11,254,369	22,492,352	20,685,398	21,770,541	45,997,547	18,100,314	36,248,321	14,087,467	57,716,991
55	Compiled net profit or net loss (37 less 54)	25,024,877	362,965	649,368	1,495,427	1,584,376	1,840,191	4,626,866	2,133,238	4,113,819	1,587,070	6,631,557
56	Net income or deficit 2/ (55 less 27)	24,820,453	362,878	649,226	1,494,846	1,583,573	1,837,353	4,605,024	2,118,554	4,084,266	1,574,824	6,509,909
57	Net operating loss deduction 32/	151,515	23,879	15,969	23,171	15,271	14,411	22,944	4,902	8,996	817	1,155
58	Income tax 3/	8,447,187	117,364	180,728	495,052	585,462	694,336	1,707,520	778,495	1,457,616	543,410	1,887,204
59	Excess profits tax 4/	263,245	1,609	4,726	13,649	17,939	23,533	73,716	30,916	48,976	15,373	32,808
60	Total tax	8,710,432	118,973	185,454	508,701	603,401	717,869	1,781,236	809,411	1,506,592	558,783	1,920,012
61	Compiled net profit less total tax (55 less 60)	16,314,445	243,992	463,914	986,726	980,975	1,122,322	2,845,630	1,323,827	2,607,227	1,028,287	4,711,545
	Dividends paid:											
62	Cash and assets other than own stock	7,377,607	86,054	92,448	216,747	252,986	305,252	936,561	548,138	1,341,369	651,214	2,946,838
63	Corporation's own stock	522,546	5,877	12,946	41,385	50,863	67,479	163,218	58,006	90,851	21,414	10,507

For footnotes, see pp. 30 - 31

Table 5. - Corporation income tax returns, 1/ 1946, by net income and deficit classes, for returns with net income and returns with no net income: Number of returns, and net income or deficit; also, for returns with net income: Total tax, income tax, and excess profits tax

(Net income and deficit classes and money figures in thousands of dollars)

Net income and deficit classes 2/	Returns with net income 2/					Returns with no net income 2/	
	Number of returns	Net income 2/	Taxes			Number of returns	Deficit 2/
			Total tax	Income tax 3/	Excess profits tax 4/		
Under 1	60,207	25,177	4,607	4,607	-	69,146	18,822
1 under 2	32,005	47,003	8,904	8,904	-	15,819	22,848
2 under 3	23,055	57,116	11,052	11,052	-	8,878	21,876
3 under 4	18,218	63,534	12,422	12,422	-	5,940	20,648
4 under 5	15,815	70,921	14,026	14,025	1	4,248	19,060
5 under 10	50,942	371,280	76,294	76,289	5	10,976	77,606
10 under 15	30,621	376,641	80,642	80,337	305	4,779	58,399
15 under 20	20,971	363,745	80,012	78,775	1,237	2,597	44,787
20 under 25	18,119	408,159	91,867	90,019	1,848	1,732	38,571
25 under 50	35,645	1,248,324	373,252	363,601	9,651	3,536	123,661
50 under 100	22,736	1,600,462	578,869	562,974	15,895	1,985	137,131
100 under 250	17,308	2,685,312	976,969	947,072	29,897	1,291	197,498
250 under 500	6,734	2,350,407	854,614	824,266	30,348	469	162,760
500 under 1,000	3,533	2,458,464	883,131	845,348	37,783	218	151,709
1,000 under 5,000	2,806	5,608,499	1,976,698	1,904,685	72,013	192	368,590
5,000 under 10,000	316	2,180,118	728,947	708,586	20,361	18	123,965
10,000 and over	279	7,269,430	2,122,458	2,073,657	48,801	18	403,775
Total	359,310	27,184,592	45/8,874,840	45/8,606,695	268,145	131,842	1,991,706
No income data (inactive corporations)	-	-	-	-	-	35,211	-

For footnotes, see pp. 30 - 31

Footnotes for tables in this release

1/ The information contained in this release is compiled from the returns as filed, prior to revisions that may be made as a result of audit by the Bureau of Internal Revenue. Data are likewise prior to any changes resulting from carry-backs, relief granted under section 722 of the Internal Revenue Code, recomputation of amortization of emergency facilities, or from the renegotiation of war contracts, after the returns were filed. The effect of renegotiation settlements reached after the returns were filed is to be shown in special tabulations which will appear in the complete reports, "Statistics of Income, Part 2," for each of the years 1942 through 1946.

2/ "Net income" or "Deficit" for 1946 is the difference between the total income and the total deductions as reported on the return, adjusted by excluding net operating loss deduction; for 1945 is the amount reported for declared value excess-profits tax computation, adjusted by excluding net operating loss deduction and adding Government interest subject to surtax only and excess of net long-term capital gain over net short-term capital loss. See note 32.

3/ "Income tax" consists of normal tax, surtax, and alternative tax reported in lieu of normal tax and surtax where the income includes an excess of net long-term capital gain over net short-term capital loss, if and only if such tax is less than the normal tax and surtax. Tabulated with the income tax for returns with net income is a small amount of tax reported on returns with no net income, under the special provisions applicable to certain mutual insurance companies, other than life or marine.

4/ The excess profits tax shown is that imposed by section 710 of the Internal Revenue Code as amended and should not be confused with the declared value excess-profits tax. Effective January 1, 1946, the corporate excess profits tax is repealed. For 1946 the excess profits tax data shown are from excess profits tax returns for fiscal years ending in the period July through November 1946, and part years beginning in 1945 and ending in 1946 with the greater part of the accounting period in 1946. (For fiscal years beginning in 1945 and ending in 1946, the excess profits tax is retained for the 1945 portion of the year. In such cases the tax is determined by first computing a tentative tax under the provisions applicable to taxable years beginning on January 1, 1945. The tentative tax is then prorated on the basis of the number of days in the taxable year before January 1, 1946.) As in 1945, the amount shown is the excess profits tax less the 10 percent credit. Throughout this release, the tax is before the amount deferred under section 710(a)(5) (relating to abnormalities under section 722) and after any adjustments reported on the returns under other relief provisions.

5/ The excess profits net income is obtained from the normal-tax net income (computed without allowance of credit for income subject to excess profits tax and without allowance of dividends received credit) by making certain adjustments, consisting principally of the exclusion of long-term capital gains and losses, and dividends received from domestic corporations.

6/ The adjusted excess profits net income, as reported on Form 1121, is the excess profits net income less the sum of the specific exemption, excess profits credit, and unused excess profits credit adjustment. For part year returns, the amounts of excess profits net income and adjusted excess profits net income have been placed on an annual basis.

7/ The declared value excess-profits tax is repealed, effective with respect to income tax taxable years ending after June 30, 1946.

8/ The industrial classification is based on the business activity reported on the return. When multiple businesses are reported on a return, the classification is determined by the business activity which accounts for the largest percentage of total receipts. Therefore, the industrial groups do not reflect pure industry classifications. There is no change in the industrial groups between 1945 and 1946.

9/ Total number of returns includes returns of inactive corporations.

10/ "Total compiled receipts" consists of gross sales (less returns and allowances), gross receipts from operations (where inventories are not an income-determining factor), all interest received on Government obligations (less amortizable bond premium), other interest, rents, royalties, excess of net short-term capital gain over net long-term capital loss, excess of net long-term capital gain over net short-term capital loss, net gain from sale or exchange of property other than capital assets, dividends, and other receipts required to be included in gross income. "Total compiled receipts" excludes nontaxable income other than tax-exempt interest received on certain Government obligations.

11/ The industrial classification designated "Investment trusts and investment companies" consists of corporations which derived 90 percent or more of receipts from investments and which at no time during the taxable year had investments in corporations in which they owned 50 percent or more of the voting stock.

12/ The industrial classification designated "Holding companies" consists of corporations which derived 90 percent or more of receipts from investments and which at some time during the taxable year had investments in corporations in which they owned 50 percent or more of the voting stock.

13/ The industrial classification designated "Operating-holding companies" consists of corporations which derived less than 90 percent but more than 50 percent of receipts from investments.

14/ Number of returns shown excludes returns of inactive corporations.

15/ "Gross sales" consists of amounts received for goods, less returns and allowances, in transactions where inventories are an income-determining factor. For "Cost of goods sold," see "Deductions."

16/ "Gross receipts from operations" consists of amounts received from transactions in which inventories are not an income-determining factor. For "Cost of operations," see "Deductions."

17/ "Interest received on Government obligations, wholly taxable" consists of interest on Treasury notes issued on or after December 1, 1940, and obligations issued on or after March 1, 1941, by the United States or any agency or instrumentality thereof, reported as item 9(c), page 1, Form 1120.

18/ "Interest received on Government obligations, subject to surtax only" consists of interest on United States savings bonds and Treasury bonds owned in principal amount of over $5,000 issued prior to March 1, 1941, reported as item 9(a), page 1, Form 1120; and interest on obligations of instrumentalities of the United States (other than obligations of Federal land banks, joint stock land banks, and Federal intermediate credit banks) issued prior to March 1, 1941, reported as item 9(b), page 1, Form 1120.

19/ "Interest received on Government obligations, wholly tax-exempt" consists of interest on obligations of States, Territories, or political subdivisions thereof, the District of Columbia, and United States possessions; obligations of the United States issued on or before September 1, 1917; all postal savings bonds; Treasury notes issued prior to December 1, 1940; Treasury bills issued prior to March 1, 1941; United States savings bonds and Treasury bonds owned in principal amount of $5,000 or less issued prior to March 1, 1941; and obligations issued prior to March 1, 1941, by Federal land banks, joint stock land banks, and Federal intermediate credit banks. Interest from such sources is reported under item 19(a) of schedule M, page 4, Form 1120.

20/ Amount shown as "Rents" consists of gross amounts received. The amounts of depreciation, repairs, interest, taxes, and other expenses, which are deductible from the gross amount received for rents, are included in the respective deduction items.

21/ Amount shown as "Royalties" consists of gross amounts received. The amount of depletion, which is deductible from the gross amount of royalties received, is included in the item of "Depletion" in deductions.

22/ Capital gain or loss is the amount of gain or loss arising from the sale or exchange of capital assets. (A net loss from this source is not deductible for the current year, but may be carried over and applied against capital gains in the five succeeding taxable years to the extent not allowed as a deduction against any net capital gains of any taxable year intervening between the taxable year in which the net capital loss was sustained and the taxable year to which carried.) The term "Capital assets" means property held by the taxpayer (whether or not connected with trade or business), but excludes (1) stock in trade or other property which would properly be included in inventory if on hand at the close of the taxable year, (2) property held primarily for sale to customers in the ordinary course of trade or business, (3) property used in trade or business, of a character which is subject to the allowance for depreciation, (4) Government obligations issued on or after March 1, 1941, on a discount basis and payable without interest at a fixed maturity date not exceeding one year from the date of issue, and (5) real property used in the trade or business of the taxpayer. Beginning 1942 gains and losses from (a) sale or exchange of depreciable property and real property, used in the trade or business and held for more than 6 months, and from (b) involuntary conversion of such property and of capital

Footnotes for tables in this release - Continued

assets held for more than 6 months are treated as long-term capital gains and losses, if the gains exceed the losses. If the losses exceed the gains, the net loss is deductible as an ordinary loss. For taxable years beginning after December 31, 1941, "short-term" applies to gains or losses on the sale or exchange of capital assets held six months or less; "long-term" applies to gains or losses on capital assets held over six months.

23/ "Net gain or loss, sales other than capital assets" is the net amount of gain or loss arising from the sale or exchange of depreciable and real property used in trade or business and short-term noninterest-bearing Government obligations issued on or after March 1, 1941, on a discount basis. If the property used in trade or business has been held for more than 6 months, special treatment of the gain or loss is provided as described in note 22 above.

24/ "Dividends, domestic corporations" consists of dividends received from domestic corporations subject to income taxation under chapter 1 of the Internal Revenue Code. This item is reported in column 2, schedule E, page 2, Form 1120, and is the amount used for computation of the dividends received credit.

25/ "Dividends, foreign corporations" is the amount reported in column 3, schedule E, page 2, Form 1120, and is not used for the computation of dividends received credit.

26/ Where the amount reported as "Cost of goods sold" or "Cost of operations" includes items of deductions such as depreciation, taxes, etc., these items ordinarily are not transferred to their specific headings. However, an exception is made with respect to amounts reported in costs and identifiable as "Amortization of emergency facilities" and "Amounts contributed under pension plans, etc.," such amounts being transferred to the respective deduction items.

27/ Amount shown as "Repairs" is the cost of incidental repairs, including labor and supplies, which do not add materially to the value of the property or appreciably prolong its life.

28/ The item "Taxes paid" excludes (1) Federal income tax and Federal excess profits taxes, (2) estate, inheritance, legacy, succession, and gift taxes, (3) income taxes paid to a foreign country or possession of the United States if any portion is claimed as a tax credit, (4) taxes assessed against local benefits, (5) Federal taxes paid on tax-free covenant bonds, and (6) taxes reported in "Cost of goods sold" and "Cost of operations."

29/ The deduction claimed for "Contributions or gifts" is limited to 5 percent of net income as computed without the benefit of this deduction.

30/ Amount shown as "Amortization" is the deduction provided by section 124 of the Internal Revenue Code as amended with respect to the amortization of the cost of emergency facilities necessary for national defense. On September 29, 1945, the President proclaimed the ending of the emergency period defined in section 124(e)(2). As a result, taxpayers holding certified emergency facilities on which the 60-month amortization period had not expired could elect to terminate the amortization period as of September 30, 1945, and recompute the amortization deduction for each tax year involved, on the basis of the actual number of months in the shortened period. Thus, the amortization deductions reported on the 1945 and the 1946 returns are, in many instances, the increased amounts based on the shortened period, whereas the amounts reported on returns for 1944 and earlier years are based on a 60-month period and are subject to adjustment to give effect to the recomputation.

31/ "Amounts contributed under pension plans, etc.," consists of deductions claimed under section 23(p) of the Internal Revenue Code for amounts contributed by employers under pension, annuity, stock-bonus, or profit-sharing plans, or other deferred compensation plans.

32/ The net operating loss deduction tabulated herein is the amount originally reported, consisting only of the net operating loss carry-over reduced by certain adjustments, and does not take into account whatever revisions may subsequently be made as the result of any carry-back of net operating loss from the two succeeding tax years. In general, the net operating loss carry-over is the sum of the net operating losses, if any, for the two preceding taxable years. If there is net income in the first preceding taxable year, the net operating loss for the second preceding taxable year is reduced to the extent such loss has been absorbed by such net income.

33/ Amount shown as "Compensation of officers" excludes compensation of officers of life insurance companies which file Form 1120L. Data not available.

34/ See note 33.

35/ Compiled net loss or deficit.

36/ Compiled net loss after total tax payment.

37/ "Number of returns with balance sheets" excludes returns of inactive corporations and returns of active corporations for which balance sheet data are lacking.

38/ Amount shown as "Cash" includes bank deposits.

39/ Amount shown as "Investments, Government obligations" consists of obligations of the United States or agency or instrumentality thereof as well as obligations of States, Territories, and political subdivisions thereof, the District of Columbia, and United States possessions. See note 40.

40/ Where investments are not segregated as between "Government obligations" and "Other," the entire amount is included in "Other investments."

41/ Amount shown as "Capital assets" consists of (1) depreciable tangible assets such as buildings, fixed mechanical equipment, manufacturing facilities, transportation facilities, and furniture and fixtures, (2) depletable tangible assets — natural resources, and (3) intangible assets such as patents, franchises, formulas, copyrights, leaseholds, goodwill, and trade-marks. (Amounts in tables 3 and 4 of this release exclude land.)

42/ Assets and liabilities are tabulated as of December 31, 1946, or close of fiscal year nearest thereto. Total assets classes are based on the net amount of total assets after reserves for depreciation, depletion, amortization, and bad debts. Adjustments are made in tabulating the data as follows: (1) Reserves, when shown under liabilities, are used to reduce corresponding asset accounts, and "Total assets" and "Total liabilities" are decreased by the amount of such reserves, and (2) a deficit in surplus, shown under assets, is transferred to liabilities, and "Total assets" and "Total liabilities" are decreased by the amount of the deficit.

43/ Amount shown as "Surplus and undivided profits" consists of paid-in or capital surplus and earned surplus and undivided profits. See note 44.

44/ Amount shown as "Deficit" consists of negative amounts of earned surplus and undivided profits.

45/ Included in the total, but not in the detail, under "Income tax" and "Total tax," is $76,182 of tax reported on returns with no net income. See note 3.

S-1052

IMMEDIATE RELEASE
Wed April ~~12~~ 13 1949.

The Bureau of Customs announced today preliminary figures showing the imports for consumption of commodities within quota limitations provided for under the General Agreement on Tariffs and Trade, from the beginning of the quota periods to April 2, 1949, inclusive as follows:

12

Commodity	Period and Quantity		Unit of Quantity	Imports as of April 2, 1949
Whole milk, fresh or sour....................	Calendar year	3,000,000	Gallon	458
Cream, fresh or sour.......	Calendar year	1,500,000	Gallon	198
Butter.....................	Nov. 1, 1948- Mar. 31, 1949	50,000,000	Pound	455,061
Fish, fresh or frozen, filleted, etc., cod, haddock, hake, pollock, cusk, and rosefish.......	Calendar year	(1) 26,881,369	Pound	9,016,875
White or Irish potatoes:				
certified seed...........	12 months from	150,000,000	Pound	Quota Filled
other	Sept. 15, 1948	60,000,000	Pound	Quota Filled
Walnuts....................	Calendar year	5,000,000	Pound	957,440

(1) The proviso to Item 717(b) limits the imports for consumption at the quota rate to 13,440,684 pounds during the first six months of the calendar year.

Due to a provision of the President's proclamation No. 2769 of January 30, 1948, in which the entry of a specified quantity of Cuban filler tobacco, unstemmed or stemmed (other than cigarette leaf tobacco) and scrap tobacco, affects the rate of duty on such tobacco from countries other than Cuba, a record is maintained of imports from Cuba. 6,143,502 pounds of such Cuban tobacco were imported for consumption during the period January 1 to April 2, 1949, inclusive.

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TREASURY DEPARTMENT
Washington 25

IMMEDIATE RELEASE
Wednesday, April 13, 1949.

S-1052

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White or Irish potatoes:				
certified seed........	12 months from	150,000,000	Pound	Quota Filled
other	Sept. 15, 1948	60,000,000	Pound	Quota Filled
Walnuts................	Calendar year	5,000,000	Pound	957,440

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13 S-1053

~~FOR~~ IMMEDIATE RELEASE,
Wed April ~~12~~ 13 1949

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, 1948, as follows:

8

Country of Origin	Wheat		Wheat flour, semolina, crushed or cracked wheat, and similar wheat products	
	Established Quota	Imports May 29, 1948, to April 2, 1949	Established Quota	Imports May 29, 1948, to April 2, 1949
	(Bushels)	(Bushels)	(Pounds)	(Pounds)
Canada	795,000	94,026	3,815,000	2,497,380
China	-	-	24,000	160
Hungary	-	-	13,000	-
Hong Kong	-	-	13,000	-
Japan	-	-	8,000	-
United Kingdom	100	-	75,000	-
Australia	-	-	1,000	-
Germany	100	-	5,000	-
Syria	100	-	5,000	14
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	21	1,000	-
Greece	-	-	1,000	-
Mexico	100	-	1,000	-
Panama	-	-	1,000	-
Uruguay	-	-	1,000	-
Poland and Danzig	-	-	1,000	-
Sweden	-	-	1,000	661
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	94,047	4,000,000	2,498,215

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TREASURY DEPARTMENT
Washington 25

IMMEDIATE RELEASE
Wednesday, April 13, 1949

S-1053

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China	-	-	24,000	160
Hungary	-	-	13,000	-
Hong Kong	-	-	13,000	-
Japan	-	-	8,000	-
United Kingdom	100	-	75,000	-
Australia	-	-	1,000	-
Germany	100	-	5,000	-
Syria	100	-	5,000	14
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	21	1,000	-
Greece	-	-	1,000	-
Mexico	100	-	1,000	-
Panama	-	-	1,000	-
Uruguay	-	-	1,000	-
Poland and Danzig	-	-	1,000	-
Sweden	-	-	1,000	-
Yugoslavia	-	-	1,000	661
Norway	-	-	1,000	-
Canary Islands	-	-	1,000	-
Rumania	1,000	-	-	-
Guatemala	100	-	-	-
Brazil	100	-	-	-
Union of Soviet Socialist Republics	100	-	-	-
Belgium	100	-	-	-
	800,000	94,047	4,000,000	2,498,215

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The earlier decisions, which are revoked, are TD's 45320 (4) and 51193 (2).

In the case of articles which will be subject to higher duty than has been heretofore assessed under a uniform and esttablished practice, the new ruling will be effective after the expiration of 30 days from the date of its official publication.

Immediate Release
Wednesday, April 13, 1949

S 1054

The Bureau of Customs, in a decision made public today, has ruled that an article whose "physical entirety is assembled abroad in whole or in part with American parts" is dutiable on its full value.

The ruling was made in a letter dated April 5, 1949, to the collector of customs at San Diego, California, an abstract of which will appear shortly in the official publication "Treasury Decisions."

The decision deals specifically with a question concerning imported automobiles made in a foreign country by assembly of a complete body of United States or foreign manufacture and a complete chassis of United States manufacture.

However, the determination is applicable to other types of merchandise assembled in entirety abroad where United States made parts are used. The ruling supersedes earlier decisions under which in some cases duty free treatment was accorded to the extent of the value of American made components.

The full value dutiability ruling on this class of merchandise is based on a number of Customs Court and previous administrative interpretations of the tariff laws, one section of which, with certain specific exceptions, excludes from free-entry privilege those American made goods which while abroad have "been advanced in value or improved in condition by any process of manufacture or other means."

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TREASURY DEPARTMENT

Information Service

WASHINGTON, D.C.

IMMEDIATE RELEASE
Wednesday, April 13, 1949.

S-1054

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The decision deals specifically with a question concerning imported automobiles made in a foreign country by assembly of a complete body of United States or foreign manufacture and a complete chassis of United States manufacture.

However, the determination is applicable to other types of merchandise assembled in entirety abroad where United States made parts are used. The ruling supersedes earlier decisions under which in some cases duty free treatment was accorded to the extent of the value of American made components.

The full value dutiability ruling on this class of merchandise is based on a number of Customs Court and previous administrative interpretations of the tariff laws, one section of which, with certain specific exceptions, excludes from free-entry privilege those American made goods which while abroad have "been advanced in value or improved in condition by any process of manufacture or other means."

The earlier decisions, which are revoked, are TD's 45320 (4) and 51193 (2).

In the case of articles which will be subject to higher duty than has been heretofore assessed under a uniform and established practice, the new ruling will be effective after the expiration of 30 days from the date of its official publication.

ALPHA

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, non-competitive tenders for $200,000 or less without stated price from any one bidder will be accepted in full at the average price (in three decimals) of accepted competitive bids. Settlement for accepted tenders in accordance with the bids must be made or completed at the Federal Reserve Bank on April 21, 1949 ~~(8)~~, in cash or other immediately available funds or in a like face amount of Treasury bills maturing April 21, 1949 x~~(9)~~. Cash and exchange tenders will receive equal treatment. 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 the Internal Revenue Code, or laws amendatory or supplementary thereto. 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

~~Exhibit 1~~

~~ALPHA~~

TREASURY DEPARTMENT
Washington

V - 1055

FOR RELEASE, MORNING NEWSPAPERS,
Friday, April 15, 1949.
(1)

The Secretary of the Treasury, by this public notice, invites tenders for $900,000,000 (2), or thereabouts, of 91 (3) -day Treasury bills, for cash and in exchange for Treasury bills maturing April 21, 1949 (4), to be issued on a discount basis under competitive and non-competitive bidding as hereinafter provided. The bills of this series will be dated April 21, 1949 (5), and will mature July 21, 1949 (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, April 18, 1949 (7). Tenders will not be received at the Treasury Department, Washington. Each tender must be for an even multiple of $1,000, and in the case of competitive tenders 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

Information Service WASHINGTON, D.C.

RELEASE, MORNING NEWSPAPERS,
Friday, April 15, 1949.

S-1055

The Secretary of the Treasury, by this public notice, invites tenders for $900,000,000, or thereabouts, of 91-day Treasury bills, for cash and in exchange for Treasury bills maturing April 21, 1949, to be issued on a discount basis under competitive and non-competitive bidding as hereinafter provided. The bills of this series will be dated April 21, 1949, and will mature July 21, 1949, 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 18, 1949. Tenders will not be received at the Treasury Department, Washington. Each tender must be for an even multiple of $1,000, and in the case of competitive tenders 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, non-competitive tenders for $200,000 or less without stated price from any one bidder will be accepted in full at the average price (in three decimals) of accepted competitive bids. Settlement for accepted tenders in accordance with the bids must be made or completed at the Federal Reserve Bank on April 21, 1949, in cash or other immediately available funds or in a like face amount of Treasury bills maturing April 21, 1949. Cash and exchange tenders will receive equal treatment. 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 the Internal Revenue Code, or laws amendatory or supplementary thereto. The bills shall be subject to estate, inheritance, gift or other excise taxes, whether Federal or State, but shall be exempt from all taxation now or hereafter imposed on the principal or interest thereof by any State, or any of the possessions of the United States, or by any local taxing authority. For purposes of taxation the amount of discount at which Treasury bills are originally sold by the United States shall be considered to be interest. Under Sections 42 and 117 (a) (1) of the Internal Revenue Code, as amended by Section 115 of the Revenue Act of 1941, the amount of discount at which bills issued hereunder are sold shall not be considered to accrue until such bills shall be sold, redeemed or otherwise disposed of, and such bills are excluded from consideration as capital assets. Accordingly, the owner of Treasury bills (other than life insurance companies) issued hereunder need include in his income tax return only the difference between the price paid for such bills, whether on original issue or on subsequent purchase, and the amount actually received either upon sale or redemption at maturity during the taxable year for which the return is made, as ordinary gain or loss.

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

oOo

Mr. Dillon

April 6, 1949

TO MR. BARTELT:

The following transactions were made in direct and guaranteed securities of the Government for Treasury investment and other accounts during March, 1949:

Purchases	$21,109,000
Sales	16,050,000
Net Purchases. . .	$ 5,059,000

E. O. Barnes

Acting Chief, Division of Investments

MFalcone:br
6-6-49

TREASURY DEPARTMENT

Information Service WASHINGTON, D.C.

RELEASE, MORNING NEWSPAPERS,
~~Tuesday, March 15, 1949.~~
Friday, April 15, 1949

S-~~1027~~ 1056

During the month of ~~February~~ March, 1949 market transactions in direct and guaranteed securities of the Government for Treasury investment and other accounts resulted in net ~~sales~~ purchases of ~~$1,750,000~~ $5,059,000, Secretary Snyder announced today.

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TREASURY DEPARTMENT

Information Service WASHINGTON, D.C.

RELEASE, MORNING NEWSPAPERS,
Friday, April 15, 1949.

S-1056

During the month of March, 1949 market transactions in direct and guaranteed securities of the Government for Treasury investment and other accounts resulted in net purchases of $5,059,000, Secretary Snyder announced today.

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TREASURY DEPARTMENT
Washington

The following address by Secretary Snyder at a dinner honoring the National Volunteers of the United States Savings Bonds Division, Presidential Room, Hotel Statler, Washington, D. C., is for release on delivery, scheduled at 9:30 p.m. EST, Tuesday, April 19, 1949.

I am indeed happy to be with you volunteer bond workers on this occasion. Tonight we in this room are joining with thousands of our co-workers across the Nation to exemplify the importance of the Treasury's Savings Bond Program.

This peacetime campaign for the sale of United States securities is vitally significant to us all -- as individuals and as a Nation. No matter whether United States Savings Bonds are purchased in an industrial plant, through the Payroll Savings Plan, or in a bank or post office, they represent something definite and tangible to every purchaser. No matter who owns them -- factory worker, shopkeeper, farmer, professional man or woman -- Savings Bonds stand for certain concrete and positive things.

They represent a definite sharing by each individual citizen in his country's government. They mean that a certain portion of today's earnings has been set aside as a protection and a prudent reserve to meet the opportunities and the needs of tomorrow.

They stand for participation on the part of millions of men and women in the management of the national debt -- participation in spreading the ownership of that debt among as many individual Americans as possible.

They symbolize our nation-wide determination to protect the economy of this country and to achieve an even greater measure of economic well-being.

The person who owns United States Savings Bonds is a man who has a stake in the future -- his own as well as his country's. He is a man who has done something to insure a better future for himself and his family. He is a more efficient employee, a better citizen. He holds, in the form of United States Savings Bonds, tangible evidence of the reality of the free enterprise system. He has experienced, at first hand, how that system can work -- for him.

At the close of 1948, Payroll Savings Plan participants owned approximately \$12.5 billions in Savings Bonds. We recognize this figure as representing a tremendous reserve of deferred buying power -- a potential of future spending, and therefore of future business, for community, state and nation. We recognize also that these billions of dollars constitute a most satisfactory preparation for any emergencies which may lie ahead.

And this figure of \$12.5 billions in bonds represents only the Payroll Savings Plan participants. All together, individuals own more than \$48 billions in bonds. And the over-all, grand total of Savings Bonds outstanding is \$56 billions.

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S-1057

The money that Americans have invested in Savings Bonds might well be called an Opportunity Fund. It will help greatly to insure our traditions of individual freedom and security.

Tonight we are just a month away from the launching of the Opportunity Bond Drive. On May 16 our plans, which have been perfected all the way from the grass-roots up to the metropolitan market areas, will come into operation.

On that day forty-eight covered wagons will set out from Independence, Missouri -- where once the pioneers joined into large caravans for the westward trek. These covered wagons, symbolic of those days when pioneer Americans sought opportunity beyond the western frontier, will visit each of the Nation's states, where they will become the focal point of Savings Bond sales activity.

Newspapers, radio, magazines, indoor and outdoor advertising have been enlisted as never before in this OPPORTUNITY Bond Drive.

Approximately 250,000 newspaper carrier boys will visit some ten million American homes and deliver an OPPORTUNITY Bond Drive message.

National organizations -- veterans, civic, professional, social, and service -- have pledged their membership to serve as volunteers to make personal calls and to do person-to-person selling jobs.

Bankers and industrialists, labor union officials, educators and agriculturalists -- all have expressed their confidence in the ultimate success of our undertaking, and have pledged their complete support and cooperation.

We have planned with great care during the past two months. I have met with members of our 19 national advisory committees, and have discussed promotional problems with many volunteers. The magnitude of the task ahead is clearly understood and appreciated, I know, by every man and woman in this room -- and by every one of the guests at similar dinners in other cities tonight.

The sales quota we have set for ourselves is $1,040,000,000 in "E" bonds. This is a challenging figure, but the members of the Savings Bond Program organization have proven their ability to reach this goal through the concrete evidence of past labors. You volunteer salesmen and saleswomen have done a magnificent job of educating your fellow Americans to the real meaning of this program. You have established an amazing, an incredible record. You have created a demand for Savings Bonds among your fellow citizens. You have built up a habit of regular saving among millions of American workingmen and women who continue to buy their bonds through automatic payroll deductions. You have taught professional people, the farmers, and the self-employed to purchase bonds regularly through the Bond-a-Month Plan.

The attainment of our national quota is a job for everybody. It is the responsibility of everyone, everywhere in America to comprehend the significance of the Savings Bonds program to the development and maintenance of economic security for the individual and the Nation.

Many of you remember that, after the close of the Victory Loan, there was a good deal of doubt -- freely expressed -- as to how long holders of savings bonds would wait before making large scale redemptions. Even the most optimistic felt that there would be a considerable reduction in volume of sales. After all, they pointed out, the war was over. Enthusiasm, patriotic fervor, wartime urgencies had all vanished.

Well, we know now how mistaken they were. The sale of Savings Bonds continued through 1946 -- grew larger through each month of 1947 and 1948 -- because this form of savings filled a definite need in our national economy.

This need -- and the role the Savings Bonds program could play in satisfying it -- was recognized long ago by our country's top financiers. They realized the paramount importance of the program to the maintenance of a sound national economy.

I know you want to think of the OPPORTUNITY Savings Bonds Drive as your own personal opportunity to bring to the attention of everyone you can reach the value of owning United States Savings Bonds. You'll want to make it your town's opportunity to increase its bond holdings -- which are in reality tomorrow's purchasing power. You'll want to make your state's share of the national quota -- and more.

Good luck to all of you. I know you will successfully accomplish the job which lies ahead.

-oOo-

TREASURY DEPARTMENT
Washington

FOR RELEASE, MORNING NEWSPAPERS
Friday, April 15, 1949.

Press Service
No. S- 1058

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 1950, for which bids will be opened at the Treasury Department on May 13, 1949.

The estimated quantity of paper required for currency is 133,767,000 sheets, or about 1615 tons, and for public debt securities 9,850,000 sheets, or about 184 tons.

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TREASURY DEPARTMENT

Information Service WASHINGTON, D.C.

RELEASE, MORNING NEWSPAPERS,
Friday, April 15, 1949.

S-1058

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The estimated quantity of paper required for currency is 133,767,000 sheets, or about 1,615 tons, and for public debt securities 9,850,000 sheets, or about 184 tons.

oOo

Washington, D. C.; Archibald McAllister, principal, Robert Fulton Public Schools, Philadelphia, Pa.; Prof. Kenneth E. Howe, State Teachers College, New Paltz, N. Y.; Dr. Edward Alvey, dean, Mary Washington College, Fredericksburg, Va.; and Dr. Flora.

Student Council, Lane High School, Charlottesville, Va.; Mrs. Wilda F. Faust, national secretary, Future Teachers of America, National Education Association, Washington, D. C.; Vernon L. Nickell, state superintendent of public instruction, Springfield, Ill.; Monsignor Frederick G. Hochwalt, director of education, National Catholic Welfare Conference, Washington, D. C.; Cyrus L. Burnett, assistant superintendent of postal savings, Post Office Department, Washington, D. C.; Mrs. Gertrude Broderick, Federal Radio Education Commission, U. S. Office of Education, Washington, D. C.

Also Mrs. E. A. Campbell, national security chairman, American Legion Auxiliary, Homer, La.; Dr. Clyde A. Erwin, state superintendent of public instruction, Raleigh, N. Car.; James E. Bauserman, supervisor of elementary schools, Fairfax County, Fairfax, Va.; Miss Louise Combs, state department of education, Frankfort, Ky.; Dr. William Jansen, superintendent of schools, City of New York; Dr. Howard H. Cummings, division of secondary education, U. S. Office of Education, Washington, D. C.; Miss Hilda Maehling, executive secretary, Department of Classroom Teachers, National Education Association, Washington, D. C.; Mrs. Pearl Wanamaker, state superintendent of public instruction, Olympia, Wash.; Dr. Merrill F. Hartshorn, executive secretary, National Council for the Social Studies, National Education Association, fundamental to assure a sound economy in this country. The basic program is educational. We believe that children can be taught about Savings Bonds in the schools today, and the National Advisory Committee will study and suggest ways and means whereby the Program can be developed to the best interests of all concerned."

Men and women, representing education, the post office department, civic, patriotic and youth organizations make up the new Committee. Following their meeting today they attended the Patriot's Dinner for volunteers for the Savings Bonds program, at which President Truman spoke.

Members of the Committee include Dr. Hobart Corning, superintendent of schools, Washington, D. C.; Dr. Benjamin Fine, education editor, the New York Times, New York, N. Y.; Dr. W. Linwood Chase, Boston University, Boston, Mass.; Miss Eva G. Pinkston, executive secretary, Department of Elementary School Principals, National Education Association, Washington, D. C.; Leroy Lewis, national education director, American Institute of Banking, New York, N. Y.; Dr. C. Louis Thiele, divisional director, exact sciences, Detroit Public Schools, Detroit, Mich.; J. L. McCaskill, associate secretary, Department of Higher Education, National Education Association, Washington, D. C.; Dr. W. L. Nicholas, president, Peru State Teachers College, Peru, Neb.; Alton Thomas, president, From PRESS SECTION, U. S. SAVINGS BONDS DIVISION, WASHINGTON, D. C.

FOR RELEASE: P.M.Papers
April 19, 1949

(Please Observe Closely)

Washington, D. C. --- Secretary of the Treasury Snyder today announced the personnel of a 27 member National Advisory Committee on School Savings, U. S. Savings Bonds Division, Treasury Department.

Members of the committee met in Washington today to formulate plans for furthering the School Savings Program in the nation's schools.

They named as chairman Dr. A. C. Flora, superintendent of schools, Columbia, S. C., and a former president of the National Education Association.

The School Savings Program, which originated during World War II, is a program to teach students to handle their money wisely, so that they will become financially secure citizens, equipped to take responsible places in their homes, their communities and the nation. It is integrated in regular courses in school curricula.

The plan is enthusiastically endorsed by educators, according to Dr. Flora, who says: "We are interested in the long range School Savings Program which will do something

Rivers

TO: Mr. Rivers

Please re-write, removing baloney.

James J. Saxon

INFORMATION SERVICE

'ES GOVERNMENT

DATE: March 29, 1949

very much if you
il 19, 1949.

STANDARD FORM NO. 6

Rivers

Office Memorandum • UNITED STATES GOVERNMENT

TO : James J. Saxon DATE: March 29, 1949

FROM : Jacob Mogelever J. M.

SUBJECT:

Our Education Section would appreciate it very much if you would release the attached for P.M. papers, April 19, 1949.

Thank you.

Attachment
JM:mg;mw

Instruction, Olympia, Washington; Dr. Merrill F. Hartshorn, Executive Secretary, National Council for the Social Studies, National Education Association, Washington, D.C.; Archibald McAllister, Principal, Robert Fulton Public Schools, Philadelphia, Pennsylvania; Professor Kenneth E. Howe, State Teachers College, New Paltz, New York, and Dr. Edward Alvey, Dean, Mary Washington College, Fredericksburg, Virginia.

Dr. Flora, who is a former president of the National Education Association, stated that the Advisory Committee will make a study of the School Savings Program and recommend means by which its work can best be developed. "~~We are interested in a long-range program which will do something fundamental to assure a sound economy in this country," he~~ Dr. Flora stated. ~~continued, "and we believe [illegible] should be taught [illegible] Savings Bonds [illegible] may be achieved.~~

~~[illegible]~~

~~Dr. Flora said "We think that when children are taught the habit of saving~~

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Department of Higher Education, National Education Association, Washington, D.C.; Dr. W. L. Nicholas, President, Peru State Teachers College, Peru, Nebraska; Alton Thomas, President, Student Council, Lane High School, Charlottesville, Virginia; Mrs. Wilda F. Faust, National Secretary, Future Teachers of America, National Education Association, Washington, D.C.; Bernon L. Nichell, State Superintendent of Public Instruction, Springfield, Illinois; Monsignor Frederick G. Hochwalt, Director of Education, National Catholic Welfare Conference, Washington, D.C.; Cyrus L. Burnett, Assistant Superintendent of Postal Savings, Post Office Department, Washington, D.C.; Mrs. Gertrude Broderick, Federal Radio Education Commission, U. S. Office of Education, Washington, D. C.; Mrs. E. A. Campbell, National Security Chairman, American Legion Auxiliary, Homer, Louisiana; Dr. Clyde A. Erwin, State Superintendent of Public Instruction, Raleigh, North Carolina; James E. Bauserman, Supervisor of Elementary Schools, Fairfax County, Fairfax, Virginia; Miss Louise Combs, State Department of Education, Frankfort, Kentucky; Dr. William Jansen, Superintendent of Schools, City of New York; Dr. Howard H. Cummings, Division of Secondary Education, U. S. Office of Education, Washington, D. C.; Miss Hilda Maehling, Executive Secretary, Department of Classroom Teachers, National Education Association, Washington, D.C.; Mrs. Pearl Wanamaker, State Superintendent of Public

Immediate 4/20/49

S-1059

~~Press Release - Afternoon Newspapers, April~~ 19, 1949

Secretary Snyder today announced the appointment of Dr. A. C. Flora, superintendent of the Columbia, South Carolina, school system, as chairman of a 27-member National Advisory Committee on School Savings to cooperate with the Treasury Department in its Opportunity Savings Bond Drive.

The School Savings Program originated during World War II, and has since become a part of the curricula in many of the Nation's schools. The program, which is endorsed by leading educators, teaches students the importance of thrift and systematic savings.

Other members of the committee, which today held its first meeting in Washington and later attended a dinner for Savings Bond volunteers at which President Truman spoke, are as follows:

Dr. Hobart Corning, Superintendent of Schools, Washington, D. C.; Dr. Benjamin Fine, Education Editor, the New York Times, New York, New York; Dr. W. Linwood Chase, Boston University, Boston, Massachusetts; Miss Eva G. Pinkston, Executive Secretary, Department of Elementary School Principals, National Education Association, Washington, D.C.; Leroy Lewis, National Education Director, American Institute of Banking, New York, New York; Dr. C. Louis Thiele, Divisional Director, Exact Sciences, Detroit Public Schools, Detroit, Michigan; J. L. McCaskill, Associate Secretary,

TREASURY DEPARTMENT

Information Service **WASHINGTON, D.C.**

IMMEDIATE RELEASE,
Wednesday, April 20, 1949. S-1059

Secretary Snyder today announced the appointment of Dr. A. C. Flora, superintendent of the Columbia, South Carolina, school system, as chairman of a 27-member National Advisory Committee on School Savings to cooperate with the Treasury Department in its Opportunity Savings Bond Drive.

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Dr. Flora, who is a former President of the National Education Association, stated that the Advisory Committee will make a study of the School Savings Program and recommend means by which its work can best be developed.

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S-1060

RELEASE, MORNING NEWSPAPERS,
Tuesday, April 19, 1949.

The Secretary of the Treasury announced last evening that the tenders for $900,000,000, or thereabouts, of 91-day Treasury bills to be dated April 21 and to mature July 21, 1949, which were offered on April 15, were opened at the Federal Reserve Banks on April 18.

The details of this issue are as follows:

Total applied for - $1,546,606,000
Total accepted - 903,512,000 (includes $66,618,000 entered on a non-competitive basis and accepted in full at the average price shown below)

Average price - 99.708 Equivalent rate of discount approx. 1.157% per annum

Range of accepted competitive bids:

High - 99.711 Equivalent rate of discount approx. 1.143% per annum
Low - 99.707 " " " " " 1.159% " "

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

Federal Reserve District	Total Applied for	Total Accepted
Boston	$ 13,341,000	$ 13,081,000
New York	1,200,767,000	652,997,000
Philadelphia	26,310,000	15,185,000
Cleveland	15,660,000	14,919,000
Richmond	4,533,000	4,533,000
Atlanta	14,182,000	14,182,000
Chicago	134,578,000	83,816,000
St. Louis	7,398,000	7,133,000
Minneapolis	5,995,000	5,982,000
Kansas City	21,586,000	20,212,000
Dallas	7,574,000	7,560,000
San Francisco	94,682,000	63,912,000
TOTAL	$1,546,606,000	$903,512,000

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TREASURY DEPARTMENT

Information Service **WASHINGTON, D.C.**

RELEASE, MORNING NEWSPAPERS,
Tuesday, April 19, 1949.

S-1060

The Secretary of the Treasury announced last evening that the tenders for $900,000,000, or thereabouts, of 91-day Treasury bills to be dated April 21 and to mature July 21, 1949, which were offered on April 15, were opened at the Federal Reserve Banks on April 18.

The details of this issue are as follows:

Total applied for - $1,546,606,000
Total accepted - 903,512,000 (includes $66,618,000 entered on a non-competitive basis and accepted in full at the average price shown below)
Average price - 99.708 Equivalent rate of discount approx. 1.157% per annum

Range of accepted competitive bids:

High - 99.711 Equivalent rate of discount approx. 1.143% per annum
Low - 99.707 Equivalent rate of discount approx. 1.159% per annum

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

Federal Reserve District	Total Applied for	Total Accepted
Boston	$ 13,341,000	$ 13,081,000
New York	1,200,767,000	652,997,000
Philadelphia	26,310,000	15,185,000
Cleveland	15,660,000	14,919,000
Richmond	4,533,000	4,533,000
Atlanta	14,182,000	14,182,000
Chicago	134,578,000	83,816,000
St. Louis	7,398,000	7,133,000
Minneapolis	5,995,000	5,982,000
Kansas City	21,586,000	20,212,000
Dallas	7,574,000	7,560,000
San Francisco	94,682,000	63,912,000
TOTAL	$1,546,606,000	$903,512,000

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S-1061

FOR IMMEDIATE RELEASE
April 15, 1949

The Bureau of Customs announced today that the Canadian quota of wheat flour, semolina, crushed or cracked wheat, and similar wheat products permitted entry during the quota year ending May 28, 1949, was approximately 95 percent filled as of April 15.

Since not more than 3,815,000 pounds of wheat flour and such related products, the produce of Canada, may be entered for consumption in the quota year, the collectors of customs are now requesting the Bureau for authorization before the acceptance of an entry for consumption of such articles.

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TREASURY DEPARTMENT

Information Service

WASHINGTON, D.C.

IMMEDIATE RELEASE,
Friday, April 15, 1949.

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In West Virginia the 167th Fighter Squadron of the West Virginia Air National Guard, will transport many of the guests of Governor Okey L. Patteson, to Charleston, where the dinner will be held. The chief speaker will be Dr. Irvin Stewart, President of West Virginia University.

Governor Earl Warren of California will be host to 125 Savings Bonds leaders at a dinner in San Francisco at which Mark R. Sullivan, President of the Pacific Telephone and Telegraph Company will speak.

~~Dressed in breech cloth the arrow maker will shoot arrows into eight bull's eyes on a huge map of Oklahoma. An Indian maiden then will remove arrows and give them to the Governor. On each arrow will be the name of one of eight district chairmen with his quota during the Opportunity Bond Drive. The Governor will present the arrow to the district chairman to keep if he makes his quota.~~

In Casper, Wyoming, where Governor A. G. Crane will be host, Dr. George Selke, Chancellor of the University of Montana, will be the main speaker.

In New Jersey, where Governor Alfred E. Driscoll will entertain more than 400 volunteer Savings Bonds leaders, a signboard will be erected in the ballroom to proclaim New Jersey's drive sales goal. Attendants at the dinner will be dressed in costumes of the original 49'ers.

The principal speaker in Columbus, Ohio, where Governor Frank J. Lausche will be host, will be Elmer L. Lindseth, President of the Cleveland Electric Illuminating Co.

In Texas, Governor Beauford H. Jester and Col. Alvin M. Owsley will join in the tribute to Texas Savings Bonds volunteers.

Pennsylvania local quotas for the Opportunity Bond Drive will be made public at ~~the~~ a dinner to be given by Governor James H. Duff in Harrisburg.

General George C. Marshall, former Secretary of State, will be the principal speaker at Governor W. Kerr Scott's reception at Raleigh, North Carolina.

and Minute Women who are helping to keep the nation's economy stable by encouraging every American to buy Savings Bonds regularly.

The various ~~dinners and~~ receptions and dinners by the Governors from coast to coast ~~[illegible]~~ will launch ~~serve as springboards for~~ the local organizing phase of the Opportunity Savings Bonds Drive, which starts ~~will be launched~~ May 16, ~~1949, with a Series E sales goal of $1,040,000,000.~~

¶ Vernon L. Clark, National Director of the Treasury's Savings Bonds Division, ~~Mr. Clark~~ estimated that 10,000 local chairmen and volunteers will be guests of Secretary Snyder and the respective ~~various~~ Governors across the nation.

~~The nature of the program for the various State Governors receptions and dinners will be as varied as the number of the local testimonials. In New York, where Governor Thomas E. Dewey will be the host, Pulitzer Prize winner Rube Goldberg, one of the outstanding Savings Bonds volunteers will be featured, while~~

¶ The State affairs will be of wide variety.

¶ In Oklahoma, Governor Roy J. Turner will entertain with a barbecue at his ranch. Boy Scout buglers will welcome each guest with a fanfare. Governor Turner will conduct tours of his ranch. ~~Roving accordian and harmonica players, cowboy and barbershop quartets will entertain during the barbecue.~~

¶ Many of the State events ~~In Oklahoma, as in many States, the testimonials~~ will be made the occasion for announcing local sales goals for the Opportunity Bond Drive. ~~Oklahoma's quota ceremony will be colorful.~~ Tom-toms will announce Indian ~~Chief~~ Shunatona, who will tell how, ~~many~~ moons ago, Indian braves met on similar occasions to ~~plan~~ how to provide for the future. They will call on arrow maker to shoot arrows into the sky to see who should lead them. Then Shunatona will call on the arrow maker.

Immediate Release

~~FOR RELEASE AM PAPERS~~
TUESDAY, APRIL 19, 1949

S-1062

Secretary of the Treasury ~~John W.~~ Snyder will lead a nation-wide tribute ~~by the Governors of the States~~ to the volunteer leaders of the United States Savings Bonds program tonight. ~~Tuesday night, April 19, 1949.~~

President ~~Harry S.~~ Truman will participate with the Secretary in the national testimonial, at the Hotel Statler in Washington, attending ~~D. C., which~~ will be ~~attended by over~~ 400 members of the national advisory committees of the Savings Bonds Program, including representatives of banking, industry, labor, newspapers, magazines, radio, advertising, agriculture, education, women's organizations, national fraternal and civic groups.

The President will speak over ~~all~~ four national radio networks from 10 to 10:05 PM, EST. In addition the program~~, which will be presided over by Vernon L. Clark, Volunteer National Director of the United States Savings Bonds Program~~, will be carried by television station WTTG.

¶ Receptions and dinners by ~~T~~he various Governors of the States ~~receptions~~ will be held simultaneously with the national dinner.

The night of April 19 was chosen for the tribute because it marks the 174th anniversary of Patriots' Day. ~~Symbol of the Savings Bonds program is the Minute Man.~~

~~National Director Clark said that the tribute as planned, to call public attention to the patriotic services of modern Minute Men~~

TREASURY DEPARTMENT

Information Service WASHINGTON, D.C.

IMMEDIATE RELEASE,
Tuesday, April 19, 1949. S-1062

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President Truman will participate with the Secretary in the national testimonial, at the Hotel Statler in Washington. Attending will be 400 members of the national advisory committees of the Savings Bonds Program, including representatives of banking, industry, labor, newspapers, magazines, radio, advertising, agriculture, education, women's organizations, national fraternal and civic groups.

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The various receptions and dinners by the Governors from coast to coast will launch the local organizing phase of the Opportunity Savings Bonds Drive, which starts May 16.

Vernon L. Clark, National Director of the Treasury's Savings Bonds Division, estimated that 10,000 local chairmen and volunteers will be guests of Secretary Snyder and the respective Governors across the Nation.

The State affairs will be of wide variety. In Oklahoma, Governor Roy J. Turner will entertain with a barbecue at his ranch. Boy Scout buglers will welcome each guest with a fanfare. Governor Turner will conduct tours of his ranch.

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ALPHA

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, non-competitive tenders for $200,000 or less without stated price from any one bidder will be accepted in full at the average price (in three decimals) of accepted competitive bids. Settlement for accepted tenders in accordance with the bids must be made or completed at the Federal Reserve Bank on April 28, 1949 ~~(8)~~, in cash or other immediately available funds or in a like face amount of Treasury bills maturing April 28, 1949 ~~(9)~~. Cash and exchange tenders will receive equal treatment. 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 the Internal Revenue Code, or laws amendatory or supplementary thereto. 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

Exhibit 1

ALPHA

TREASURY DEPARTMENT
Washington

FOR RELEASE, MORNING NEWSPAPERS,
Friday, April 22, 1949.
(1)

S-1063

The Secretary of the Treasury, by this public notice, invites tenders for $900,000,000 (2), or thereabouts, of 91 (3) -day Treasury bills, for cash and in exchange for Treasury bills maturing April 28, 1949 (4), to be issued on a discount basis under competitive and non-competitive bidding as hereinafter provided. The bills of this series will be dated April 28, 1949 (5), and will mature July 28, 1949 (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 Daylight Saving ~~Standard~~ time, Monday, April 25, 1949 (7). Tenders will not be received at the Treasury Department, Washington. Each tender must be for an even multiple of $1,000, and in the case of competitive tenders 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

Form

Information Service

TREASURY DEPARTMENT

Information Service WASHINGTON, D.C.

RELEASE, MORNING NEWSPAPERS,
Friday, April 22, 1949.

S-1063

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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 the Internal Revenue Code, or laws amendatory or supplementary thereto. 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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amendments were offered, some of which were accepted, but for the most part those amendments were concerned with details of the program and methods of administering it. The bipartisan nature of the support which the program received is ample testimony of this country's united determination to make every effort toward world economic stability.

problems in terms of the more normal patterns of price, trade and private investment by which our own country has reached its present economic levels

As you know, the ECA program was long and earnestly considered, both in Congressional committee and by the Congress as a whole. You will recall that although debate on the bill was protracted, there was at no time any major disagreement with respect to the merits of the program. Numerous

We are hopeful that the proper solutions can be found. It will take effort on their part as well as on ours. When this problem approaches a solution, there will be greater assurance of political and economic stability abroad which is, of course, our objective.

It is our expectation that barring some great international catastrophe, reasonable stability will be attained in Europe by 1952. From then on, we can deal with international economic countries there is a high level of employment. Consumption standards are still below prewar, but we may expect that by 1952, with favorable conditions, the desired levels will be reached. The problem still is one of inability, under existing conditions, for the European countries to earn enough dollars to pay for their imports from this country and the rest of the Western Hemisphere.

This is the problem on which we must concentrate for the next two years.

careful consideration of the relationship between existing exchange rates and the progress which must still be made in arriving at international balance.

As we look back over the last year, we can see that progress has been made. Excepting Germany, practically all of the European countries participating in the program have exceeded their 1938 production levels. The prospect of widespread starvation no longer exists. In most accepted by the International Monetary Fund in 1946. Since these rates were adopted there have been important changes in the world situation and in the economic life of almost all of the countries in the European Recovery Program. The progress in production and shifts in price levels which have occurred over the last three years would indicate that the European payments position should be studied and that this study should include difficult to determine what is the proper exchange rate -- that is, to calculate what the effects of a given exchange adjustment might be. But the fact remains that if the European countries are to balance their payments with the United States and other Western Hemisphere countries, some of them may have to adjust their exchange rates before 1952.

The exchange rates prevailing today were, for the most part, adopted during and after the war, and were exchange rates.

In the course of the last year, I have appeared several times before Congressional committees to discuss this problem. I would like to restate what I have told the Senate and House committees on different occasions. An adjustment of exchange rates in each instance is a matter requiring a difficult decision. For example, it may bring about repercussions on the internal economy of the country making the change. It is also very

Our program of reducing trade barriers and trying to assure equitable treatment of foreign trade through the International Trade Organization and our agreements on tariffs and trade are part of our contribution to the solution of the problem. On their part, the Europeans must make greater effort to produce goods and offer to sell them in Western Hemisphere markets at competitive prices. In some cases this may require an adjustment of their

To the extent, however, that the European Recovery Program is successful, the special risks involved in European investment will be reduced.

While a return to normal reliance on private capital investments abroad is essential, we must stress the importance of balanced international trade. This means, as I have said earlier, that we in this country must try to take more imports from the European countries. In part this is our problem.

raw materials or the special types of managerial and technical skill which we have.

A second way in which the European countries can balance their payments is by an increase in American capital investment abroad. At the present time, however, American capital is reluctant to go abroad -- not only to Europe but to most other countries. The reasons behind this reluctance are evident.

Few of the European countries can supply the basic raw materials which we need, but they do have an opportunity to provide us with many types of specialized finished goods, which they can produce more cheaply than we can because of their relatively lower rates of wages. So too, we, on the other hand, can produce more cheaply many commodities which require a great deal of capital, Italian silks and olive oil; and luxuries and specialties of many types. To some extent the European countries will be able to balance their accounts with the United States by increasing their exports to us of the type of goods which we have generally imported. They must also find markets in this country for many additional products.

fleets.

For most countries, the basic problem is the matter of exports. It cannot be over-emphasized. America has in the past imported thousands of specialized European products -- manufactures of steel, textiles, machinery and equipment of various sorts. We have imported French perfumes and French wines;

entering into the balance of payments, such as shipping services, tourist expenditures, and, most important, capital movements. The importance of these other factors varies from country to country. An increase in American tourists going abroad will help the situation, particularly for countries like the United Kingdom, Italy and France. Improvement in the shipping situation will be important for Norway, the United Kingdom and other nations with large merchant that Europe will have to increase further its exports if it is to maintain desirable levels of production and standards of living without dependence upon special aid from the outside.

A stable world in which the free enterprise system can operate successfully requires balance in international payments. This does not mean that exports must equal imports exactly because, as I have just mentioned, there are many other factors single market for many types of goods which Europe can produce.

Of course, a nation's pattern of production and export cannot be changed over night. Plants may have to be constructed or modified as to product, location and other factors. Workers may need to be trained and perhaps relocated. The necessary mechanics of trade, banking and finance incident to an expansion of exports must be devised to accompany increased sales effort. It is clear situation. Income from investments has been greatly reduced since the European countries have liquidated a considerable part of their long-term dollar assets. A large part of their shipping was destroyed. They have not been able to obtain as much from triangular trade as they did formerly. To this extent they may have to reorient their trade so as to sell more goods directly to Western Hemisphere countries. The United States provides the largest potential have traditionally bought more from the United States and other Western Hemisphere countries than they sold here. They made up the difference by their income from investments, by earning dollars for shipping services, and by earning dollars through triangular trade with areas that had a dollar surplus on current account. American tourists in Europe also provided an important net source of dollars.

The war has changed this

individually and collectively take the appropriate steps to cope with the problem of their Western Hemisphere deficit. Some of these steps are financial, some of them may involve a considerable reorientation of production and trade.

The period following the second World War has greatly aggravated the dollar deficit problem of the Western Hemisphere countries which existed as a very real problem in the inter-war period. European countries

The European Recovery Program was not intended as a relief program, though we had to provide the foodstuffs and raw materials needed to tide the population over the postwar shortages resulting from the exhaustion of stocks, crop failures, and the decline in international trade. The program is based on the belief that with assistance from this country, Europe will be able to stand on its own feet by 1952, provided that the European countries object was to reduce excessive demand for commodities by the use of financial restrictions while at the same time increasing those commodities in short supply. A relative stabilization of prices is making possible greater stability in all areas of the economy. With the European price spiral largely arrested and a measure of budgetary stability in prospect, the internal financial situation can form the basis of a sound international economy.

remain formidable, and there are ~~many~~ some questionable spots in the present economic picture, but on the whole, the European countries have faced the situation with courage.

With few exceptions, the rapid rise of prices has stopped. In the case of Italy and France, restrictions were imposed on the extension of credit by the commercial banks. Cutting down the volume of currency and rationing of bank credit were two methods of attacking inflation. The necessitated increasing the tax burden and, as far as possible, required the deferment ~~elimination~~ of expenditures for objectives which could be postponed. And we all know how extremely difficult it is to cut expenditures where there are insistent demands upon government to repair the damages caused by war. In large part this work of immediate reconstruction has been completed. The tasks ahead exports, this ratio will probably exceed 50 percent during the fiscal year 1948-49.

In the field of internal finance, the situation has also improved measurably. There has been a healthy movement toward sounder fiscal policy. In many countries resolute efforts are being made toward balanced budgets. Of course, in some countries, much greater efforts must still be made. To finance governments by non-inflationary means has although it was still below prewar levels. Output per worker increased as a result of larger supplies of fuel and raw materials, job training programs and more food for workers, but it had not yet returned to prewar levels in many industries.

Marked improvement also occurred in Western Europe's balance of trade with the outside world. Whereas, in 1947, less than 40 percent of the participating countries' imports were paid for from the proceeds of still exist, as you well know, but this last year gives us a basis for greater confidence in the future of Western Europe.

A notable increase in Western European production occurred during 1948 with total output of factories and mines 14 percent above the 1947 level and nearly equal to that of 1938. Favorable weather conditions helped to raise crop production considerably above 1947.

Of equally grave import, the political situation was far from favorable. Communists sought to interrupt production in order to spread distress and chaos in Europe.

Today, the threat of Communist sabotage to the recovery program is being met with the force of democratic power and determination.

Our combined efforts toward economic recovery and political peace have been intensified. Threats encouraging. When the program started in 1948, production in Europe was still behind prewar levels. The financial situation was, to say the least, disquieting. Many of the European countries were suffering from grave inflation, and there appeared to be little immediate prospect of arresting it. Fiscal problems were serious, and makeshift solutions only added to the existing disorder.

accomplished, and what we can expect in the course of the next two years.

The American aim is to assist in bringing about that degree of economic and financial stability in Europe which will make possible a return to normal international financial relations, in which chief reliance for capital investment will be placed on the private market.

Thus far, progress toward economic recovery in Europe has been

The progress of economic recovery in Europe is a matter of vital importance to you officers and representatives of the Federal Reserve Banks and to the business community as a whole. In dealing with this question today, I do not propose to discuss the techniques of procurement and the banking operations with which you are familiar. I propose, instead, to look at the subject from the broad viewpoint of what has so far been

TREASURY DEPARTMENT
Washington

The following address by Secretary Snyder before the Federal Reserve Bank Conference of Ninth District Bankers, Hotel Nicollet, Minneapolis, Minn., is scheduled for delivery at 1:45 p.m. CST, Saturday, April 23, 1949, and is for release at that time.

PROGRESS OF EUROPEAN RECOVERY

Patch

S-1064

TREASURY DEPARTMENT

Washington

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Marked improvement also occurred in Western Europe's balance of trade with the outside world. Whereas, in 1947, less than 40 percent of the participating countries' imports were paid for from the proceeds of exports, this ratio will probably exceed 50 percent during the fiscal year 1948-49.

In the field of internal finance, the situation has also improved measurably. There has been a healthy movement toward sounder fiscal policy. In many countries resolute efforts are being made toward balanced budgets. Of course, in some countries, much greater efforts must still be made. To finance governments by non-inflationary means has necessitated increasing the tax burden and, as far as possible, required the deferment of expenditures for objectives which could be postponed. And we all know how extremely difficult it is to cut expenditures where there are insistent demands upon government to repair the damages caused by war. In large part this work of immediate reconstruction has been completed. The tasks ahead remain formidable, and there are some questionable spots in the present economic picture, but on the whole, the European countries have faced the situation with courage.

With few exceptions, the rapid rise of prices has stopped. In the case of Italy and France, restrictions were imposed on the extension of credit by the commercial banks. Cutting down the volume of currency and rationing of bank credit were two methods of attacking inflation. The object was to reduce excessive demand for commodities by the use of financial restrictions while at the same time increasing those commodities in short supply. A relative stabilization of prices is making possible greater stability in all areas of the economy. With the European price spiral largely arrested and a measure of budgetary stability in prospect, the internal financial situation can form the basis of a sound international economy.

The European Recovery Program was not intended as a relief program, though we had to provide the foodstuffs and raw materials needed to tide the population over the postwar shortages resulting from the exhaustion of stocks, crop failures, and the decline in international trade. The program is based on the belief that with assistance from this country, Europe will be able to stand on its own feet by 1952, provided that the European countries individually and collectively take the appropriate steps to cope with the problem of their Western Hemisphere deficit. Some of these steps are financial, some of them may involve a considerable reorientation of production and trade.

The period following the second World War has greatly aggravated the dollar deficit problem of the Western Hemisphere countries which existed as a very real problem in the inter-war period. European countries have traditionally bought more from the United States and other Western Hemisphere countries than they sold here. They made up the difference by their income from investments, by earning dollars for shipping services, and by earning dollars through triangular trade with areas that had a dollar surplus on current account. American tourists in Europe also provided an important net source of dollars.

The war has changed this situation. Income from investments has been greatly reduced since the European countries have liquidated a considerable part of their long-term dollar assets. A large part of their shipping was destroyed. They have not been able to obtain as much from triangular trade as they did formerly. To this extent they may have to reorient their trade so as to sell more goods directly to Western Hemisphere countries. The United States provides the largest potential single market for many types of goods which Europe can produce.

Of course, a nation's pattern of production and export cannot be changed over night. Plants may have to be constructed or modified as to product, location and other factors. Workers may need to be trained and perhaps relocated. The necessary mechanics of trade, banking and finance incident to an expansion of exports must be devised to accompany increased sales effort. It is clear that Europe will have to increase further its exports if it is to maintain desirable levels of production and standards of living without dependence upon special aid from the outside.

A stable world in which the free enterprise system can operate successfully requires balance in international payments. This does not mean that exports must equal imports exactly because, as I have just mentioned, there are many other factors entering into the balance of payments, such as shipping services, tourist expenditures, and, most important, capital movements. The importance of these other factors varies from country to country. An increase in American tourists going abroad will help the situation, particularly for countries like the United Kingdom, Italy and France. Improvement in the shipping situation will be important for Norway, the United Kingdom and other nations with large merchant fleets.

For most countries, the basic problem is the matter of exports. It cannot be over-emphasized. America has in the past imported thousands of specialized European products — manufactures of steel, textiles, machinery and equipment of various sorts. We have imported French perfumes and French wines; Italian silks and olive oil; and luxuries and specialties of many types. To some extent the European countries will be able to balance their accounts with the United States by increasing their exports to us of the type of goods which we have generally imported. They must also find markets in this country for many additional products.

Few of the European countries can supply the basic raw materials which we need, but they do have an opportunity to provide us with many types of specialized finished goods, which they can produce more cheaply than we can because of their relatively lower rates of wages. So too, we, on the other hand, can produce more cheaply many commodities which require a great deal of capital, raw materials or the special types of managerial and technical skill which we have.

A second way in which the European countries can balance their payments is by an increase in American capital investment abroad. At the present time, however, American capital is reluctant to go abroad -- not only to Europe but to most other countries. The reasons behind this reluctance are evident.

To the extent, however, that the European Recovery Program is successful, the special risks involved in European investment will be reduced.

While a return to normal reliance on private capital investments abroad is essential, we must stress the importance of balanced international trade. This means, as I have said earlier, that we in this country must try to take more imports from the European countries. In part this is our problem.

Our program of reducing trade barriers and trying to assure equitable treatment of foreign trade through the International Trade Organization and our agreements on tariffs and trade are part of our contribution to the solution of the problem. On their part, the Europeans must make greater effort to produce goods and offer to sell them in Western Hemisphere markets at competitive prices. In some cases this may require an adjustment of their exchange rates.

In the course of the last year, I have appeared several times before Congressional committees to discuss this problem. I would like to restate what I have told the Senate and House committees on different occasions. An adjustment of exchange rates in each instance is a matter requiring a difficult decision. For example, it may bring about repercussions on the internal economy of the country making the change. It is also very difficult to determine what is the proper exchange rate -- that is, to calculate what the effects of a given exchange adjustment might be. But the fact remains that if the European countries are to balance their payments with the United States and other Western Hemisphere countries, some of them may have to adjust their exchange rates before 1952.

The exchange rates prevailing today were, for the most part, adopted during and after the war, and were accepted by the International Monetary Fund in 1946. Since these rates were adopted there have been important changes in the world situation and in the economic life of almost all of the countries in the European Recovery Program. The progress in production and shifts in price levels which have occurred over the last three years would indicate that the European payments position should be studied and that this study should include careful consideration of the relationship between existing exchange rates and the progress which must still be made in arriving at international balance.

As we look back over the last year, we can see that progress has been made. Excepting Germany, practically all of the European countries participating in the program have exceeded their 1938 production levels. The prospect of widespread starvation no longer exists. In most countries there is a high level of employment. Consumption standards are still below prewar, but we may expect that by 1952, with favorable conditions, the desired levels will be reached. The problem still is one of inability, under existing conditions, for the European countries to earn enough dollars to pay for their imports from this country and the rest of the Western Hemisphere.

This is the problem on which we must concentrate for the next two years. We are hopeful that the proper solutions can be found. It will take effort on their part as well as on ours. When this problem approaches a solution, there will be greater assurance of political and economic stability abroad which is, of course, our objective.

It is our expectation that barring some great international catastrophe, reasonable stability will be attained in Europe by 1952. From then on, we can deal with international economic problems in terms of the more normal patterns of price, trade and private investment by which our own country has reached its present economic levels.

As you know, the ECA program was long and earnestly considered, both in Congressional committee and by the Congress as a whole. You will recall that although debate on the bill was protracted, there was at no time any major disagreement with respect to the merits of the program. Numerous amendments were offered, some of which were accepted, but for the most part those amendments were concerned with details of the program and methods of administering it. The bipartisan nature of the support which the program received is ample testimony of this country's united determination to make every effort toward world economic stability.

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S-1065

RELEASE MORNING NEWSPAPERS,
Tuesday, April 26, 1949.

The Secretary of the Treasury announced last evening that the tenders for $900,000,000, or thereabouts, of 91-day Treasury bills to be dated April 28 and to mature July 28, 1949, which were offered on April 22, were opened at the Federal Reserve Banks on April 25.

The details of this issue are as follows:

Total applied for - $1,636,338,000
Total accepted - 900,810,000 (includes $55,732,000 entered on a non-competitive basis and accepted in full at the average price shown below)

Average price - 99.708 Equivalent rate of discount approx. 1.156% per annum

Range of accepted competitive bids:

High - 99.709 Equivalent rate of discount approx. 1.151% per annum
Low - 99.707 " " " " " 1.159% " "

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

Federal Reserve District	Total Applied for	Total Accepted
Boston	$ 10,472,000	$ 10,413,000
New York	1,339,376,000	721,083,000
Philadelphia	18,914,000	5,366,000
Cleveland	14,586,000	11,304,000
Richmond	3,760,000	3,760,000
Atlanta	7,629,000	7,275,000
Chicago	127,121,000	61,088,000
St. Louis	3,228,000	3,228,000
Minneapolis	8,025,000	7,819,000
Kansas City	34,555,000	22,042,000
Dallas	9,998,000	9,998,000
San Francisco	58,674,000	37,434,000
TOTAL	$1,636,338,000	$900,810,000

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TREASURY DEPARTMENT

Information Service WASHINGTON, D.C.

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TREASURY DEPARTMENT

Information Service WASHINGTON, D.C.

IMMEDIATE RELEASE
Friday, April [illegible] [illegible]

The Treasury today issued the following statement:

Federal fiscal officials this afternoon concluded a two-day meeting with representatives of the principal state, municipal and county organizations concerning inter-governmental tax problems and fiscal relations.

The meetings resulted from statements made by President Truman to the U. S. Conference of Mayors in March of this year and by Secretary Snyder to the American Municipal Association in December of last year.

The persons participating in the conference were as follows:

John W. Snyder, Secretary of the Treasury, Chairman of the Conference
Edwin G. Nourse, Chairman, Council of Economic Advisers
Frank Pace, Director, Bureau of the Budget

Frank Bane, Council of State Governments and the Governors' Conference
de Lesseps S. Morrison, Mayor of New Orleans, and President, American Municipal Association
Carl H. Chatters, Executive Director, American Municipal Association
W. Cooper Green, Birmingham, Alabama, President, U. S. Conference of Mayors
Paul Betters, Executive Director, U. S. Conference of Mayors
Keith L. Seegmiller, National Association of County Officials
Christian Kahl, National Association of County Officials
C. Emory Glander, Commissioner of Taxation, Columbus, Ohio, and Vice President, National Association of Tax Administrators
Charles Conlon, Executive Director, Federation of Tax Administrators
Elmer B. Staats, Executive Assistant Director, Bureau of the Budget
I. M. Labovitz, Chief Fiscal Analyst, Bureau of the Budget
Marvin A. Bacon, Fiscal Analyst, Bureau of the Budget
Gerhard Colm, Council of Economic Advisers
John S. Graham, Assistant Secretary, Treasury Department
Thomas J. Lynch, General Counsel, Treasury Department
James J. Saxon, Assistant to the Secretary, Treasury Department
L. L. Ecker-Racz, Division of Tax Research, Treasury Department
Vance N. Kirby, Tax Legislative Counsel, Treasury Department
George J. Schoeneman, Commissioner, Bureau of Internal Revenue
Fred C. Martin, Assistant Commissioner, Bureau of Internal Revenue
T. C. Atkeson, Assistant to the Commissioner, Bureau of Internal Revenue
Charles Oliphant, Chief Counsel, Bureau of Internal Revenue

TREASURY DEPARTMENT

Information Service **WASHINGTON, D.C.**

IMMEDIATE RELEASE
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In calling the meeting, Secretary Snyder emphasized its exploratory nature, and in his opening statement to the conference stressed the wisdom of the delegates in setting before themselves a modest task in these preliminary meetings.

In pointing out at the opening session that there is no easy solution to the problems of inter-governmental fiscal relations, the Secretary said that a free exchange of views would lead to a better understanding, thereby contributing much to the solution of these problems. While acknowledging that in the past there have been certain areas in which the various levels of government worked at cross-purposes in these matters, he said that, in general, the degree of harmony and cooperation over many years has been remarkable.

On behalf of the American Municipal Association, of which he is President, Mayor deLesseps S. Morrison of New Orleans expressed his pleasure and encouragement at the opportunity the meeting afforded for the respective governmental levels to try to make a uniform approach to the solution of the problems confronting them. He stressed the continuing and increasingly difficult problems facing many cities in the country in their effort to provide for the proper needs of their increasing populations from sources of revenue which are being continuingly diminished as a result of the growing use by Federal and state authorities of the limited revenue sources available. In this connection, Mayor Morrison made particular mention of the need for unified agreement in leaving to the cities larger shares of such taxes as the Admissions Tax. The need for agreement among Federal, state and municipal authorities as to a basis for making payments to the cities in lieu of taxes on certain classes of federally-owned property is apparent, the Mayor said.

Mayor W. Cooper Green, President of the U. S. Conference of Mayors, opened his comment at the meeting with a statement of the basic need for cooperation in this field of inter-governmental tax and fiscal matters. He pointed out that the cities and local communities are caught between the growing responsibilities of State and local jurisdictions, with the result that many of the cities and local communities are hard put to obtain the powers and revenues essential to meet the requirements of growing populations. Mayor Green deplored the fact that, as a result of this circumstance, the cities and local communities are compelled to seek increasing aid from State and Federal governmental authorities. He stated that in certain cities, such as Birmingham, Alabama, the only tax sources available, other than property taxes, are license and nuisance taxes which have already been exploited to the highest degree, with resulting confusion to the consuming public and taxing authorities as well.

On behalf of the Council of State Governments and the Governors' Conference which he represented at the meeting, Mr. Frank Bane stated that both those organizations have long been attempting to work out solutions to these problems. Mr. Bane indicated the practicality of a modest beginning to the solution of a large problem and said that much would be accomplished if the conferees were able to reach a limited area of agreement in approaching the solution of some of the specific problems involved.

Mr. Emory Glander spoke to the conferees on behalf of the National Association of Tax Administrators and stressed his organization's interest in the important area of intergovernmental cooperation in tax administration. Mr. Glander pointed out that much already had been done in this field and complimented the officials of the Bureau of Internal Revenue for their continued willingness and effort to work out the problems of this nature.

Mr. Charles Conlon, speaking to the conference on behalf of the Federation of Tax Administrators, emphasized the great value to be derived from further efforts to extend existing cooperation in tax administration at the various intergovernmental levels.

Mr. Keith L. Seegmiller and Mr. Christian Kahl represented the National Association of County Officials. They stated that the Federal Government, in helping to combat centralization of Government authority, should turn over certain fields of taxation to State and local governments in order to enable the latter to finance their own needs and avoid increasing dependence on grants in aid from the State and Federal Governments. They further expressed the interest of the counties in payment of taxes or equivalent amounts to local governments on Federally-owned property.

The second session of the conference held on Thursday afternoon was presided over by Dr. Edwin G. Nourse, Chairman of the Council of Economic Advisers, who discussed the relationship of State and local finances to the program of national economic stabilization. At that session the conferees explored the possible means of making more effective the enforcement efforts of the Federal, State and local governments in the field of tax audits. The conferees agreed that the various agencies of government should (1) exchange information as to audit plans and techniques; (2) exchange audit findings on selected returns to reduce insofar as possible separate and repeated audits of the same taxpayer by the several agencies of government. As a means of making that policy effective, it was recommended that such information as is now available as to audit plans be immediately exchanged between those agencies of government interested in such an exchange; and, that "pilot" exchanges of audit findings on selected returns be exchanged during the year 1950 on a test basis in a limited area. The Treasury Department agreed to an initiation of this recommendation by making available to the interested States and local governments a copy of its plans in respect to its audit program of individual income tax returns. Further, the Treasury will solicit the assistance of one or two States to test, on a cooperative basis, an audit program for Federal and State income tax returns.

Another subject explored at that session was the proposal that the Federal Government relinquish some excise taxes to localities hard-pressed for new revenue sources. Taxes on amusements, gasoline, electrical energy, and local telephone calls, which together produce about $1.5 billion of Federal revenue, were said by the State and municipal representatives to be most suitable for administration by towns and cities. While present Federal budgetary conditions preclude the revenue loss which would result if the Federal Government gave up these taxes, the conference agreed that when conditions permit general Federal excise tax revision, the interest of the States and municipalities should be recognized.

As an immediate measure, State and local representatives urged that tax legislation enacted by Congress this year should provide enough revenue over and above budget requirements to permit repeal of the general admissions tax, in order to release an immediate revenue source to localities in about one-third of the States where local taxes on admissions are already authorized. Elsewhere State enabling legislation would be required.

Budget Director Pace opened the morning session on April 22 with a summary of the Federal Government's budgetary situation. He emphasized the great changes in Federal expenditures since 1939. At present, he said, more than 80 percent of Federal expenditures is occasioned by past wars, the current defense program, and international obligations. Mr. Pace indicated that appreciation on the part of State and local representatives of the financial problems confronting the Federal Government will facilitate consideration of the items on the agenda for this conference.

The conference considered the question of payments to State and local governments on account of Federally owned real estate. It was brought out that Federal payments to local governments on account of extensive Federal property holdings vary widely under existing laws. On some, the Federal Government pays taxes; on others, it makes payments in lieu of taxes; on still others, it makes no payments at all. Property acquisitions in recent years under statutes with widely diverse provisions respecting payments to local governments have aggravated this situation.

Conference discussion of this matter indicated broad agreement that there is need for a comprehensive program for payments on account of Federally owned property; that the program should allow for differences (1) in the uses to which property is put, (2) in the magnitude of the impact on particular communities, and (3) in the expenditures imposed on particular local governments by the Federal operation.

Consideration was also given to the proposal advanced by State taxing authorities to amend the Buck Act of 1940, which permits State and local governments to collect sales, use and income taxes on Federal reservations. The proposed expansion of this act would allow the collection of (1) personal property and franchise taxes, and (2) sales and use taxes on sales made to individuals by tax-exempt organizations such as post exchanges. It was the sense of the meeting that such amendments would be desirable and would be consistent with present Federal Government policy. It was recognized that in according State and local governments the right to collect the taxes within Federal reservations, the Federal Government might appropriately require State and local governments to provide services such as school facilities to the residents on those reservations on substantially the same terms as are available to the general public.

Secretary Snyder, on behalf of himself, Mr. Pace and Dr. Nourse, said it was apparent that the two-day conference, through the means of open and frank round-table discussion, had contributed much to the common appreciation of the problems involved. Secretary Snyder said that the progress made toward a better understanding of certain of the problems confronting the delegates represented a tangible and specific beginning.

The Secretary said that the views expressed and the information presented by the various groups represented at the meeting will receive the immediate consideration of the Treasury and other Federal agencies involved, and that he would continue to work closely with the State and local organizations with a view to the development of concrete proposals.

Immediate Release
Wednesday, April 27, 1949

S-1067

The opportunity of obtaining an advanced education at the United States Coast Guard Academy and pursuing a service career is proving more attractive to young Americans this year than in any previous postwar year, Coast Guard Headquarters announced today.

When lists closed in February for applications to take the competitive examinations for admission to the Coast Guard Academy this summer, the number of applicants had reached 1449.

Of these, 1034 met all eligibility requirements to take the examinations. At the completion of the examinations, 572 were found to have scored high enough grades to be considered for appointment as cadets. Under the strictly competitive system in effect for the Academy, only those applicants standing highest in the examination score lists are tendered appointments.

It is expected that 190 appointments as cadets will be made in the near future, those named to be admitted to the Academy July 6-7 as members of the new fourth class.

The course of instruction at the Academy leads to a degree of Bachelor of Science in Marine Engineering and a commission as ensign in the Coast Guard.

This year's graduation week at the Academy begins May 28, with commencement exercises June 3. It is expected 57 first classmen will be graduated.

TREASURY DEPARTMENT

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Check production on tax refunds ~~has been~~ has been increased this year over 1948 by about 21 percent, and a corresponding reduction effected in costs. The present cost per tax check is ~~now~~ around five cents.

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Immediate Release

~~Release Afternoon Papers~~

~~PROPOSED PRESS RELEASE~~

Wednesday, April 27, 1949 S-1068

Secretary Snyder today announced that the Treasury's Division of Disbursement has up to this date mailed to taxpayers 28,562,037 refund checks on 1948 taxes. These checks, drawn following certification of refunds by the Bureau of Internal Revenue, totaled $1,535,222,925. The average amount of each check was $53.75.

Checks issued for the same period in 1948 totaled 21,148,312, in the aggregate amount of $1,005,115,399. Changes in the 1948 Revenue Act, reducing withholding rates and permitting income-splitting between husband and wife, greatly increased the number of tax refunds this year.

Through the introduction of new check-writing processes, Secretary Snyder said, the Division of Disbursement has met all scheduled payments without a single delay in any of its twenty-four regional offices. Because of an unexpectedly large number of refunds scheduled in the Chicago area, however, an ace production man was sent to that office from Washington, and production there ~~has been~~ was stepped up to almost 750,000 items a week. In order to further facilitate the program, more than three-quarters of a million refunds scheduled in the Chicago area were distributed among Disbursing Offices in Cleveland, Columbus and Washington.

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S- 1069

Secretary Snyder announced today that more than 750,000 pieces of explosive ordnance have [redacted] been examined [redacted] and made safe as war souvenirs since the formation of the War Trophies Safety Committee in May, 1947.

The committee working through the facilities of the National Military Establishment, the National Rifle Association and the [redacted] Treasury Department arranged to render harmless souvenirs of the two world wars, the Spanish American War and even the Revolutionary War.

The trophies deactivated through the efforts of the committee include every conceivable type of ordnance. Perhaps the most unusual was a two ton anti-aircraft gun complete with carriage. Several land mines were removed from private homes, deactivated and returned to the owners. Countless numbers of bazookas, aerial bombs and hand grenades, as well as pistols and rifles, which could have exploded if loaded with domestic ammunition, have been processed.

The National Safety Council has credited the committee's campaign with saving more than 1,500 lives during 1948 and believes that many more lives will be saved this year. The American Society of Safety Engineers, recognizing the hazards involved, has made known its intention of cooperating with the committee.

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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, non-competitive tenders for $200,000 or less without stated price from any one bidder will be accepted in full at the average price (in three decimals) of accepted competitive bids. Settlement for accepted tenders in accordance with the bids must be made or completed at the Federal Reserve Bank on May 5, 1949, in cash or other immediately available funds or in a like face amount of Treasury bills maturing May 5, 1949. Cash and exchange tenders will receive equal treatment. 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 the Internal Revenue Code, or laws amendatory or supplementary thereto. 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

~~Exhibit~~

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TREASURY DEPARTMENT
Washington

A-10 70

FOR RELEASE, MORNING NEWSPAPERS,
Friday, April 29, 1949.
~~(1)~~

The Secretary of the Treasury, by this public notice, invites tenders for $ 800,000,000 ~~(2)~~, or thereabouts, of 91 ~~(3)~~ -day Treasury bills, for cash and in exchange for Treasury bills maturing May 5, 1949 ~~(4)~~, to be issued on a discount basis under competitive and non-competitive bidding as hereinafter provided. The bills of this series will be dated May 5, 1949 ~~(5)~~, and will mature August 4, 1949 ~~(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 daylight saving/~~Standard~~ time, Monday, May 2, 1949 ~~(7)~~. Tenders will not be received at the Treasury Department, Washington. Each tender must be for an even multiple of $1,000, and in the case of competitive tenders 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

TREASURY DEPARTMENT

Information Service WASHINGTON, D.C.

RELEASE, MORNING NEWSPAPERS,
Friday, April 29, 1949.

S-1070

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Tenders will be received without deposit from incorporated banks and trust companies and from responsible and recognized dealers in investment securities. Tenders from others must be accompanied by payment of 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 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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Address By Thomas J. Lynch, General Counsel
For The Department Of The Treasury, Before The Cincinnati Bar Association
At Cincinnati, Ohio, April 29,
1949

FEDERAL ESTATE AND GIFT TAXES

It was with real pleasure that I accepted your kind invitation to address you.

There are many subjects in the field of taxation which I should like to discuss with you. In selecting as my subject The Federal Estate and Gift Taxes, I was influenced primarily by its timeliness.

There are several reasons why this is a particularly appropriate time to examine the estate and gift taxes. These taxes have recently received the attention of each of the three branches of our Federal Government. A little over a year ago, the 80th Congress, in enacting the Revenue Act of 1948, extensively amended the estate and gift tax law. Amendments to conform the estate and gift tax regulations to the provisions of the Revenue Act of 1948 were published in tentative form in the Federal Register for November 6, 1948, with an invitation for the views and comments of interested persons. A large number of letters, some of which raised very complex issues, were received in response to this invitation. The various views and arguments presented have been given careful consideration and, as a result, the regulations have been revised in a number of respects. It is expected that the regulations will soon be issued in final form.

However, the issuance of these regulations will represent the discharge of only a small portion of the administrative burden imposed by the 1948 Revenue Act. Many difficult questions will be presented to the Bureau of Internal Revenue in requests for rulings and in the examination of estate and gift tax returns. I am sure that some of you are finding that the entire burden has not been placed upon the Treasury. It will be a long time before the complexities of the 1948 legislation are fully explored and assimilated into estate planning.

More recently, the Supreme Court, in its decisions in the Church and Spiegel cases, also made a contribution to our estate and gift tax history. In these cases the Supreme Court was dealing with the so-called "transfer provisions" of the estate tax statute. Under these provisions, a decedent's gross estate for estate tax purposes includes, in addition to property owned by the decedent at the time of his death, certain transfers of property made by him during his life. The particular provision of the statute which was involved in the Church and Spiegel decisions requires that property transferred during life must be included in the decedent's gross estate if the transfer was "intended to take effect in possession or enjoyment at or after his death." In the Church and Spiegel cases, each decedent had transferred property to a trust which was to terminate upon his death. In each case, the remaindermen of the trust had to survive the grantor in order to obtain the trust property. In addition, each decedent had retained an interest in the property transferred in trust. In the Church case the decedent had retained both a life estate and a reversionary interest under the trust. In the Spiegel case the decedent had retained only a reversionary interest. Under the estate tax regulations, the corpus of each trust was includible in the decedent's gross estate because of the combination of these two factors: First, the inability of the remaindermen to obtain possession or enjoyment of the trust property without surviving the decedent, and second, the retention by the decedent of a right or interest in the transferred property.

In conformity with the decision of the Supreme Court in 1930 in the case of May v. Heiner, the estate tax regulations indicated that, for the purpose of determining whether a transfer was includible in the decedent's gross estate, he would not be regarded as having retained a right or interest in the transferred property if his only interest consisted of an estate for his life. This provision of the estate tax regulations was applicable only if the transfer was made prior to March 3, 1931, since a statute enacted on that date specifically requires that a transfer thereafter made must be included in the decedent's gross estate if he reserved a life estate in the transferred property. The Commissioner of Internal Revenue took the position that the Church trust which had been created prior to March 3, 1931, was taxable because the decedent had retained not only a life estate, but also an additional interest in the trust property, namely, a possibility of reverter. It was the Commissioner's contention that if the several remaindermen named in the trust instrument had all predeceased Church, the trust property would have reverted to him. The Supreme Court, however, decided that the Church trust was includible in the decedent's gross estate because of the reserved life estate, thus overruling the earlier decision in May v. Heiner. The Court also decided that the Spiegel trust was taxable under the provisions of the statute.

Amendments to conform the estate tax regulations to the Church decision were published in the Federal Register for April 15, 1949, under a notice of proposed rule-making. The notice extends an invitation for the views and comments of any interested persons. The notice also states that no amendments to the estate tax regulations are required as a result of the Spiegel decision. The proposed regulations provide, that, in the case of a decedent who died on or before January 17, 1949, the date of the Church decision, property transferred by him prior to March 3, 1931 shall not be included in his gross estate under the statutory provision interpreted in the Church case if his only right or interest in the transferred property consisted of an estate for his life. This means that effect will not be given to the overruling of May v. Heiner unless the decedent died after the date of the Church decision. The proposed regulations also provide that the Commissioner shall determine whether the decedent retained only an estate for his life or whether he also retained other rights or interests in the transferred property, and that the Commissioner's determination on this point shall be final. I am sure that, with the aid of the proposed regulations, you will not have much difficulty with the Church and Spiegel decisions.

Before returning to the 1948 Revenue Act and discussing some of the difficult problems which arose in conjunction with the preparation of the estate and gift tax regulations thereunder, let us improve our perspective by taking a glance at the history of these taxes.

Although Federal inheritance taxes were imposed during the Civil and Spanish-American Wars, the present-day Federal estate tax had its inception in the Revenue Act of 1916. At that time, taxation of inheritances by the States was an old institution. Pennsylvania had adopted the first State inheritance tax as early as 1826. In 1916, inheritance taxes were imposed by the laws of 42 states. Today, Nevada is the only state which has no death tax statute.

One important factor which led to the adoption of the Federal estate tax in 1916 was the necessity of an increase in military appropriations. Another was a belief that the sources of the Federal revenue should be better balanced.

The Congressional committee reports pointed out that consumption taxes were furnishing almost 90 percent of the Federal revenue. The House Report stated:

> "It is therefore deemed proper that, in meeting the extraordinary expenditures for the Army and Navy, our revenue system should be more evenly and equitably balanced and a larger portion of our necessary revenues collected from the incomes and inheritances of those deriving the most benefit and protection from the Government."

In adopting an estate tax upon the transfer of the net estate rather than inheritance taxes upon the several shares, the Congress was influenced by several factors. One was the greater administrative simplicity of the estate tax. It was also thought that a Federal estate tax would, in conjunction with the State inheritance taxes, which were then imposed by the laws of 42 States, form a well-balanced system of death taxation. The 1916 Act provided a $50,000 exemption and a progressive rate schedule ranging from one percent on the first $50,000 of the taxable net estate to ten percent on the portion over $5,000,000.

The position of the States in the estate and inheritance tax field was strengthened by the adoption in 1924 of a credit against the Federal estate tax for inheritance or other death taxes paid to the States. The credit authorized by the 1924 Revenue Act was limited to 25 percent of the Federal estate tax. This percentage limitation was raised to 80 percent in the 1926 Revenue Act. The 1926 Act adopted an exemption of $100,000 and a schedule of rates ranging from one percent on the first $50,000 of the taxable net estate to 20 percent on the portion over $10,000,000. If the amount of death taxes paid to the State was large enough to enable the executor to obtain the maximum credit against the Federal estate tax, it will be seen that the net Federal rates ranged from two-tenths of one percent to four percent.

The purposes of the credit were to protect the State revenues, to discourage attempts to attract wealthy persons from one State to another, and to provide an incentive for uniform State death taxes. Under this credit system, the administration and enforcement of the State death taxes have been much improved.

The Revenue Act of 1926 was the fourth complete reenactment of the Federal estate tax. Earlier reenactments were contained in the Revenue Acts of 1918, 1921, and 1924.

Following the enactment of the 1926 Act, Congress discontinued the practice of repealing and reenacting the estate tax provisions in each major revenue act. Although the 1926 Act was amended in several respects, it remained a part of the general laws of the United States until February 10, 1939, when Congress enacted the Internal Revenue Code.

Under the 1926 Act, due to the fact that the credit for State death taxes absorbed practically 80 percent of the Federal estate tax, the annual Federal collections from this source amounted to only about $50,000,000.

In the fiscal year 1931, for the first time in a decade, the ordinary expenditures of the Federal Government exceeded the ordinary receipts. Faced with a serious deficit, Congress sought additional revenue from a number of sources, including higher estate taxes. The 1932 Revenue Act imposed an additional estate tax against which no credit for State death taxes was permitted. The 1932 Act provided an exemption of $50,000 and a set of so-called "tentative rates" ranging from one percent upon the first $10,000 of the taxable net estate to 45 percent upon the portion in excess of $10,000,000. The tax computed by use of the "tentative rates" represented the aggregate of the so-called "basic tax" imposed by the Revenue Act of 1926 and the additional tax imposed by the Revenue Act of 1932. In the usual case, the net Federal tax payable was the "aggregate" or "tentative" tax reduced by 80 percent of the basic tax computed at the 1926 rates and with the use of the $100,000 exemption. In other words, the new rates introduced by the 1932 Act became the real measure of the Federal tax, subject to reduction by the credit for State taxes, and the 1926 rates became merely a device for computing the limit upon the credit.

The estate tax provisions of both the 1926 and 1932 Revenue Acts were incorporated in the Internal Revenue Code upon its enactment in 1939. The Internal Revenue Code thus retains the dual rate schedule, the basic rates serving only to determine the allowable limit upon the State credit. At present, an exemption of $60,000 is allowed for the purpose of computing the "tentative tax" and an exemption of $100,000 is allowed in computing the "basic tax." The "tentative rates" range from 3 percent upon the first $5,000 of the taxable net estate to 77 percent upon the portion of the net estate in excess of $10,000,000. The "basic" rates remain at the original 1926 level of 1 to 20 percent. By comparing the two sets of rates, it will be seen that the net rate (after allowance of the maximum amount of State credit) in the top bracket is 61 percent.

The 1916 Act had provided that interests transferred by the decedent in contemplation of his death should be included in his gross estate; and that any transfer made within two years of death should, unless shown to the contrary, be deemed to have been in contemplation of death. It soon became evident that this provision was woefully inadequate. Individuals with very large fortunes were able to escape the estate tax almost completely by means of transfers during life. In 1924 Congress enacted a gift tax, but this tax was repealed by the 1926 Revenue Act. Realizing that repeal of the gift tax would encourage transfers during life and thus increase the difficulty of enforcing the estate tax contemplation of death provision, Congress attempted to reduce the avoidance by providing that all donative transfers made within two years of death should be included in the decedent's gross estate under a conclusive presumption that the transfers were in contemplation of death. However, this provision was invalidated by the Supreme Court in 1932 in the case of Heiner v. Donnan.

Congress next came to grips with this estate tax avoidance problem in the 1932 Revenue Act by reenacting a gift tax. The Congressional committee reports stated:

> "To assist in the collection of the income and estate taxes, and prevent their avoidance through the splitting up of estates during the lifetime of a taxpayer, your committee recommends a gift tax. *** In short, the design is to impose a tax which measurably approaches the estate tax which would have been payable on the donor's death had the gifts not been made and the property given had constituted his estate at his death. *** The gift tax will supplement both the estate tax and the income tax. It will tend to reduce the incentive to make gifts in order that distribution of future income from the donated property may be to a number of persons with the result that the taxes imposed by the higher brackets of the income tax law are avoided. It will also tend to discourage transfers for the purpose of avoiding the estate tax."

The committee reports recognized that one weakness of the 1924 gift tax was the treatment of gifts made during each year as a separate tax base. The higher brackets of the progressive rate schedule could easily be avoided by spreading gifts over a period of several years. In the 1932 Revenue Act, Congress remedied this defect by providing that the rate of tax should be measured by all gifts made after the enactment of the Act. This treatment was adopted in order to tax gifts made over a period of years at the same rate as if they had all been made within one year. Since the gift tax is paid annually, this treatment requires a three-step computation. First, a tax is computed upon all gifts made after the enactment of the 1932 Revenue Act, including gifts made in the current year for which the tax is being computed. Second, a tax is computed upon all such gifts made prior to the current year. Third, the tax for the current year is obtained by subtracting the result of the second computation from the result of the first. Since the gift tax is imposed at graduated rates, the gifts for the latest year fall within the highest applicable rate bracket.

Ever since 1932 the gift tax rates have been fixed at a level equal to 75 percent of the comparable estate tax rates. Each subsequent adjustment in the estate tax rates has been accompanied by a corresponding adjustment in the gift tax rates. Because of the sustained rate differential and for other reasons, transfers during life continue to result in substantial tax savings.

One of the principal defects of the estate and gift tax law prior to 1942 was the lack of equality in its impact upon residents of States having the community-property concept as compared with residents of the so-called common-law States. Under the community-property system the wife has a one-half interest in the husband's earnings and acquisitions. In the common-law States the husband usually acquires title to the whole of his earnings and gains. Only one-half of the community property was taxable at the death of each spouse, whereas, in the common-law States, all property traceable to the husband's earnings was customarily taxed at his death. The equal division of community property between husband and wife gave them the use of two sets of estate and gift tax exemptions and also resulted in a substantial degree of escape from the higher tax rate brackets. If a husband in a common-law State attempted to reduce his estate taxes to the community-property level by transferring one-half of his property to his wife, he was required to pay a gift tax.

In the 1942 Revenue Act, Congress recognized the estate and gift tax advantages of community property and, for the first time, placed the community-property and common-law States upon a substantial equality. Congress discovered its remedy in the estate tax treatment which, ever since the 1916 Act, had been accorded to common-law joint tenancies and tenancies by the entirety. The principle of taxing such tenancies to the tenant who had originally furnished the consideration for the property had several times received the blessing of the Supreme Court. In the 1942 Act, Congress made this principle of taxation to the economic source applicable to community property. In effect, community property was includible in the husband's estate except to the extent that the surviving wife was shown to have been the earner. However, if the wife died first, only the one-half of the community property which was subject to her power of testamentary disposition was included in her gross estate. Gifts of community property were also made taxable to the husband except to the extent the wife was shown to have been the economic source of the property.

In summary, the purpose of the 1942 community-property amendments was to increase estate and gift taxes in community-property States to approximately the level in the common-law States. In 1948, however, Congress decided to repeal the 1942 amendments and to attempt instead to equate the estate and gift taxes in common-law States to the pre-1942 level in community-property States.

This was accomplished by introducing a new estate and gift tax deduction -- the "marital deduction" for transfers to a spouse. In general, in computing the estate tax, the marital deduction may be taken for the value of any property interest included in the decedent's gross estate and passing to his surviving spouse, but not to exceed 50 percent of the value of the "adjusted gross estate." The term "adjusted gross estate" is new to the estate tax and means, in a common-law State, the statutory gross estate less certain deductions, including those for estate debts and expenses. The statutory gross estate includes, in addition to property owned by the decedent at the time of his death, certain transfers made during life, joint estates with right of survivorship, tenancies by the entirety, life insurance, and property over which the decedent possessed a power of appointment. As applied to community-property States, the "adjusted gross estate" included only certain non-community property. Community property is excluded because it is already divided between husband and wife. To permit a second split of community property would distort the geographical equalization which the 1948 amendments sought to achieve.

The general rule that the marital deduction may be had for any interest in property passing to the decedent's surviving spouse is subject to a rather complex set of statutory exceptions. The most important of these exceptions is the so-called "terminable interest rule." The basic purpose of this rule is to deny the marital deduction for certain types of property interests which, due to their terminable nature, may not fall within the gross estate of the surviving spouse. An example will suffice to illustrate both its complexity and its importance.

Assume that a husband wishes his surviving wife to have a life estate in certain real property. If the husband owned the entire property at the time of his death there is no marital deduction for the life estate. If he sold the remainder interest during life to a third person for a full consideration, there is a marital deduction for the life estate; but if the disposition of the remainder was for less than a full consideration, there is no marital deduction. If the husband never owned the whole property, but purchased the estate for his wife's life in order that he might devise it to her, there is a marital deduction; but if he directed his executor to make the purchase after his death, there is no marital deduction. To very the example, assume that the husband had purchased the life estate but did not specifically dispose of it under his will. If he gives his wife a cash bequest of $100,000, and the life estate is included in his gross estate at a value of $70,000, then only $30,000 of the cash bequest will qualify for the marital deduction.

It will be seen from the foregoing example that what has commonly been described as the "terminable interest rule" is in fact a group of rules, none of which disallows the marital deduction solely because the interest passing to the surviving spouse is a life estate or other terminable interest. The circumstances under which the marital deduction will be denied are carefully set forth in the statute. The proposed regulations provide a large number of helpful examples which illustrate the operation of these rules.

The so-called "terminable interest rule" is itself subject to a number of exceptions which preserve the marital deduction in a number of important situations. One of these exceptions permits the use of a so-called "common disaster clause" in the husband's will without loss of the marital deduction. A husband may bequeath property to his surviving spouse on condition that she must survive him by six months. Although the wife's interest is (viewed as of the moment of the husband's death) a terminable one, the statute nevertheless authorizes a marital deduction unless the wife does in fact die within six months. Or, the husband may provide that property shall go to his wife unless they both die as a result of a common disaster. If wife and husband are injured in the same accident and the husband dies but the wife recovers, the statute permits a marital deduction even though, at the moment of the husband's death, the wife's interest was terminable.

The estate and gift tax regulations under the 1948 Revenue Act were published in tentative form in the Federal Register for November 6, 1948, with an invitation for the views and comments of interested persons, Most of the letters received in response to this invitation were concerned with two provisions of the Act which permit a husband to obtain the marital deduction and at the same time to guard against the possibility of imprudent management of the property by his surviving wife. The first of these provisions permits a marital deduction for a bequest or transfer in trust if the surviving spouse is entitled to the trust income for life and is given a power of appointment over the trust principal. The second permits a marital deduction for insurance proceeds left with the insurance company under either an installment or interest option if the surviving spouse is entitled to all installments or interest payments during her life and is given a taxable power of appointment over the proceeds. Under the estate tax, property subject to a power of appointment is includible in the gross estate of the holder of the power. It was considered that in these situations the rights acquired by the surviving spouse were so nearly the equivalent of absolute ownership that the decedent should be given the marital deduction.

The statute lists several additional requirements which must be met by the trust or insurance in order to qualify for the marital deduction. The trust income, or the insurance installments or interest, must be payable annually or more frequently. The surviving spouse's power of appointment must be exercisable by her alone, i.e., without the joinder or consent of any other person. While her power of appointment may be exercisable only by will or only during life, the statute states that it must be exercisable "in all events." This means that the decedent may not forbid exercise of the power in case the surviving spouse remarries or otherwise limit her right of exercise. Also, if the power is exercisable only during the surviving spouse's life, it must be exercisable in her own favor or in favor of her estate and, thus, in effect, in favor of any person whatsoever. If the power is exercisable only by will, it must be exercisable in favor of the surviving spouse's estate and, thus, in effect, in favor of any person whatsoever. No other person can have a power over the trust corpus or insurance proceeds exercisable in favor of any person other than the surviving spouse. This rule permits the decedent to clothe the trustee with a power to distribute trust principal to the surviving spouse in case the income is insufficient for her needs.

One of the most difficult questions presented by the 1948 legislation arose out of the requirement that the surviving spouse must be "entitled for life to all the income from the corpus of the trust." Following enactment of the legislation there was much speculation as to the meaning of this term. The Senate Committee report stated only that the term "income" was used in the same sense as it is used in section 162 of the Internal Revenue Code, relating to income of estates and trusts. This was not very helpful. The primary question was whether "income" had the meaning given in the Federal income tax statute, thus including capital gains and other items which may not be treated as income by trustees in keeping their accounts, or whether the term was used in some other sense. The proposed regulations settled this question by providing that the term "all the income" is intended to mean income under principles of trust law rather than under the Federal income tax law. In other words, the proposed regulations indicate that the surviving spouse must be given the degree of enjoyment which the principles of the law of trusts accord to a person who is unqualifiedly designated as the life beneficiary of a trust. The principles of trust law do not permit a trustee to sacrifice the rights of the life tenant in order to safeguard or augment corpus for the remainderman, but require him to deal impartially. Such impartiality demands that he must make the trust property productive. By this chain of reasoning, the conclusion was reached that if the trust was created over a substantial amount of unproductive property and the trustee was permitted to retain such property indefinitely in complete disregard of any rights of the surviving spouse to trust income, the trust would fail to qualify for the marital deduction. However, following publication of the proposed regulations a great many letters were received on this point. As a result, the rule set forth in the proposed regulations is being given careful reconsideration.

Other provisions of the 1948 legislation should cause less difficulty. These include the gift tax marital deduction, which is limited to one-half of the value of any gift between husband and wife, subject, in general, to the same exceptions that we have noted in the case of the estate tax marital deduction. Another provision of the 1948 Act permits a husband and wife to combine and split their gifts to third persons.

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service which everyone of you can undertake. Remember -- we are selling Savings Bonds because the people of America appreciate the value of these bonds.

I am confident that, when June 30 has come and gone, we will record the OPPORTUNITY Drive as another glowing chapter in the story of effectiveness of the Volunteer Plan of selling Savings Bonds.

OPPORTUNITY Drive, with impact and with vigor.

Three million volunteers are ready to help. Many of you in this room are among their number. Some of you volunteers have long and honorable records of service to this program. Others are recruits. But all of you -- farmers, businessmen, housewives, factory workers -- know that the promotion and sale of Savings Bonds is a form of public with that never-ending search for security and a better life which has always been a part of our national aim.

To help us achieve our six weeks national quota, which is $1,040,000,000 in E bonds, we have carefully organized for this great effort.

Newspapers, magazines, indoor and outdoor advertising, the motion picture industry, radio networks -- all are pledged to create the widest possible awareness of the deeper meaning -- and an even more personal challenge.

The Covered Wagon, which has been chosen as the identifying emblem of the Drive, symbolizes dramatically that quest for a brighter future which peopled our Western states and developed our natural resources.

The OPPORTUNITY Drive will serve to identify one of the most stirring chapters in our history ever undertaken in peacetime. Our purpose is to increase the sale of Savings Bonds to individuals, and to enroll additional participants in our two automatic regular savings plans.

The word OPPORTUNITY has always held a special significance for Americans, since so much of our national history is a projection of that idea. This region will surely find in that word an even bank-held debt has been one of the objectives of our debt-management policy. It has been accomplished in part by the vigorous promotion of Savings Bonds and other securities to individuals during the postwar period.

Beginning May 16 and continuing through June 30 the Treasury Department will conduct an OPPORTUNITY Savings Bonds Drive. This will be the greatest promotion of Savings Bonds

This program has enabled us all to assist in the management of our huge national debt. Since February 28, 1946, when the Federal debt reached a peak of $280 billions, there has been a decline of over $28 billions in the outstanding obligations of the Federal Government. Moreover, there has been a decline of $33 billions in holdings of Federal securities by the banking system. This reduction in the locally and which will be spent locally, thus creating future business for community, state and nation.

The Savings Bonds program has emphasized that Government securities are for the many, not for the few. All types and classes of our citizens own shares in their country, and thus have an active stake in its future stability and security -- which so closely reflects their own.

the Payroll Savings Plan, what it means to have made a worthwhile provision for future needs.

Total individual holdings of Savings Bonds are now at the figure of $48 billions. The owners of these Bonds are not concentrated in one geographic area. You will find them in every State of the Union. In Maine, in Florida, in Illinois, and here in Oregon. These bonds represent dollars that were saved

There are millions of workingmen and women enrolled today in the Payroll Savings Plan -- "America's new way to save." Many of these payroll participants are experiencing for the first time in their lives the <u>actuality</u> of saving. This program has brought the concept of saving into reality for large segments of our population who know, thanks to the $12.5 billions of Savings Bonds they hold through

The Savings Bonds program has taught millions of Americans in all walks of life that regular saving -- and that is the only kind which is effective -- can be accomplished automatically. Two automatic savings plans -- Payroll Savings where you work, and Bond-A-Month where you bank -- now bring regular saving within the reach of the majority of our citizens.

and to the nation alike -- is the Savings Bond program.

This program has not been in operation very long, as we measure time historically -- not much more than a decade. Yet in that brief interval it has already assumed a definite stature in the minds of our citizens. Its impact on our national economy is unquestioned. And, it has revolutionized America's saving habits.

when we look around us locally, and when we contemplate the broader national aspect, you people here in Oregon can justly feel that you are in the van of America's progress.

There are many factors which today are helping us maintain the economic stability so necessary to our national welfare, and so important to the well-being of all the world. One of the most significant -- to individual citizens gain with a 206% increase. Every one of these 6 States showed income gains since 1940 far in excess of the national average gain. This region has forged ahead on every front. Its expansion is revealed by a study of significant business indicators -- population, individuals' income, retail sales, non-agricultural and manufacturing employment, bank deposits, and liquid assets owned by individuals. They reflect an increase over the rest of the nation. Surely gold rush. And yet, on this centennial of that greatest mass movement in our nation's history -- the westward migration which the Gold Rush of '49 precipitated -- Oregon stands on the brink of a new "Golden Age".

Of the 17 states showing gains in total income of over 185% during the period 1940-1947, 6 were Far Western States. Oregon led all the states of the union in total income picture which are as vigorous and as promising as the over-all national outlook.

In the language of the Shoshone Indians the word "Oregon" is said to mean "Land of Plenty", and your history has certainly proven that this area was rightly named. The opportunities here are vast; the possibilities are great. Yours was the first of the Far Western states to be settled without a major discoveries during recent years in new materials, new manufacturing techniques, and new equipment of many kinds. Our factories have been so occupied in meeting urgent consumer demands that, up to now, they have not been able to give much time to new products. But now they have made a beginning.

When we direct our attention to this great Northwest Empire, we can cite numerous examples in the local policies. Today, in addition, we have positive elements of strength in the present huge volume of personal and corporate savings, and in the great amount of heavy construction projects, particularly by municipalities and public utilities, which remains to be done throughout the country.

We have every reason to expect a remarkable era of progress in the years ahead, based on the tremendous

Now we are in a far stronger position than in 1920. We have none of the speculative conditions that were largely responsible for the severe price decline in that year. We have none of the bond market insecurity which was so destructive to public confidence in 1920. In place of the heavily overbought inventory positions in that year, businessmen have been unusually cautious in their inventory normal buyers' markets are fully restored. Under such conditions in the past the American economy has traditionally made its greatest progress.

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Finally, these developments themselves have caused businessmen to redouble their precautionary efforts. Their attention has become centered on reducing inventories reflected in commodity prices.

Several developments have contributed to a more noticeable business readjustment this year than in the previous years. A world-wide improvement in food supplies, with continued large crops in the United States, has caused substantial declines in prices of farm and food products. At the same time, the more urgent postwar demands have been largely satisfied, and buyers now, and any excessive speculation in the security and commodity markets was effectively discouraged. Thus corrective readjustments have been made -- industry by industry -- which have kept the economy in a basically sound condition.

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This return to normal buyers' markets was both essential and inevitable as a prerequisite to our further economic progress. We are fortunate that the transition has occurred in a series of several stages, and not all at one time, as it did, for example, in the severe business decline of 1920.

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Currently, we are going through one of these business fluctuations, which represents a further postwar readjustment to normal buyers' markets and freely competitive conditions. Much of this readjustment had already been accomplished in business in 1946, 1947, and 1948. Practically all consumer goods, except perhaps certain types of credit and in the financial stability of the nation. I believe that our national fiscal policy has contributed greatly to the maintenance of our present unrivalled economic position.

In appraising our economic position, we must be careful to distinguish between a strong basic economic foundation and minor ups and downs of business -- between the underlying movement of an economic a record level. Employment and incomes are at or near record peaks.

The financial soundness of the United States Government is well established -- a fact of supreme importance in any evaluation of our progress toward world stability and world peace. The major objective of the Treasury Department is to maintain that position through fiscal policies and debt-management operations designed to cement full confidence in Government

These holdings of liquid assets are more than 3-1/2 times as large as at the beginning of the war in 1939. Other types of savings have also shown a great increase. Life insurance and pension reserves of individuals, for example, have risen by $57 billion since 1939 to a total of $90 billion.

Net working capital of corporations, which since 1939 has steadily been increasing, now stands at about $65 billions. That, too, is

We possess today financial and economic strength unparalleled in our history.

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The economic soundness of the United States is essential to the stability and the security of our civilization. Our paramount task today, therefore, is to safeguard the economic well-being of this country. In this way we can make a worthy contribution to the economic structure of the whole democratic world, and help assure world peace.

We have a great responsibility.

John W.

ADDRESS BY SECRETARY of the Treasury SNYDER

before the

SAVINGS BONDS OPPORTUNITY DRIVE DINNER

given by the

FEDERAL RESERVE BANK IN PORTLAND

Hotel Benson,

Portland, Oregon

Monday, May 2, 1949 ~~- 8:00 P.M.~~

Address by Secretary of the Treasury John W. Snyder,
before the Savings Bonds Opportunity Drive Dinner
given by the Federal Reserve Bank in Portland,
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We have every reason to expect a remarkable era of progress in the years ahead, based on the tremendous discoveries during recent years in new materials, new manufacturing techniques, and new equipment of many kinds. Our factories have been so occupied in meeting urgent consumer demands that, up to now, they have not been able to give much time to new products. But now they have made a beginning.

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There are many factors which today are helping us maintain the economic stability so necessary to our national welfare, and so important to the well-being of all the world. One of the most significant -- to individual citizens and to the nation alike -- is the Savings Bond program.

This program has not been in operation very long, as we measure time historically -- not much more than a decade. Yet in that brief interval it has already assumed a definite stature in the minds of our citizens. Its impact on our national economy is unquestioned. And, it has revolutionized America's saving habits.

The Savings Bonds program has taught millions of Americans in all walks of life that regular saving -- and that is the only kind which is effective -- can be accomplished automatically. Two automatic savings plans -- Payroll Savings where you work, and Bond-A-Month where you bank -- now bring regular saving within the reach of the majority of our citizens.

There are millions of workingmen and women enrolled today in the Payroll Savings Plan — "America's new way to save." Many of these payroll participants are experiencing for the first time in their lives the actuality of saving. This program has brought the concept of saving into reality for large segments of our population who know, thanks to the $12.5 billions of Savings Bonds they hold through the Payroll Savings Plan, what it means to have made a worthwhile provision for future needs.

Total individual holdings of Savings Bonds are now at the figure of $48 billions. The owners of these Bonds are not concentrated in one geographic area. You will find them in every State of the Union. In Maine, in Florida, in Illinois, and here in Oregon. These bonds represent dollars that were saved locally and which will be spent locally, thus creating future business for community, state and nation.

The Savings Bonds program has emphasized that Government securities are for the many, not for the few. All types and classes of our citizens own shares in their country, and thus have an active stake in its future stability and security — which so closely reflects their own.

This program has enabled us all to assist in the management of our huge national debt. Since February 28, 1946, when the Federal debt reached a peak of $280 billions, there has been a decline of over $28 billions in the outstanding obligations of the Federal Government. Moreover, there has been a decline of $33 billions in holdings of Federal securities by the banking system. This reduction in the bank-held debt has been one of the objectives of our debt-management policy. It has been accomplished in part by the vigorous promotion of Savings Bonds and other securities to individuals during the postwar period.

Beginning May 16 and continuing through June 30 the Treasury Department will conduct an OPPORTUNITY Savings Bonds Drive. This will be the greatest promotion of Savings Bonds ever undertaken in peacetime. Our purpose is to increase the sale of Savings Bonds to individuals, and to enroll additional participants in our two automatic regular saving plans.

The word OPPORTUNITY has always held a special significance for Americans, since so much of our national history is a projection of that idea. This region will surely find in that word an even deeper meaning — and an even more personal challenge.

The Covered Wagon, which has been chosen as the identifying emblem of the Drive, symbolizes dramatically that quest for a brighter future which peopled our Western states and developed our national resources.

The OPPORTUNITY Drive will serve to identify one of the most stirring chapters in our history with that never-ending search for security and a better life which has always been a part of our national aim.

To help us achieve our six weeks national quota, which is $1,040,000,000 in E bonds, we have carefully organized for this great effort.

Newspapers, magazines, indoor and outdoor advertising, the motion picture industry, radio networks -- all are pledged to create the widest possible awareness of the OPPORTUNITY Drive, with impact and with vigor.

Three million volunteers are ready to help. Many of you in this room are among their number. Some of you volunteers have long and honorable records of service to this program. Others are recruits. But all of you -- farmers, businessmen, housewives, factory workers -- know that the promotion and sale of Savings Bonds is a form of public service which everyone of you can undertake. Remember -- we are selling Savings Bonds because the people of America appreciate the value of these bonds.

I am confident that, when June 30 has come and gone, we will record the OPPORTUNITY Drive as another glowing chapter in the story of effectiveness of the Volunteer Plan of selling Savings Bonds.

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this public service program.

The Volunteers have undertaken a praiseworthy and most important task, for they are helping to encourage thrift. They are helping to preserve our system of individual enterprise. They are helping to guarantee our economic security and stability -- and thus they are helping to preserve the peace and security of all the world.

we're counting on them to do -- and if every other city and county and state do the same.

Three million volunteers are standing by, ready to help us put this Drive over. Many of you here in this room are an active part of this work. Some of you volunteers are veterans of every War Loan Drive; others are recruits. Farmers, businessmen, housewives, factory workers -- they all know what it means to work tirelessly and unselfishly in the furtherance of future better, more secure. The millions of Americans who today hold Savings Bonds have found one most helpful answer.

We have set ourselves a national quota in this Drive, which will continue for one and one-half months, of $1,040,000,000 in E bonds -- an impressive but by no means unattainable figure. This quota can be achieved only if every local quota is met; if Seattle and King County and the entire State of Washington turn in the job program.

On May 16, forty-eight covered wagons will set forth from Independence, Missouri -- the historica stop-over where the caravans met on the great trail West -- and will visit towns and cities across the nation. These Covered Wagons will be forceful reminders of that quest for a better future which resulted in the expansion of our Western states.

As individuals and as a nation, we are still seeking ways to make our

The financial soundness of the United States Government is well established -- a fact of supreme importance to world stability and world peace. It is the Treasury's major objective to maintain that soundness through fiscal policies and debt-management operations which will cement confidence in the Government's credit and in the nation's financial stability. The OPPORTUNITY Drive is a vehicle by which all Americans can actively help in our debt-management and public utilities.

We have every reason to expect a remarkable era of progress in the years ahead, based on the tremendous discoveries made during recent years in new materials, new manufacturing techniques, and new equipment of many kinds. Our factories have been so occupied in meeting urgent consumer demands that, up to now, they have not been able to give much time to new products. But now they have made a beginning.

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To all Americans the word OPPORTUNITY is a challenge to project our abilities and our knowledge into active realization for the future.

We are holding this Drive at a very opportune time. We are today in stands for homes that might otherwise never be built -- educations for millions of youngsters who might otherwise never have the opportunity to finish school -- it stands for farms and new business ventures and security for old-age.

On May 16 the Treasury Department will launch the OPPORTUNITY Savings Bonds Drive -- the greatest promotion of Savings Bonds ever attempted in peacetime history. Our purpose is to increase the sale of Savings Bonds to

$48 billion.

This vast sum in the hands of so many of our citizens signifies many things. It means a tremendous reserve of deferred buying power. Like the reservoirs of water upon whose capacity the future productivity of so much of this area depends, this stored-up spending power means future business for town, community, state and nation. And, it means a worthwhile reserve against any emergencies which may lie ahead. It

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The sale of savings bonds has steadily increased in volume over redemptions since the end of the war, until at the close of 1948, total sales of all series for that year reached $7,295,000,000.

Such a sales achievement doesn't happen of itself. It is the culmination of the efforts of many people in many places -- all working together toward a common goal.

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Well, we know now that they were very much mistaken. Americans wanted the Savings Bonds program to continue. It is the expressed desire of the American people which has made the Savings Bonds program America's most successful sales enterprise.

farm. Show him a wilderness -- and he will try to build a town. Give him a positive program by which everyone -- individuals and the nation alike -- can benefit, and he will work in its behalf. The overwhelming success of the United States Savings Bonds program is a shining example of this characterization.

When the Victory Loan ended there were many who felt that it would be difficult to continue the makes a very prosperous sound.

Here, where the historic past is still close enough to the present to be just another chapter in a continuing story, we can see very tangible evidence of one of the most potent forces in the American national character -- our intense desire to improve the conditions under which we live. Set an American down in a desert -- and he will make every effort to transform it into a the great Northwest Empire which has forged ahead on every front. This expansion is revealed by a study of important business indicators -- population, individuals' income, retail sales, non-agricultural and manufacturing employment, bank deposits, and liquid assets owned by individuals. Seattle, which used to be a one-industry town with lumber as its dominant payroll source, now boasts a multi-cylindered economy whose smooth-running machinery of the Middle West -- these look very much the same today as they did before the war.

But certain maps of the United States have changed -- particularly the industrial and marketing maps. There has been a wide shift in population. Industries are concentrating in areas which were predominately rural a decade ago.

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We know that wars change maps. The recent conflict, which altered so much of the world's aspect, fortunately did not disturb the geographical boundaries of this country. Nor were the general appearances of its cities and rural districts materially altered. New York's skyscrapers still stand. The steel mills in Pittsburgh, the factories in Cincinnati, the farms of the Treasury John W.

ADDRESS BY SECRETARY of the Treasury SNYDER

Before the

SAVINGS BONDS OPPORTUNITY DRIVE LUNCHEON

~~Spanish Ballroom~~, Olympic Hotel

Seattle, Washington

Monday, May 2, 1949 ~~- 12:15 p.m.~~

Address by Secretary of the Treasury John W. Snyder
Before the Savings Bonds Opportunity Drive Luncheon
Olympic Hotel, Seattle, Washington
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Net working capital of corporations, which has been increasing steadily since 1939, stands at about $65 billion -- and that too is at record level. Employment and incomes are at or near record peaks.

In appraising our economic position, we must be careful to distinguish between a strong basic economic foundation and minor ups and downs of business -- between the underlying movement of an economic tide and the waves of irregular business fluctuations.

Currently, we are going through one of these business fluctuations which represents a further postwar readjustment to normal buyers' markets and freely competitive conditions. Much of this readjustment had already been accomplished in business in 1946, 1947, and 1948. Practically all consumer goods, except perhaps certain types of automobiles, are now freely obtainable under normal competitive conditions.

This return to normal buyers' markets was both essential and inevitable as a prerequisite to our further economic progress. We are fortunate that the transition has occurred in a series of several stages, and not all at one time, as it did, for example, in the severe business decline of 1920.

For easing the transition back to normal buyers' markets, we owe many thanks to the ghost of 1920, which has continually haunted the minds of businessmen during the recent postwar years. In each winter since the war ended, apprehension has swept over the business world -- a fear of an approaching repetition of the 1920 collapse. In each case, business firms made haste to correct overbuilt inventories, bankers followed very cautious loan policies, and any excessive speculation in the security and commodity markets was effectively discouraged. Thus corrective readjustments have been made -- industry by industry -- which have kept the economy in a basically sound condition.

This winter, people again went through the same routine, and this time their precautions brought some immediate results in correcting the inflationary spiral, as is reflected in commodity prices.

Several developments have contributed to a more noticeable business readjustment this year than in the previous years. A world-wide improvement in food supplies, with continued large crops in the United States, has caused substantial declines in prices of farm and food products. At the same time, the more urgent postwar demands have been largely satisfied, and buyers now, as in normal times, have more freedom. Also, the less urgent demands have permitted a more normal seasonal pattern for employment in factories and in transportation, which has caused some rise in unemployment during the winter.

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The effect has been to cause some slackening in demand for factory products, and some weakening in prices of industrial materials while this readjustment is being made. But the readjustment itself is adding further strength to our basic economic foundation, and is bringing closer the renewed business advance which we may expect after normal buyers' markets are fully restored. Under such conditions in the past the American economy has traditionally made its greatest progress.

While people are haunted by the fear of another 1920, many do not realize that before the end of 1922 our industrial production had again risen to new record highs, exceeding all previous wartime and postwar peaks.

Now we are in a far stronger position than in 1920. We have none of the speculative conditions that were largely responsible for the severe price decline in that year. We have none of the bond market insecurity which was so destructive to public confidence in 1920. In place of the heavily overbought inventory positions in that year, businessmen have been unusually cautious in their inventory policies. Today, in addition, we have positive elements of strength in the present huge volume of personal and corporate savings, and in the great amount of heavy construction which remains to be done throughout the country, particularly by municipalities and public utilities.

We have every reason to expect a remarkable era of progress in the years ahead, based on the tremendous discoveries made during recent years in new materials, new manufacturing techniques, and new equipment of many kinds. Our factories have been so occupied in meeting urgent consumer demands that, up to now, they have not been able to give much time to new products. But now they have made a beginning.

The financial soundness of the United States Government is well established -- a fact of supreme importance to world stability and world peace. It is the Treasury's major objective to maintain that soundness through fiscal policies and debt-management operations which will cement confidence in the Government's credit and in the nation's financial stability. The OPPORTUNITY Drive is a vehicle by which all Americans can actively help in our debt-management program.

On May 16, forty-eight covered wagons will set forth from Independence, Missouri -- the historical stop-over where the caravans met on the great trail West -- and will visit towns and cities across the nation. These covered wagons will be forceful reminders of that quest for a better future which resulted in the expansion of our Western states.

As individuals and as a nation, we are still seeking ways to make our future better, more secure. The millions of Americans who today hold Savings Bonds have found one most helpful answer.

We have set ourselves a national quota in this Drive, which will continue for one and one-half months, of $1,040,000,000 in E bonds -- an impressive but by no means unattainable figure. This quota can be achieved only if every local quota is met; if Seattle and King County and the entire State of Washington turn in the job we're counting on them to do -- and if every other city and county and state do the same.

Three million volunteers are standing by, ready to help us put this Drive over. Many of you here in this room are an active part of this work. Some of you volunteers are veterans of every War Loan Drive; others are recruits. Farmers, businessmen, housewives, factory workers -- they all know what it means to work tirelessly and unselfishly in the furtherance of this public service program.

The volunteers have undertaken a praiseworthy and most important task, for they are helping to encourage thrift. They are helping to preserve our system of individual enterprise. They are helping to guarantee our economic security and stability -- and thus they are helping to preserve the peace and security of all the world.

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salesman. The man who owns United States Savings Bonds is the best spokesman for the bonds.

In just a few days now these volunteers will set out to ring the Nation's doorbells, to impress the meaning of the Opportunity Drive upon every man and woman in their home town.

These Volunteers have undertaken a praiseworthy and most important task, for they are helping to encourage all the other hard-working volunteers of the Savings Bonds Program whose record of service has been long and honorable.

I have said that there are three million volunteers who will undertake actual bond-selling assignments for us during the weeks of the Drive. But really that number is far greater. Actually, every single one of us who has ever bought a Savings Bond is a volunteer must be met. Because in the final analysis all sales are local, three million volunteers are standing by today across the Nation, ready to go to work for us in their own communities as soon as the signal is given.

You may know some of these men and women personally. It may be that some of you here in this room belong to that number. I would like to congratulate them -- and through them, "Forty-niners" a century ago, and their modern counterpart of today. For we all know that the search for opportunity and a better life which urged onward the pioneers and their covered wagons one hundred years ago <u>still</u> goes on -- and is still a great incentive in all our lives.

Our national quota during the six weeks of this Drive is $1,040,000,000. To help us achieve this very considerable figure every local quota -- town, county, and state --

1849 -- the centennial celebration of which is taking place this year.

The symbol of the Drive is the Covered Wagon. Giant Army and Navy planes will fly these replicas of our pioneering past to all the Nation's major market areas, where they will immediately spearhead every kind of promotional activity. Mediums of communication will continue throughout the Drive to emphasize the "opportunity" theme, and to point up the similarity between the hold $48 billion of Savings Bonds; the towns and cities like Salt Lake City, the states like Utah.

From May 16 through June 30 the Treasury Department will undertake the greatest promotion of Savings Bonds ever attempted in peacetime. We are calling this Drive the Savings Bonds OPPORTUNITY Drive, and we have tied it in with one of the most colorful episodes in our nation's past -- the Gold Rush of people themselves. It is the men and women who buy the bonds; the men and women who sell them to other people -- friends, families, neighbors, fellow-workers.

It is the millions of working men and women now saving regularly through the automatic Payroll Savings Plan. It is the $12.5 billion which these "Payroll Saving Regulars" now hold. It represents the individuals across America who now during the postwar period.

We believe that an essential phase of debt management is achieved by distributing the ownership of the debt among as many Americans as possible -- and by permitting as many individuals and families as possible to share in interest payments. The Savings Bonds program helps to accomplish <u>both</u> these objectives.

Most important of all, the Savings Bonds program is the large decline in the outstanding obligations of our Federal Government. In addition, there has been a drop of $33 billion in holdings of Federal securities by our banking system. To achieve this reduction in the bank-held debt has been one of the important objectives of our debt-management policy. It has been accomplished in great measure by the vigorous promotion of Savings Bonds and other securities to individuals money which will some day mean more business for state and Nation -- provides valuable thrift training. I regard this as one of the program's most important contributions to our national life.

Further the Savings Bonds program enables millions of our citizens to engage actively in the management of the national debt. Since February 28, 1946, when the Federal debt reached a peak of $280 billions, there has been a modern scheme of things.

The world needs re-education in the basic principles of thrift. It needs to learn how to care for its natural resources -- how to conserve forests and topsoil, how to manage its rivers and store up potential productivity and power for future use.

The Savings Bond program, which creates in each community great reserve potentials of deferred buying power --

He knows that he is actually doing something for the good of his community and his country.

This Nation was founded on the traditional American concept of thrift. It was thrift which helped us attain our present greatness. So let us not dismiss thrift as something old-fashioned and out-moded -- good enough for our pioneering grandparents, perhaps, but having no place in our to prevent him from buying the Savings Bond which is his personal share of his Government -- his stake in its future well-being.

The Savings Bonds Program is a strong unifying force in our national life. Each Savings Bond volunteer has himself experienced the heart-warming knowledge that in making a bond sale, he is making a personal contribution to the nation.

America's leaders in every field -- business, agriculture, labor -- have long regarded the Savings Bonds program as a winning factor in the maintenance and the preservation of our system of free enterprise.

Every American citizen may participate actively in this program. No matter whether a man's income is great or small -- whether he lives on a farm or in a crowded metropolitan area -- there is nothing in the development of antibiotics, in city planning and in highway construction. And we have not even begun the development of atomic energy and power for non-military uses.

Yes, we can be confident and hopeful of our future. Let us then redouble our vigilance, and be constantly alert to any signs of weakness which may prove dangerous to the economic health of the nation.

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Today the financial soundness of the United States Government is well established -- a fact of paramount importance to the peace and stability of the world. The Treasury's assets are more than 3-1/2 times as large as at the beginning of the European war in 1939. Other types of savings have also shown a great increase. Life insurance and pension reserves of individuals, for example, have risen by $57 billion since 1939 to a total of $90 billion.

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As a nation, we stand today in a position of financial and economic strength never before attained in our history. Liquid assets of individuals have reached more than $200 billion -- a record figure. People now hold an estimated $23 billion in cash, $47 billion in personal checking accounts, and $66 billion in savings accounts. They hold $48 billion in Savings Bonds and $20 billion in other Federal securities. These holdings of liquid good order, and stands firmly on a sound foundation.

Our prime concern is to demonstrate the effectiveness of our system of free enterprise. We must prove, beyond any shadow of doubt, that our form of government offers the individual greater opportunities, than any other system of Government in the world today. And we must make it clear that every American has a stake in the preservation of this system.

Today, as never before, the spotlight of history is focused upon our nation. In that hard and unremitting light everything we do -- or fail to do -- is unmistakably revealed.

The world's hope for peace and stability depends in large measure upon the economic, military, and spiritual strength of this nation. The task, then, falls to every one of us as individual Americans to see that our own economic house is in

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I am referring to the role which the Savings Bonds program and the Opportunity Drive of 1949 plays in the preservation of our individual opportunities.

ADDRESS BY SECRETARY SNYDER

Before the

Savings Bonds Opportunity Drive luncheon

Sponsored by ROTARY CLUB OF SALT LAKE CITY AND THE

SALT LAKE CITY BRANCH OF THE

FEDERAL RESERVE BANK OF SAN FRANCISCO

~~Lafayette Ballroom~~, Hotel Utah

Salt Lake City, Utah

Tuesday, May 3, 1949 - ~~12:00 M.~~

Address By Secretary Snyder Before The Savings Bonds Opportunity Drive Luncheon Sponsored By Rotary Clubs Of Salt Lake City And The Salt Lake City Branch Of The Federal Reserve Bank Of San Francisco, Hotel Utah, Salt Lake City, Utah, Tuesday, May 3, 1949

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Further the Savings Bonds program enables millions of our citizens to engage actively in the management of the national debt. Since February 28, 1946, when the Federal debt reached a peak of $280 billions, there has been a large decline in the outstanding obligations of our Federal Government. In addition, there has been a drop of $33 billion in holdings of Federal securities by our banking system. To achieve this reduction in the bank-held debt has been one of the important objectives of our debt-management policy. It has been accomplished in great measure by the vigorous promotion of Savings Bonds and other securities to individuals during the postwar period.

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1—1071

RELEASE, MORNING NEWSPAPERS,
Tuesday, May 3, 1949.

The Secretary of the Treasury announced last evening that the tenders for $800,000,000, or thereabouts, of 91-day Treasury bills to be dated May 5 and to mature August 4, 1949, which were offered on April 29, were opened at the Federal Reserve Banks on May 2.

The details of this issue are as follows:

Total applied for - $1,623,290,000
Total accepted - 801,987,000 (includes $67,051,000 entered on a non-competitive basis and accepted in full at the average price shown below)

Average price - 99.710 Equivalent rate of discount approx. 1.147% per annum

Range of accepted competitive bids:

High - 99.712 Equivalent rate of discount approx. 1.139% per annum
Low - 99.709 " " " " " 1.151% " "

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

Federal Reserve District	Total Applied for	Total Accepted
Boston	$ 25,640,000	$ 21,840,000
New York	1,204,108,000	494,714,000
Philadelphia	34,039,000	16,459,000
Cleveland	57,727,000	54,652,000
Richmond	3,250,000	3,150,000
Atlanta	16,521,000	13,269,000
Chicago	127,459,000	82,309,000
St. Louis	7,080,000	6,914,000
Minneapolis	8,380,000	4,042,000
Kansas City	50,286,000	39,326,000
Dallas	7,745,000	5,437,000
San Francisco	81,055,000	59,875,000
TOTAL	$1,623,290,000	$801,987,000

Form WSB

TREASURY DEPARTMENT

Information Service WASHINGTON, D.C.

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America today can so many millions of men and women express their faith in their own and their Nation's future -- and with such complete assurance of success?

This is a program which makes it easy for all to participate actively in the shaping of their individual future. It is a program which brings our Government close to every citizen. It is a program which gives our people the opportunity of experiencing at first hand how a system of free enterprise works, and what it means to every one of us.

Through this program we are saying, in effect -- where else but in set aside in U. S. Savings Bonds, as provision for their future. These regular savers today hold $12.5 billion in Savings Bonds.

The $48 billion worth of Savings Bonds now held by individuals is a sum greater than the entire national income a generation ago. It represents money which was saved locally, and which will be spent locally, thereby contributing to the future business for community and nation.

our debt-management policy. And it has been aided by the vigorous promotion of Savings Bonds and other securities to individuals during the postwar period.

Through the Payroll Savings Plan, systematic, regular saving has been brought within the reach of workingmen and women. Today, all across America, millions of people are enrolled in this Plan. Every payday they see some specific part of their current earnings management of our Federal debt. Since February 28, 1946, when the Federal debt reached a peak of $280 billion, there has been a decline of more than $28 billion in the outstanding obligations of our Federal Government. In addition, there has been a decline of $33 billion in holdings of Federal securities by our banking system. To achieve this reduction in the bank-held debt has been one of the major objectives of citizen may participate. Its goals -- opportunity for development, financial independence and security for individua[l] and nation alike -- are the personal goals of everyone.

All levels of our economic structure meet in this endeavor. The banker and his smallest depositor; the newspaper publisher and the boy who delivers his newspapers, the industrialist and the factory worker.

The program has aided us in the wi[s]

Sales figures reveal how this program gains in popularity every year. Last year total sales of all series reached $7,295,000,000, while E Bond sales totalled $4,224,000,000, and the margin of cash sales over redemptions showed a gain of 220% over 1947. For the initial quarter of 1949 E Bond sales exceeded the like period a year ago; during March 1949 we sold $415,000,000 in E Bonds.

It is a program in which every

Americans like the program and the product. They wanted it continued after the end of the war, when many predicted it would be dropped. The reason why they approve so wholeheartedly of these bonds is primarily, of course, because they regard Savings Bonds, which are backed by the full faith and credit of our Government for payment both of interest and principal, as a risk-free investment.

One of the finest vehicles for developing this future is the Savings Bonds program, which is as truly American as Main Street -- as vital and timely as today's headline news.

Since the inception of this program, just a little over a decade ago, its hold on our people has grown until it is recognized everywhere as a great public service program.

Far-Western States. In California that gain was 188 percent. Every one of these States showed income gains from 1940 to 1947 much in excess of the national average gain. This Far-West region has forged ahead on every front. And behind its achievements, one of the strongest factors has been the courage and confidence of its people to advance with determination toward a tomorrow that will be brighter and less troubled than today.

new materials, new manufacturing techniques, and new equipment of many kinds. Our factories have been so occupied in meeting urgent consumer demands that, up to now, they have not been able to give much time to new products.

What is true of the national picture applies with equal force to individual areas of our country.

Of the 17 states showing gains in total income of over 185 percent during the period of 1940-47, 6 were conditions in the past the American economy has traditionally made its greatest progress.

While people are haunted by the fear of another 1920, many do not realize that before the end of 1922 our industrial production had again risen to new record highs, exceeding all previous wartime and postwar peaks.

We have every reason to expect a remarkable era of progress in the years ahead, based on the tremendous discoveries during recent years in new orders to the minimum and rapidly paying off the bank loans.

The effect has been to cause some slackening in demand for factory products, and some weakening in prices of industrial materials while this readjustment is being made. But the readjustment itself is adding further strength to our basic economic foundation, and is bringing closer the renewed business advance which we may expect after normal buyers' markets are fully restored. Under such largely satisfied, and buyers now, as in normal times, have more freedom. Also, the less urgent demands have permitted a more normal seasonal pattern for employment in factories and in transportation, which has caused some rise in unemployment during the winter.

Finally, these developments themselves have caused businessmen to redouble their precautionary efforts. Their attention has become centered on reducing inventories and immediate results in correcting the inflationary spiral, as is reflected in commodity prices.

Several developments have contributed to a more noticeable business readjustment this year than in the previous years. A world-wide improvement in food supplies, with continued large crops in the United States, has caused substantial declines in prices of farm and food products. At the same time, the more urgent postwar demands have been collapse. In each case, business firms made haste to correct overbuilt inventories, bankers followed very cautious loan policies, and any excessive speculation in the security and commodity markets was effectively discouraged. Thus corrective readjustments have been made -- industry by industry -- which have kept the economy in a basically sound condition.

This winter, people again went through the same routine, and this time their precautions brought some occurred in a series of several stages, and not all at one time, as it did, for example, in the severe business decline of 1920.

For easing the transition back to normal buyers' markets, we owe many thanks to the ghost of 1920, which has continually haunted the minds of businessmen during the recent postwar years. In each winter, since the war ended, apprehension has swept over the business world -- a fear of an approaching repetition of the 1920 and freely competitive conditions. Much of this readjustment had already been accomplished in business in 1946, 1947, and 1948. Practically all consumer goods, except perhaps certain types of automobiles, are now freely obtainable under normal competitive conditions.

This return to normal buyers' markets was both essential and inevitable as a prerequisite to our further economic progress. We are fortunate that the transition has unrivalled economic position.

In appraising our economic position, we must be careful to distinguish between a strong basic economic foundation and minor ups and downs of business -- between the underlying movement of an economic tide and the waves of irregular business fluctuations.

Currently, we are going through one of these business fluctuations which represents a further postwar readjustment to normal buyers' markets

United States Government is well established -- a fact of paramount importance to world stability and world peace. It has been the Treasury's major objective to maintain that soundness through fiscal policies and debt-management operations designed to cement confidence in the Government's credit and in the Nation's financial stability. I believe that the course of action which has been pursued in the maintenance of that confidence has contributed greatly to our present a total of $90 billion.

Net working capital of corporations which has been increasing steadily since 1939, now stands at about $65 billions -- and that, too, is a record level. Employment and incomes are at or near record peaks. Our position has not been undermined, as has been the case in some previous times, by speculative operations in the stock and commodity markets.

The financial soundness of the

now hold an estimated $23 billion in cash, $47 billion in personal checking accounts, and $66 billion in savings accounts. They hold $48 billion in Savings Bonds and $20 billion in other Federal securities. These holdings of liquid assets are more than 3-1/2 times as large as at the beginning of the war in 1939. Other types of savings have also shown a great increase. Life insurance and pension reserves of individuals, for example, have risen by $57 billion since 1939 to national quota for the six weeks period of $1,040,000,000 in Series E Bonds.

There are TWO fundamental factors which are basic to every bond sale. The first is the prospect's ability to buy. The second is his willingness.

There can be no doubt at all of America's ability to buy. We stand today at a position of financial and economic strength unparalleled in our history. Liquid assets of individuals, totaling over $200 billions, are at the highest figure on record. People and a better life which led these pioneers to California.

Covered wagons, transported by the "flying box cars" of our Army Air Forces to all major market areas across the nation, will lend additional impact to the Drive's meaning. Mediums of communication and entertainment will be fully utilized to promote the sale of these securities. Three million volunteers are already standing by in rural areas, in small towns and in crowded cities to help us achieve our fact, we celebrate the centennial of the greatest mass movement in our history -- that westward migration termed the "Gold Rush". That "lucky strike" a century ago led to the development of one of our richest areas.

All America will soon join in paying tribute to the "forty-niners". From May 16 through June 30, the greatest peacetime promotion of Savings Bonds -- the Treasury Department's OPPORTUNITY Drive -- will recall vividly the search for opportunity

I am always pleased to have the opportunity to return to San Francisco. The visitor from the East -- and out here I understand that phrase signifies any area not actually bounded by the Pacific Ocean -- must be continually impressed by the energy and confidence of the men who built, and are building San Francisco.

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Address By Secretary Of The Treasury John W. Snyder, Before The Humanitarian Award Banquet Of The Annual Convention Of The Variety Clubs International, Fairmont Hotel, San Francisco, California, Wednesday, May 4, 1949

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-oOo-

Undoubtedly, the opportunities are still here. And I know of no country in the world today that offers to vigorous men of vision the incentives to further achievement which are found in our own United States.

of the world's passenger automobiles.

These figures have been made possible by American enterprise. They show the response of American businessmen to the incentives provided by a free enterprise system -- a response which in 1948 -- the year just ended -- was demonstrated by the largest capital investment in the history of our country.

have the energy and backbone to make use of them.

Our population amounts to about one-fifteenth of the population of the world. But one-half of the world's entire industrial output comes from American industries. Almost thirty percent of the world's railway mileage is in this country. About three-fifths of the world's telephones are in American homes and businesses, and Americans own more than three-fourth of our Nation. And they characterize, too, the history of California.

I quoted, earlier, some of the figures on which my confidence in the essential soundness of financial and business conditions at the present time are based. We have the materials, the resources, and the manpower. The opportunities are ready and waiting. I am confident that now, as always, we Americans will down bank ownership of Federal securities, we can widen the base of Federal security holdings, and we can strengthen confidence in the credit of the United States through our savings bond program.

Our savings bond drive this year really has two themes: Opportunity -- to build for the future; and confidence -- in what the future will bring. In a broader sense, these two themes characterize the history initiation of the savings bond program in 1935.

The vigorous promotion of sales of savings bonds during and since the war has been a major factor in the success of our efforts to broaden the ownership of the Federal debt. The Savings Bond Opportunity Drive, which is just starting, will carry this objective further. In the absence of a surplus, we cannot reduce the debt. But we can continue to cut

Federal security holdings of nonbank owners by the same amount -- 5 billion dollars. The money which we have obtained from sales of additional securities to individuals and other nonbank owners has been available for paying off maturing issues held by the commercial banking system.

The policy of spreading the debt as widely as possible among individuals and other nonbank investor groups goes back to the

1950.

A third concern of Treasury debt management is to reduce bank ownership of Federal securities. Today, as a result of this operation, bank holdings of Government securities have declined over 33 billion dollars since February 1946 -- 5 billion dollars more than the reduction which has taken place in the total outstanding debt. This has come about because we have been able to increase application of cash balances that remained after the Victory Loan; and, when those balances were expended, through the application of Federal budget surpluses.

There is only one source of further reductions in the national debt. Our debt must be reduced by an excess of Federal Government receipts over Government expenditures. Present budget forecasts, however, indicate deficits in the fiscal years 1949 and enabled us to take account of fairly rapid changes in the financial environment, and to adapt our policies accordingly.

A second goal of debt management is to reduce the amount of the debt. At the present time, as I have stated, our Federal debt amounts to $251.5 billion dollars. It has been reduced over 28 billion dollars since the peak was reached in February 1946. This was accomplished, first by the rises in the Government bond market. This has contributed an important element of stability to the Nation's financial structure.

In the market for short-term issues, the situation has called for flexibility, and the Treasury and the Federal Reserve have cooperated in carrying out a flexible program with respect to short-term interest rates. This, in itself, has been an important tool of debt management, since it has

Government. This is not only fundamental to our domestic economy, it is of crucial significance, also, to the democratic countries of the world.

Our program for maintaining confidence in the Government's credit is centered around the stabilization of Treasury bond prices. In cooperation with the Federal Reserve, actions have been taken which have prevented both undue price declines and undue price maintaining a stable and smoothly functioning economic organization.

During the postwar years, the debt management program of the Treasury has been conducted with this aim in view. Three specific objectives have been followed, however; and I believe that you will be interested in hearing something about them.

Our first and most important objective is to maintain confidence in the credit of the United States policies in the Nation's economy.

The Federal debt now stands at $251.5 billion -- over 50 percent of all public and private debt in the United States. Before the war, the ratio was less than 25 percent. This means that, today, public debt operations produce effects which are felt throughout the financial and business worlds. Debt management, under these circumstances, must be directed toward promoting and

I have been talking, so far, about the business picture, since that has been generally foremost in our minds during the current period of readjustment. Sound business conditions however, depend in the last analysis upon a stable financial situation. As Secretary of the Treasury, I am charged with definite responsibilities in this respect; and I should like to say a few words at this point about the place of Governmental fiscal largely unexplored.

Atomic energy, alone, may revolutionize our way of living. Our national atomic energy program is being pushed with greatest vigor. Today, nearly 70,000 people are employed in this program. During the last fiscal year, when the full program of long-range development got under way, $466 million was spent by the Government on this program, and by 1950 it is estimated that expenditures will reach $725 million.

of our peacetime growth. The rebuilding of our schools, our hospitals, our municipal service systems, our great transcontinental highways -- largely neglected during the war -- has scarcely begun.

New industrial processes which challenge our ingenuity to make use of them are just being developed. The possibilities of light metals, of plastics, and of other synthetic materials -- to name only a few -- are little under 68 billion dollars, and 23 billion dollars was in currency.

The net working capital of corporations, as I stated earlier, is also at record levels. It has been steadily increasing since 1939 and now amounts to the impressive total of 66 billion dollars.

These figures are evidence that our present position is one of real strength.

But we are only at the beginning

slightly from the all-time peak of last December, and well above the level of a year ago.

Individual savings -- which represent the backlog available for future spending -- amounted to over 200 billion dollars at the end of 1948. About 66 billion dollars of this amount was in savings accounts. Forty-seven billion dollars was in checking accounts. Individual holdings of Federal securities amounted to a to expect.

These are the factors which underscore the soundness of our present position, and the richness of our present opportunities. Right here, I should like to give you some of the figures which spell out the developments that I have been talking about.

Take consumer buying power, to start with: Personal incomes in February of this year were at an annual rate of $217 billion -- off only were developed so rapidly under the stimulus of wartime necessity.

Net working capital of corporations, despite these outlays, is at an all-time record level -- more than ample to give scope and flexibility of movement to the operation of free business enterprise in a competitive era.

Our population is increasing, and more of us, all the time, are participating in the rising standards of living which Americans have come there has been little or no overstockin

The buying power is here: Sales are being supported by a continuing high income flow and by a backlog of individual savings -- stored-up purchasing power -- which has reached an all-time high.

The plant and equipment are ready: American business has invested over 75 billion dollars in new construction and equipment since the war ended, and is now in a position to make use of the new techniques which of us are still a little dazzled by the large profits and easy sales which carried us through 1946, 1947, and 1948. But, when we take a good look at 1949, how do things really add up?

To my mind, they add up to just this: we are, in this country, currently in a strong position. But what is more important, we are on the threshold of an era of opportunity unexampled in our history.

Financial conditions are sound: There is no heavy speculation, and street was showing. There was no need to work to develop something new, when our '38 and '39 products could be run off the line and sold before the paint was dry.

I don't need to tell you that we Americans know how to get results when a selling job is required. Our traditional form of American enterprise has always flourished best under the pressure of competition.

Now, we are getting back into that competitive atmosphere. I think a lot such as rayon and crude petroleum, have just recently experienced buyers' markets.

These are the developments that we have been looking for. They signal the return of competitive selling.

In most lines, up to now, we haven't had to sell. People have been taking things off the production lines as fast as they were turned out. Businessmen haven't had to convince customers that their product was better than the one the salesman down the a flexible position.

Return to a more normal competitive economy has actually been going on since the very close of the war. Many adjustments have been practically completed. Some luxury industries were affected in 1946. Machine tools, auto tires, radios, and others, followed in 1947. Textiles, shoes, auto trucks, furniture, household equipment, and various other industries started their adjustment in the spring and summer of 1948. Others, equally sharp contrast to the past is the gradual nature of the adjustments now taking place to normal competitive conditions.

Business recessions in the past were precipitate. But ever since the end of World War II, there has been a widespread feeling that a price decline and business adjustments were imminent. This has led businessmen to follow conservative buying policies and to take other precautionary measures which have aided them in maintaining is also true in the entire credit structure of the Nation.

Because excessive speculation has been absent, there is no important volume of speculative liquidation in prospect. Each of the recessions in our business history has been featured by heavy liquidation of speculative accounts, and the absence of these accounts today is a truly reassuring element in the current outlook.

Next to the absence of speculation the factor which stands out in almost with concern over price readjustments in our economy has tended to narrow our outlook. It is helpful, therefore, to see how things look today as compared with some previous transition periods in our history.

To my mind, the most striking element of contrast between our present situation and certain crucial periods in the past is the absence of unrestrained speculation during the recent postwar years. This is true of the commodity and stock markets, and it in prices, are now going on in many sectors of the economy. These readjustments are evident here on the Coast, and they have been evident throughout the country. They are important. But in appraising them, I think we need to look at our present situation in proper perspective.

All of us are aware, when we stop to think about them, of the factors indicating continued good health of our economy over the long pull. But our preoccupation this year was the beginning of your remarkable food production history. In the century since 1849, riches greater than gold have been found in your soil, your climate, and -- above all -- in the resourcefulness and enterprise of your citizens.

Today, as in 1849, the Pacific Coast region, and the Nation, are entering a new era of opportunity.

I am saying this in full realization of the fact that readjustments in demand, in output, and history. Railroads spread over the country, at the rate of a thousand miles a year. Agriculture and trade followed. Soon after the close of the Civil War, the joining of the Central and Union Pacific lines broke down the last barrier to communication between the West Coast and the older, more settled East.

For California, gold had been the turning point. The sudden growth in population after 1849 created a local demand for farm products which predicted that the "acquisition of our immense coast upon the Pacific" would "revolutionize, in our favor, the commerce of the world, and more rapidly advance our greatness, wealth, and power, than any event which has occurred since the adoption of the Constitution."

Largely as a result of the westward expansion stimulated by the Gold Strike, the ten years following 1850 were most significant in our soon as the treaty with Mexico was signed. California's delayed admission as a State did not delay our revenue collectors. Early in 1849 -- over a year before President Fillmore signed the bill making California a part of the Union -- San Francisco was made a Port of Entry for the collection of customs duties on goods entering the United States from foreign countries. And even before that, in 1848, Secretary of the Treasury Walker of travelers; and from the earliest history of your State, California has given them a generous welcome.

To the visitor arriving in your city today, it is interesting to recall that at the time of the Gold Rush, San Francisco was a tiny settlement.

Among the early arrivals -- I have been interested to learn -- was the Treasury Department.

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I am glad to be here in San Francisco today at the beginning of your centennial celebrating the coming of the Forty-niners to California. As a Missourian, I like to feel that my home State has a part in your celebration this year, since it was exactly 100 years ago this month -- in May 1849 -- that thousands of emigrants passed through Independence, Missouri, on the way to California.

America has always been a nation

of the Treasury John

ADDRESS BY SECRETARY SNYDER

at the SAN FRANCISCO PRESS CLUB LUNCHEON

SAN FRANCISCO, CALIFORNIA

"A CENTURY OF ECONOMIC PROGRESS"

Wednesday, May 4, 1949

Address by Secretary of the Treasury
John W. Snyder at the San Francisco
Press Club Luncheon, San Francisco,
California, Wednesday, May 4, 1949

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Today, as in 1849, the Pacific Coast region, and the Nation, are entering a new era of opportunity.

I am saying this in full realization of the fact that readjustments in demand, in output, and in prices, are now going on in many sectors of the economy. These readjustments are evident here on the Coast, and they have been evident throughout the country. They are important. But in appraising them, I think we need to look at our present situation in proper perspective.

All of us are aware, when we stop to think about them, of the factors indicating continued good health of our economy over the long pull. But our preoccupation this year with concern over price readjustments in our economy has tended to narrow our outlook. It is helpful, therefore, to see how things look today as compared with some previous transition periods in our history.

To my mind, the most striking element of contrast between our present situation and certain crucial periods in the past is the absence of unrestrained speculation during the recent postwar years. This is true of the commodity and stock markets, and it is also true in the entire credit structure of the Nation.

Because excessive speculation has been absent, there is no important volume of speculative liquidation in prospect. Each of the recessions in our business history has been featured by heavy liquidation of speculative accounts, and the absence of these accounts today is a truly reassuring element in the current outlook.

Next to the absence of speculation, the factor which stands out in almost equally sharp contrast to the past is the gradual nature of the adjustments now taking place to normal competitive conditions.

Business recessions in the past were precipitate. But ever since the end of World War II, there has been a widespread feeling that a price decline and business adjustments were imminent. This has led businessmen to follow conservative buying policies and to take other precautionary measures which have aided them in maintaining a flexible position.

Return to a more normal competitive economy has actually been going on since the very close of the war. Many adjustments have been practically completed. Some luxury industries were affected in 1946. Machine tools, auto tires, radios, and others, followed in 1947. Textiles, shoes, auto trucks, furniture, household equipment, and various other industries started their adjustment in the spring and summer of 1948. Others, such as rayon and crude petroleum, have just recently experienced buyers' markets.

These are the developments that we have been looking for. They signal the return of competitive selling.

In most lines, up to now, we haven't had to sell. People have been taking things off the production lines as fast as they were turned out. Businessmen haven't had to convince customers that their product was better than the one the salesman down the street was showing. There was no need to work to develop something new, when our '38 and '39 products could be run off the line and sold before the paint was dry.

I don't need to tell you that we Americans know how to get results when a selling job is required. Our traditional form of American enterprise has always flourished best under the pressure of competition.

Now, we are getting back into that competitive atmosphere. I think a lot of us are still a little dazzled by the large profits and easy sales which carried us through 1946, 1947, and 1948. But, when we take a good look at 1949, how do things really add up?

To my mind, they add up to just this: we are, in this country, currently in a strong position. But what is more important, we are on the threshold of an era of opportunity unexampled in our history.

Financial conditions are sound: There is no heavy speculation, and there has been little or no overstocking.

The buying power is here: Sales are being supported by a continuing high income flow and by a backlog of individual savings -- stored-up purchasing power -- which has reached an all-time high.

The plant and equipment are ready: American business has invested over 75 billion dollars in new construction and equipment since the war ended, and is now in a position to make use of the new techniques which were developed so rapidly under the stimulus of wartime necessity.

Net working capital of corporations, despite these outlays, is at an all-time record level -- more than ample to give scope and flexibility of movement to the operation of free business enterprise in a competitive era.

Our population is increasing, and more of us, all the time, are participating in the rising standards of living which Americans have come to expect.

These are the factors which underscore the soundness of our present position, and the richness of our present opportunities. Right here, I should like to give you some of the figures which spell out the developments that I have been talking about.

Take consumer buying power, to start with: Personal incomes in February of this year were at an annual rate of $217 billion -- off only slightly from the all-time peak of last December, and well above the level of a year ago.

Individual savings -- which represent the backlog available for future spending -- amounted to over 200 billion dollars at the end of 1948. About 66 billion dollars of this amount was in savings accounts. Forty-seven billion dollars was in checking accounts. Individual holdings of Federal securities amounted to a little under 68 billion dollars, and 23 billion dollars was in currency.

The net working capital of corporations, as I stated earlier, is also at record levels. It has been steadily increasing since 1939 and now amounts to the impressive total of 66 billion dollars.

These figures are evidence that our present position is one of real strength.

But we are only at the beginning of our peacetime growth. The rebuilding of our schools, our hospitals, our municipal service systems, our great transcontinental highways -- largely neglected during the war -- has scarcely begun.

New industrial processes which challenge our ingenuity to make use of them are just being developed. The possibilities of light metals, of plastics, and of other synthetic materials -- to name only a few -- are largely unexplored.

Atomic energy, alone, may revolutionize our way of living. Our national atomic energy program is being pushed with greatest vigor. Today, nearly 70,000 people are employed in this program. During the last fiscal year, when the full program of long-range development got under way, $466 million was spent by the Government on this program, and by 1950 it is estimated that expenditures will reach $725 million.

I have been talking, so far, about the business picture, since that has been generally foremost in our minds during the current period of readjustment. Sound business conditions, however, depend in the last analysis upon a stable financial situation. As Secretary of the Treasury, I am charged with definite responsibilities in this respect; and I should like to say a few words at this point about the place of Governmental fiscal policies in the Nation's economy.

The Federal debt now stands at $251.5 billion -- over 50 percent of all public and private debt in the United States. Before the war, the ratio was less than 25 percent. This means that, today, public debt operations produce effects which are felt throughout the financial and business worlds. Debt management, under these circumstances, must be directed toward promoting and maintaining a stable and smoothly functioning economic organization.

During the postwar years, the debt management program of the Treasury has been conducted with this aim in view. Three specific objectives have been followed, however; and I believe that you will be interested in hearing something about them.

Our first and most important objective is to maintain confidence in the credit of the United States Government. This is not only fundamental to our domestic economy, it is of crucial significance, also, to the democratic countries of the world.

Our program for maintaining confidence in the Government's credit is centered around the stabilization of Treasury bond prices. In cooperation with the Federal Reserve, actions have been taken which have prevented both undue price declines and undue price rises in the Government bond market. This has contributed an important element of stability to the Nation's financial structure.

In the market for short-term issues, the situation has called for flexibility, and the Treasury and the Federal Reserve have cooperated in carrying out a flexible program with respect to short-term interest rates. This, in itself, has been an important tool of debt management, since it has enabled us to take account of fairly rapid changes in the financial environment, and to adapt our policies accordingly.

A second goal of debt management is to reduce the amount of the debt. At the present time, as I have stated, our Federal debt amounts to $251.5 billion dollars. It has been reduced over 28 billion dollars since the peak was reached in February 1946. This was accomplished, first by the application of cash balances that remained after the Victory Loan; and, when those balances were expended, through the application of Federal budget surpluses.

There is only one source of further reductions in the national debt. Our debt must be reduced by an excess of Federal Government receipts over Government expenditures. Present budget forecasts, however, indicate deficits in the fiscal years 1949 and 1950.

A third concern of Treasury debt management is to reduce bank ownership of Federal securities. Today, as a result of this operation, bank holdings of Government securities have declined over 33 billion dollars since February 1946 -- 5 billion dollars more than the reduction which has taken place in the total outstanding debt. This has come about because we have been able to increase Federal security holdings of nonbank owners by the same amount -- 5 billion dollars. The money which we have obtained from sales of additional securities to individuals and other nonbank owners has been available for paying off maturing issues held by the commercial banking system.

The policy of spreading the debt as widely as possible among individuals and other nonbank investor groups goes back to the initiation of the savings bond program in 1935.

The vigorous promotion of sales of savings bonds during and since the war has been a major factor in the success of our efforts to broaden the ownership of the Federal debt. The Savings Bond Opportunity Drive, which is just starting, will carry this objective further. In the absence of a surplus, we cannot reduce the debt. But we can continue to cut down bank ownership of Federal securities, we can widen the base of Federal security holdings, and we can strengthen confidence in the credit of the United States through our savings bond program.

Our savings bond drive this year really has two themes: Opportunity -- to build for the future; and confidence -- in what the future will bring. In a broader sense, these two themes characterize the history of our Nation. And they characterize, too, the history of California.

I quoted, earlier, some of the figures on which my confidence in the essential soundness of financial and business conditions at the present time are based. We have the materials, the resources, and the manpower. The opportunities are ready and waiting. I am confident that now, as always, we Americans will have the energy and backbone to make use of them.

Our population amounts to about one-fifteenth of the population of the world. But one-half of the world's entire industrial output comes from American industries. Almost thirty percent of the world's railway mileage is in this country. About three-fifths of the world's telephones are in American homes and businesses, and Americans own more than three-fourths of the world's passenger automobiles.

These figures have been made possible by American enterprise. They show the response of American businessmen to the incentives provided by a free enterprise system -- a response which in 1948 -- the year just ended -- was demonstrated by the largest capital investment in the history of our country.

Undoubtedly, the opportunities are still here. And I know of no country in the world today that offers to vigorous men of vision the incentives to futher achievement which are found in our own United States.

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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, non-competitive tenders for $200,000 or less without stated price from any one bidder will be accepted in full at the average price (in three decimals) of accepted competitive bids. Settlement for accepted tenders in accordance with the bids must be made or completed at the Federal Reserve Bank on May 12, 1949 (8), in cash or other immediately available funds or in a like face amount of Treasury bills maturing May 12, 1949 (8). Cash and exchange tenders will receive equal treatment. 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 the Internal Revenue Code, or laws amendatory or supplementary thereto. 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

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~~TREASURY DEPARTMENT~~
~~Washington~~

S-1074

~~FOR~~ RELEASE, MORNING NEWSPAPERS,
Friday, May 6, 1949.
(1)

The Secretary of the Treasury, by this public notice, invites tenders for $ 900,000,000 (2), or thereabouts, of 91 (3) -day Treasury bills, for cash and in exchange for Treasury bills maturing May 12, 1949 (4), to be issued on a discount basis under competitive and non-competitive bidding as hereinafter provided. The bills of this series will be dated May 12, 1949 (5), and will mature August 11, 1949 (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 daylight saving ~~Standard~~ time, Monday, May 9, 1949 (7). Tenders will not be received at the Treasury Department, Washington. Each tender must be for an even multiple of $1,000, and in the case of competitive tenders 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

Information Service **WASHINGTON, D.C.**

RELEASE, MORNING NEWSPAPERS,
Friday, May 6, 1949.

S-1074

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Tenders will be received without deposit from incorporated banks and trust companies and from responsible and recognized dealers in investment securities. Tenders from others must be accompanied by payment of 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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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 the Internal Revenue Code, or laws amendatory or supplementary thereto. 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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Proposed Press Statement

S - 1075

Acting Secretary Edward H. Foley Jr. today issued the following statement in regard to the death of Captain William J. Pedrick, Collector of Internal Revenue for the Second New York District, which occurred in New York last night:

"The passing of Captain Pedrick, Collector of Internal Revenue for the Second District of New York, was noted with sorrow by members of the Treasury's official family. An alert, energetic worker, Captain Pedrick established an enviable record in the important post he held since 1942. In the absence of Secretary Snyder, it becomes my unhappy duty to express the grief of this Department over the death of such an outstanding public servant and civic leader."

Mr. Foley stated that Raymond F. Ryan, Assistant to the Collector of the Second New York District, has been ~~named~~ designated as Acting Collector, pending the ~~designation~~ appointment of a successor to Captain Pedrick. Mr. Ryan, a native of New York, entered the Revenue Service in 1934, and was promoted to Assistant to the Collector in 1942.

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TREASURY DEPARTMENT

Information Service WASHINGTON, D.C.

IMMEDIATE RELEASE,
Thursday, May 5, 1949. S-1075

Acting Secretary Edward H. Foley, Jr., today issued the following statement in regard to the death of Captain William J. Pedrick, Collector of Internal Revenue for the Second New York District, which occurred in New York last night:

> "The passing of Captain Pedrick, Collector of Internal Revenue for the Second District of New York, was noted with sorrow by members of the Treasury's official family. An alert, energetic worker, Captain Pedrick established an enviable record in the important post he held since 1942. In the absence of Secretary Snyder, it becomes my unhappy duty to express the grief of this Department over the death of such an outstanding public servant and civic leader."

Mr. Foley stated that Raymond F. Ryan, Assistant to the Collector of the Second New York District, has been designated as Acting Collector, pending the appointment of a successor to Captain Pedrick. Mr. Ryan, a native of New York, entered the Revenue Service in 1934, and was promoted to Assistant to the Collector in 1942.

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S-1076

Press Release

Secretary Snyder today announced that the Treasury Department has been authorized to take possession of the property known as 8900 South Broadway, in St. Louis, Missouri, for use by the Bureau of Federal Supply in storing ~~strategic~~ much needed and important materials for future use.

The 39-acre War Assets Administration property has situated on it four buildings comprising a total of 572,000 square feet, and was obtained for the Treasury by the Public Buildings Administration.

The Treasury Department exercised its Federal Government priority in order to obtain this much-needed space in the Middle West. In taking over the property, the Treasury estimates that the ~~minimum~~ savings in rentals will be in excess of $250,000 annually. Had the St. Louis property not been acquired on a Federal priority, Secretary Snyder said, the Government would have been called upon to obtain space elsewhere in the Middle West, at the minimum cost stated.

The entire property will be utilized by the Bureau of Federal Supply, since it is particularly adaptable to the purposes of that Treasury activity.

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TREASURY DEPARTMENT

Information Service **WASHINGTON, D.C.**

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Friday, May 6, 1949.

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S-1077

RELEASE, MORNING NEWSPAPERS,
Tuesday, May 10, 1949.

The Secretary of the Treasury announced last evening that the tenders for $900,000,000, or thereabouts, of 91-day Treasury bills to be dated May 12 and to mature August 11, 1949, which were offered on May 6, were opened at the Federal Reserve Banks on May 9.

The details of this issue are as follows:

Total applied for - $1,705,606,000
Total accepted - 900,330,000 (includes $78,932,000 entered on a non-competitive basis and accepted in full at the average price shown below)
Average price - 99.710 Equivalent rate of discount approx. 1.148% per annum

Range of accepted competitive bids:

High - 99.712 Equivalent rate of discount approx. 1.139% per annum
Low - 99.709 " " " " " 1.151% " "

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

Federal Reserve District	Total Applied for	Total Accepted
Boston	$ 17,290,000	$ 17,290,000
New York	1,315,351,000	609,813,000
Philadelphia	29,895,000	24,585,000
Cleveland	19,855,000	19,560,000
Richmond	5,439,000	5,277,000
Atlanta	6,998,000	6,998,000
Chicago	120,352,000	65,257,000
St. Louis	15,855,000	14,937,000
Minneapolis	10,715,000	10,675,000
Kansas City	50,125,000	43,007,000
Dallas	24,125,000	22,775,000
San Francisco	89,606,000	60,156,000
TOTAL	$1,705,606,000	$900,330,000

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TREASURY DEPARTMENT

Information Service WASHINGTON, D.C.

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Chicago	120,352,000	65,257,000
St. Louis	15,855,000	14,937,000
Minneapolis	10,715,000	10,675,000
Kansas City	50,125,000	43,007,000
Dallas	24,125,000	22,775,000
San Francisco	89,606,000	60,156,000
TOTAL	$1,705,606,000	$900,330,000

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EARNINGS, EXPENSES, AND DIVIDENDS OF NATIONAL BANKS FOR YEARS ENDED DECEMBER 31, 1948 AND 1947 - Continued

(Amounts in thousands of dollars)

	1948	1947	Change since 1947
Recoveries, transfers from reserve accounts, and profits:			
On securities:			
Recoveries...........................	$19,682)	→ $25,571	+ 5,407
Transfers from reserve accounts.......	11,296)		
Profits on securities sold or redeemed	37,491	61,421	-23,930
On loans:			
Recoveries...........................	24,614)	→ 43,629	+ 4,926
Transfers from reserve accounts.......	23,941)		
All other.............................	44,455	29,991	+ 14,464
TOTAL RECOVERIES, TRANSFERS FROM RESERVE ACCOUNTS AND PROFITS........	161,479	160,612	+ 867
Losses, charge-offs, and transfers to reserve accounts:			
On securities:			
Losses and charge-offs................	46,616)	→ 69,785	+ 386
Transfers to reserve accounts.........	23,555)		
On loans:			
Losses and charge-offs................	19,633)	→ 73,542	+ 106,735
Transfers to reserve accounts.........	2/160,644)		
All other.............................	26,995	25,639	+ 1,356
TOTAL LOSSES, CHARGE-OFFS AND TRANSFERS TO RESERVE ACCOUNTS............	277,443	168,966	+ 108,477
PROFITS BEFORE INCOME TAXES................	600,121	635,740	-35,619
Taxes on net income:			
Federal................................	166,693	172,614	-5,921
State..................................	9,671	10,143	-472
TOTAL TAXES ON NET INCOME...........	176,364	182,757	-6,393
NET PROFITS BEFORE DIVIDENDS................	423,757	452,983	-29,226
Dividends declared:			
On preferred stock......................	1,304	1,372	-68
On common stock:			
Cash dividends.......................	192,603	182,147	+ 10,456
Stock dividends......................	36,691	23,450	+ 13,241
TOTAL DIVIDENDS DECLARED.............	230,598	206,969	+ 23,629
Number of banks 1/........................	4,997	5,011	-14
Rate of net profits:	Percent	Percent	Percent
To capital funds 1/.....................	7.47	8.36	-.89
Rate of cash dividends:			
To capital funds 1/.....................	3.42	3.39	+ .03

1/ At end of period.
2/ Includes reserves established by 2,032 banks under the provisions of Sec. 23(k)1 of the Internal Revenue Code.

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EARNINGS, EXPENSES, AND DIVIDENDS OF NATIONAL BANKS FOR YEARS ENDED DECEMBER 31, 1948 AND 1947

(Amounts in thousands of dollars)

	1948	1947	Change since 1947
Capital stock, par value: 1/			
Preferred	$24,045	$27,440	-3,395
Common	1,804,714	1,752,409	+52,305
TOTAL CAPITAL STOCK	1,828,759	1,779,849	+48,910
Capital funds 1/	5,670,888	5,421,324	+249,564
Earnings from current operations:			
Interest and dividends:			
On U. S. Government obligations	578,669	620,531	-41,862
On other securities	110,901	105,120	+5,781
Interest and discount on loans	890,628	706,319	+184,309
Service charges on deposit accounts	97,682	83,342	+14,340
Other service charges, commissions, fees, and collection and exchange charges	55,194	53,266	+1,928
Trust department	59,383	55,063	+4,320
Other current earnings	108,014	101,193	+6,821
TOTAL EARNINGS FROM CURRENT OPERATIONS	1,900,471	1,724,834	+175,637
Current operating expenses:			
Salaries and wages:			
Officers	197,575	178,354	+19,221
Employees other than officers	368,180	333,143	+35,037
Fees paid to directors and members of executive, discount, and advisory committees	10,008	9,182	+826
Interest on time deposits (including savings deposits)	175,507	163,286	+12,221
Taxes other than on net income	61,328	59,071	+2,257
Recurring depreciation on banking house, furniture and fixtures	27,669	24,146	+3,523
Other current operating expenses	344,119	313,558	+30,561
TOTAL CURRENT OPERATING EXPENSES	1,184,386	1,080,740	+103,646
NET EARNINGS FROM CURRENT OPERATIONS	716,085	644,094	+71,991

previous years is not practical because of reserve accounts amounting to $184,000,000 charged out of current earnings in 1948, largely the reserve for bad debts used by more than 2,000 national banks under the provisions of Mimeograph 6209 issued by the Bureau of Internal Revenue in December 1947.

Cash dividends declared on common and preferred stock in 1948 totaled $194,000,000 in comparison with $184,000,000 in 1947. The rate of cash dividends was 3.42 percent of capital funds. The cash dividends in 1948 were 46 percent of the net profits available for the year. The remaining 54 percent of net profits, or $230,000,000, was retained by the banks in their capital funds.

On December 31, 1948 there were 4,997 national banks in operation as compared to 5,011 at the end of 1947.

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TREASURY DEPARTMENT
Comptroller of the Currency
Washington

~~FOR~~ RELEASE, MORNING NEWSPAPERS,
Thursday, May 5, 1949

~~Press Service~~
~~No.~~ 5-1078

Comptroller of the Currency Preston Delano announced today that the national banks in the United States and possessions reported net operating earnings of $716,000,000 for the year ended December 31, 1948, an increase of $72,000,000 over the amount reported for the year 1947.

Gross earnings were $1,900,000,000. This was an increase of $176,000,000 over the gross earnings for the year 1947. The principal items of operating earnings in 1948 were $891,000,000 from interest and discount on loans, an increase of $184,000,000 over 1947, and $579,000,000 from interest on United States Government obligations, a decrease of $42,000,000 compared to the year 1947. Other principal items of operating earnings were $111,000,000 from interest and dividends on securities other than United States Government obligations, an increase of $6,000,000 over the previous year, and $98,000,000 from service charges on deposit accounts, an increase of $14,000,000. Operating expenses, excluding taxes on net income, were $1,184,000,000, as against $1,081,000,000 in 1947. Principal operating expenses were $576,000,000 for salaries and wages of officers and employees and fees paid to directors, an increase of $55,000,000 over 1947, and $176,000,000 expended for interest on time and savings deposits, an increase of $12,000,000.

Adding to the net operating earnings of $716,000,000 profits on securities sold of $37,000,000 and recoveries on loans and investments, etc. (including recoveries of reserves previously charged out) of $124,000,000, and deducting therefrom losses and charge-offs (including current charge-offs for reserve purposes) of $277,000,000, and taxes on net income of $176,000,000, the net profits before dividends for the year 1948 amounted to $424,000,000, which amounts to 7.47 percent of capital funds. This is an apparent reduction in net profits before dividends of $29,000,000 from the year 1947, but a comparison of the results of 1948 with the year 1947 and

Information Service

TREASURY DEPARTMENT
Comptroller of the Currency
Washington

RELEASE MORNING NEWSPAPERS,
Thursday, May 5, 1949

S-1078

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Gross earnings were $1,900,000,000. This was an increase of $176,000,000 over the gross earnings for the year 1947. The principal items of operating earnings in 1948 were $891,000,000 from interest and discount on loans, an increase of $184,000,000 over 1947, and $579,000,000 from interest on United States Government obligations, a decrease of $42,000,000 compared to the year 1947. Other principal items of operating earnings were $111,000,000 from interest and dividends on securities other than United States Government obligations, an increase of $6,000,000 over the previous year, and $98,000,000 from service charges on deposit accounts, an increase of $14,000,000. Operating expenses, excluding taxes on net income, were $1,184,000,000, as against $1,081,000,000 in 1947. Principal operating expenses were $576,000,000 for salaries and wages of officers and employees and fees paid to directors, an increase of $55,000,000 over 1947, and $176,000,000 expended for interest on time and savings deposits, an increase of $12,000,000.

Adding to the net operating earnings of $716,000,000 profits on securities sold of $37,000,000 and recoveries on loans and investments, etc. (including recoveries of reserves previously charged out) of $124,000,000, and deducting therefrom losses and charge-offs (including current charge-offs for reserve purposes) of $277,000,000, and taxes on net income of $176,000,000, the net profits before dividends for the year 1948 amounted to $424,000,000, which amounts to 7.47 percent of capital funds. This is an apparent reduction in net profits before dividends of $29,000,000 from the year 1947, but a comparison of the results of 1948 with the year 1947 and previous years is not practical because of reserve accounts amounting to $184,000,000 charged out of current earnings in 1948, largely the reserve for bad debts used by more than 2,000 national banks under the provisions of Mimeograph 6209 issued by the Bureau of Internal Revenue in December 1947.

Cash dividends declared on common and preferred stock in 1948 totaled $194,000,000, in comparison with $184,000,000 in 1947. The rate of cash dividends was 3.42 percent of capital funds. The cash dividends in 1948 were 46 percent of the net profits available for the year. The remaining 54 percent of net profits, or $230,000,000, was retained by the banks in their capital funds.

On December 31, 1948 there were 4,997 national banks in operation as compared to 5,011 at the end of 1947.

EARNINGS, EXPENSES, AND DIVIDENDS OF NATIONAL BANKS FOR YEARS ENDED DECEMBER 31, 1948 AND 1947
(Amounts in thousands of dollars)

	1948	1947	Change since 1947
Capital stock, par value: 1/			
Preferred	$ 24,045	$ 27,440	-3,395
Common	1,804,714	1,752,409	+52,305
TOTAL CAPITAL STOCK	1,828,759	1,779,849	+48,910
Capital funds 1/	5,670,888	5,421,324	+249,564
Earnings from current operations:			
Interest and dividends:			
On U. S. Government obligations	578,669	620,531	-41,862
On other securities	110,901	105,120	+5,781
Interest and discount on loans	890,628	706,319	+184,309
Service charges on deposit accounts	97,682	83,342	+14,340
Other service charges, commissions, fees, and collection and exchange charges	55,194	53,266	+1,928
Trust department	59,383	55,063	+4,320
Other current earnings	108,014	101,193	+6,821
TOTAL EARNINGS FROM CURRENT OPERATIONS	1,900,471	1,724,834	+175,637
Current Operating expenses:			
Salaries and wages:			
Officers	197,575	178,354	+19,221
Employees other than officers	368,180	333,143	+35,037
Fees paid to directors and members of executive, discount, and advisory committees	10,008	9,182	+826
Interest on time deposits (including savings deposits)	175,507	163,286	+12,221
Taxes other than on net income	61,328	59,071	+2,257
Recurring depreciation on banking house, furniture and fixtures	27,669	24,146	+3,523
Other current operating expenses	344,119	313,558	+30,561
TOTAL CURRENT OPERATING EXPENSES	1,184,386	1,080,740	+103,646
NET EARNINGS FROM CURRENT OPERATIONS	716,085	644,094	+71,991

EARNINGS, EXPENSES, AND DIVIDENDS OF NATIONAL BANKS FOR YEARS ENDED DECEMBER 31, 1948 AND 1947 - Continued

(Amounts in thousands of dollars)

	1948	1947	Change since 1947
Recoveries, transfers from reserve accounts, and profits:			
On securities:			
Recoveries	$19,682)	$25,571	+5,407
Transfers from reserve accounts	11,296)		
Profits on securities sold or redeemed	37,491	61,421	-23,930
On loans:			
Recoveries	24,614)	43,629	+4,926
Transfers from reserve accounts	23,941)		
All other	44,455	29,991	+14,464
TOTAL RECOVERIES, TRANSFERS FROM RESERVE ACCOUNTS AND PROFITS	161,479	160,612	+867
Losses, charge-offs, and transfers to reserve accounts:			
On securities:			
Losses and charge-offs	46,616)	69,785	+386
Transfers to reserve accounts	23,555)		
On loans:			
Losses and charge-offs	19,633)	73,542	+106,735
Transfers to reserve accounts	2/160,644)		
All other	26,995	25,639	+1,356
TOTAL LOSSES, CHARGE-OFFS AND TRANSFERS TO RESERVE ACCOUNTS	277,443	168,966	+108,477
PROFITS BEFORE INCOME TAXES	600,121	635,740	-35,619
Taxes on net income:			
Federal	166,693	172,614	-5,921
State	9,671	10,143	-472
TOTAL TAXES ON NET INCOME	176,364	182,757	-6,393
NET PROFITS BEFORE DIVIDENDS	423,757	452,983	-29,226
Dividends declared:			
On preferred stock	1,304	1,372	-68
On common stock:			
Cash dividends	192,603	182,147	+10,456
Stock dividends	36,691	23,450	+13,241
TOTAL DIVIDENDS DECLARED	230,598	206,969	+23,629
Number of banks 1/	4,997	5,011	-14
Rate of net profits:	Percent	Percent	Percent
To capital funds 1/	7.47	8.36	-.89
Rate of cash dividends:			
To capital funds 1/	3.42	3.39	+.03

1/ At end of period.
2/ Includes reserves established by 2,032 banks under the provisions of Sec. 23(k of the Internal Revenue Code.

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S-1079

~~TREASURY DEPARTMENT~~
~~Fiscal Service~~
~~Washington~~, May ~~4~~ 10, 1949

STATUTORY DEBT LIMITATION

AS OF April 30, 1949

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			
Obligations issued under Second Liberty Bond Act, as amended			
Interest-bearing:			
Treasury bills	$ 11,541,757,000		
Certificates of indebtedness	28,710,247,000		
Treasury notes	8,083,771,000	$ 48,335,775,000	
Bonds -			
Treasury	111,439,548,450		
Savings (current redemp. value)	56,019,310,241		
Depositary	349,642,500		
Armed Forces Leave	415,682,925		
Investment series	954,305,000	169,178,489,116	
Special Funds -			
Certificates of indebtedness	17,224,163,000		
Treasury notes	14,608,756,500	31,832,919,500	
Total interest-bearing		249,347,183,616	
Matured, interest-ceased		244,014,424	
Bearing no interest:			
War savings stamps	52,878,340		
Excess profits tax refund bonds	5,922,476		
Special notes of the United States:			
Internat'l Bank for Reconst. and Development series	40,785,000		
Internat'l Monetary Fund series	1,063,000,000	1,162,585,816	
Total		250,753,783,856	
Guaranteed obligations (not held by Treasury):			
Interest-bearing:			
Debentures: F.H.A.	11,961,136		
Demand obligations: C.C.C.	7,239,799	19,200,935	
Matured, interest-ceased		3,650,550	
		22,851,485	
Grand total outstanding			250,776,635,341
Balance face amount of obligations issuable under above authority			24,223,364,659

Reconcilement with Statement of the Public Debt - April 30, 1949
(Daily Statement of the United States Treasury, May 2, 1949)

Outstanding -	
Total gross public debt	251,530,468,255
Guaranteed obligations not owned by the Treasury	22,851,485
Total gross public debt and guaranteed obligations	251,553,319,740
Deduct - other outstanding public debt obligations not subject to debt limitation	776,684,399
	250,776,635,341

S-1079

Information Service

STATUTORY DEBT LIMITATION
AS OF April 30, 1949

May 10, 1949

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	$250,776,635,341

S-1079

Requests for documentation should be made to the collector of customs of the district in which the home port of the yacht is to be located.

These pleasure boats were excluded from [redacted] documentation privileges [redacted] in the early 1930's when rum-running and other enforcement problems made it desirable to keep close check on the movement of such craft through exercise of clearance and entry requirements. ~~The outbreak of World War II provided a compelling reason for continuing the policy.~~

Acting Commissioner of Customs Frank Dow said [redacted] the conditions that made [redacted] denial of documentation to this class of vessel necessary no longer exist. ~~and the Bureau has decided again to extend the service to owners who desire it. Under the law the Commissioner of Customs has permissive authority to extend documentation to such craft.~~

~~Proposed press release~~ Morning Papers Wednesday, May 11 S—1080

~~Secretary Snyder~~ The Treasury Department announced today that the ~~Treasury's~~ Bureau of Customs is extending the privilege of documentation as yachts under the navigation laws to a large class of pleasure boats hitherto excluded. ~~thus making~~ The change makes possible more expeditious travel by small boat between the United States and foreign ports, and facilitates ~~facilitating~~ financing and transfers of title of such craft.

The ~~vessels affected, which have not been permitted documentation as yachts for nearly two decades, are~~ order affects vessels of not less than five tons or more than 15 tons, which used exclusively for pleasure, ~~and are not less than 5 tons or more than 15 tons.~~ It is estimated that more than 30,000 such craft are owned by American citizens, and that several thousand of these owners will take advantage of the new regulation, which is contained in Treasury Decision 52210.

Important privileges extended by documentation of such vessels are:

Indent

1. Authority to fly the yacht ensign, a right highly prized by yachtsmen.
2. Right to voyage to and from foreign ports without customs clearance or entry.
3. Provision for recording of mortgages, bills of sale, and other instruments of title, and the keeping of permanent records thereof in the offices of collectors of customs.

Owners who document such vessels must effect renewals annually, and must report any changes of master to a collector of customs.

TREASURY DEPARTMENT

Information Service **WASHINGTON, D.C.**

RELEASE, MORNING NEWSPAPERS,
Wednesday, May 11, 1949.

S-1080

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The order affects vessels of not less than five tons or more than 15 tons, used exclusively for pleasure. It is estimated that more than 30,000 such craft are owned by American citizens, and that several thousand of these owners will take advantage of the new regulation, which is contained in Treasury Decision 52210.

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Acting Commissioner of Customs Frank Dow said the conditions that made denial of documentation to this class of vessel necessary no longer exist.

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S- 1081

~~FOR~~ IMMEDIATE RELEASE,
~~May 10, 1949~~
Wednesday, May 11, 1949

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, 1948, as follows:

Country of Origin	Wheat: Established Quota	Wheat: Imports May 29, 1948 to April 30, 1949	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, 1948, to Apr. 30, 1949
	(Bushels)	(Bushels)	(Pounds)	(Pounds)
Canada	795,000	239,959	3,815,000	3,639,171
China	-	-	24,000	160
Hungary	-	-	13,000	-
Hong Kong	-	-	13,000	-
Japan	-	-	8,000	-
United Kingdom	100	-	75,000	-
Australia	-	-	1,000	-
Germany	100	-	5,000	-
Syria	100	-	5,000	14
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	21	1,000	-
Greece	-	-	1,000	-
Mexico	100	-	1,000	-
Panama	-	-	1,000	-
Uruguay	-	-	1,000	-
Poland and Danzig	-	-	1,000	-
Sweden	-	-	1,000	661
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	239,980	4,000,000	3,640,006

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TREASURY DEPARTMENT
Washington 25

IMMEDIATE RELEASE,
Wednesday, May 11, 1949.

S-1081

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Country of Origin	Wheat		Wheat flour, semolina, crushed or cracked wheat, and similar wheat products	
	Established Quota	Imports May 29, 1948 to April 30, 1949	Established Quota	Imports May 29, 1948, to Apr.30, 1949
	(Bushels)	(Bushels)	(Pounds)	(Pounds)
Canada	795,000	239,959	3,815,000	3,639,171
China	-	-	24,000	160
Hungary	-	-	13,000	-
Hong Kong	-	-	13,000	-
Japan	-	-	8,000	-
United Kingdom	100	-	75,000	-
Australia	-	-	1,000	-
Germany	100	-	5,000	-
Syria	100	-	5,000	14
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	21	1,000	-
Greece	-	-	1,000	-
Mexico	100	-	1,000	-
Panama	-	-	1,000	-
Uruguay	-	-	1,000	-
Poland and Danzig	-	-	1,000	-
Sweden	-	-	1,000	661
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	239,980	4,000,000	3,640,006

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S- 1082

IMMEDIATE RELEASE
May 10, 1949
Wednesday, May 11, 1949

The Bureau of Customs announced today preliminary figures showing the imports for consumption of commodities within quota limitations provided for under the General Agreement on Tariffs and Trade, from the beginning of the quota periods to April 30, 1949, inclusive, as follows:

(14)

Commodity	Period and Quantity		Unit of Quantity	Imports as of April 30, 1949
Whole milk, fresh or sour..................	Calendar year	3,000,000	Gallon	607
Cream, fresh or sour....	Calendar year	1,500,000	Gallon	274
Butter.................	Quota ineffective for the period April through October			
Fish, fresh or frozen, filleted, etc., cod, haddock, hake, pollock, cusk, and rosefish....	Calendar year	(1) 26,881,369	Pound	13,347,987
White or Irish potatoes:				
certified seed........	12 months from Sept. 15, 1948	150,000,000	Pound	Quota Filled
other		60,000,000	Pound	Quota Filled
Walnuts................	Calendar year	5,000,000	Pound	1,214,035

(1) The proviso to Item 717(b) limits the imports for consumption at the quota rate to 13,440,684 pounds during the first six months of the calendar year.

Due to a provision of the President's proclamation No. 2769 of January 30, 1948, in which the entry of a specified quantity of Cuban filler tobacco, unstemmed or stemmed (other than cigarette leaf tobacco) and scrap tobacco, affects the rate of duty on such tobacco from countries other than Cuba, a record is maintained of imports from Cuba. 8,434,990 pounds of such Cuban tobacco were imported for consumption during the period January 1 to April 30, 1949, inclusive.

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TREASURY DEPARTMENT

Washington 25

IMMEDIATE RELEASE,
Wednesday, May 11, 1949.

S-1082

The Bureau of Customs announced today preliminary figures showing the imports for consumption of commodities within quota limitations provided for under the General Agreements on Tariffs and Trade, from the beginning of the quota periods to April 30, 1949, inclusive as follows:

Commodity	Period and Quantity		Unit of Quantity	Imports as of April 30, 1949
Whole milk, fresh or sour................	Calendar year	3,000,000	Gallon	607
Cream, fresh or sour....	Calendar year	1,500,000	Gallon	274
Butter.................	Quota ineffective for the period April through October			
Fish, fresh or frozen, filleted, etc., cod, haddock, hake, pollock, cusk, and rosefish....	Calendar year	(1) 26,881,369	Pound	13,347,987
White or Irish potatoes: certified seed.......	12 months from Sept. 15, 1948	150,000,000	Pound	Quota Filled
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Walnuts...............	Calendar year	5,000,000	Pound	1,214,035

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S- 108

IMMEDIATE RELEASE,
~~May 10, 1949.~~
Wednesday, May 11, 1949.

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, 1949, to April 30, 1949, inclusive, as follows:

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Products of the Philippines	Established Quota Quantity	Unit of Quantity	Imports as of April 30, 1949
Buttons	850,000	Gross	171,911
Cigars	200,000,000	Number	187,920
Coconut Oil	448,000,000	Pound	29,729,764
Cordage	6,000,000	"	456,592
Rice	1,040,000	"	-
Sugars, refined)	1,904,000,000	"	.... -
Sugars, unrefined)			 281,365,456
Tobacco	6,500,000		101,250

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TREASURY DEPARTMENT

Washington 25

IMMEDIATE RELEASE,
Wednesday, May 11, 1949.

S-1083

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, 1949, to April 30, 1949, inclusive, as follows:

Products of the Philippines	Established Quota Quantity	Unit of Quantity	Imports as of April 30, 1949
Buttons....................	850,000	Gross	171,911
Cigars.....................	200,000,000	Number	187,920
Coconut Oil................	448,000,000	Pound	29,729,764
Cordage....................	6,000,000	"	456,592
Rice.......................	1,040,000	"	-
Sugars, refined) unrefined)	1,904,000,000	"	- 281,365,456
Tobacco....................	6,500,000		101,250

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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, 1948, to Apr. 30,1949	Established 33-1/3% of Total Quota	Imports Sept. 20, 1948, to Apr.30,1949/ 1/
United Kingdom.....	4,323,457	21,845	1,441,152	21,845
Canada.............	239,690	213,011	-	-
France.............	227,420	-	75,807	-
British India......	69,627	67,827	-	-
Netherlands........	68,240	-	22,747	-
Switzerland........	44,388	-	14,796	-
Belgium............	38,559	-	12,853	-
Japan..............	341,535	-	-	-
China..............	17,322	-	-	-
Egypt..............	8,135	-	-	-
Cuba...............	6,544	-	-	-
Germany............	76,329	-	25,443	-
Italy..............	21,263	-	7,088	-
Totals	5,482,509	302,683	1,599,886	21,845

1/ Included in total imports, column 2.

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IMMEDIATE RELEASE
~~May 10, 1949~~
Wed. Wednesday, May 11, 1949 - 1 -

S - 1084

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, 1948, to April 30 1949, inclusive, are as follows:

(8)

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, 1948, to April 30, 1949	1-1/8" or more but less than 1-11/16" 4/: Imports Sept. 20, 1948, to April 30, 1949	Less than 3/4" harsh or rough 5/: Imports Sept. 20, 1948, to Apr. 30, 1949
Egypt and the Anglo-Egyptian Sudan...........	783,816	-	44,117,797	-
Peru.............	247,952	247,952	932,440	-
British India....	2,003,483	291,873	-	17,251,692
China............	1,370,791	-	-	-
Mexico...........	8,883,259	4,754,423	606,183	-
Brazil...........	618,723	460,040	-	-
Union of Soviet Socialist Republics............	475,124	281,074	-	-
Argentina........	5,203			
Haiti............	237			
Ecuador..........	9,333			
Honduras.........	752			
Paraguay.........	871			
Colombia.........	124			
Iraq.............	195			
British East Africa..........	2,240			
Netherlands East Indies..........	71,388			
Barbados.........	-			
Other British West Indies 1/...	21,321			
Nigeria..........	5,377			
Other British West Africa 2/...	16,004			
Other French Africa 3/........	689			
Algeria and Tunisia	-			
	14,516,882	6,035,362	45,656,420	17,251,692

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 25

Information Service

IMMEDIATE RELEASE
Wednesday, May 11, 1949

S-1084

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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, 1948, to Apr. 30, 1949	Established 33-1/3% of Total Quota	Imports Sept. 20, 1948 to Apr. 30, 1949 1/
United Kingdom.....	4,323,457	21,845	1,441,152	21,845
Canada.............	239,690	213,011	-	-
France.............	227,420	-	75,807	-
British India......	69,627	67,827	-	-
Netherlands........	68,240	-	22,747	-
Switzerland........	44,388	-	14,796	-
Belgium............	38,559	-	12,853	-
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since your conference last assembled here in Washington. I have welcomed your interest in fiscal affairs since I came to the Treasury and have found your advice of inestimable value. Your record during these years is ample evidence that you will continue to be a bulwark of financial strength in the Nation now and in the generations ahead.

the thrift habits of the Nation. The savings drives of the war years, as well as those since, have benefited immeasurably from the backlog of good will which has come from your long history as a trusted guardian of the people's savings.

In closing, I should like to thank you, in particular, for the constructive assistance which you have given the Government at all times during the eighteen years

The savings record which I have been citing is one which I know is familiar to all of you here. In my belief, however, its significance can hardly be overemphasized.

Americans are saving for the future. They have confidence in what the future will bring -- for themselves, and for their children. The mutual savings banks, with more than 19 million depositors, have been a powerful factor in molding loan associations by about 48 percent, the largest gain of any type of savings. Their deposits in mutual savings banks increased 20 percent. Savings accounts in commercial banks were up 18 percent. Postal savings accounts showed an increase of nearly 14 percent. Checking accounts of individuals gained 11 percent. Of the various forms of liquid assets, only currency holdings in the hands of individuals fell off.

stood at an all-time high.

When we look into the actual savings operations which went to make up this total, and carry the figures back over the three-year period following the end of the war, some interesting developments become apparent.

Holdings of Government securities by individuals rose nearly 4-1/2 percent. But individuals increased their share holdings in savings and savings than would otherwise have been realized. Sales of savings bonds have been much better than we had reason to expect after the war ended.

But other types of savings have done even better.

Let us look at the figures for other types of liquid assets held by individuals. In 1948, it is estimated that total holdings of liquid assets held by individuals rose by approximately $1 billion, and at the end of the year which is entitled, "A" for "Achievement". I believe that our savings bond program rates an "A" for "Achievement" in promoting thrift.

As I told you last year, it does not seem to me that we are selling savings bonds at the expense of other savings institutions. I believe that the Treasury's continued campaign during the years since the end of the war has brought far greater gains in all major categories of individual and the carefully chosen keynote of the advertising campaigns. And, all of the advertising is freely contributed.

Our advertising complements, rather than detracts from, the promotional campaigns which savings banks and other financial institutions carry on. Your group recently released a film short "as part of a program to improve public understanding of the function of a savings bank in its community" into every city and village. It searches out remote farms. It goes into homes and factories. It is in the newspapers and magazines, on the radio, and on television.

You must have been struck, as I have been, by the interesting and persuasive angles which have been used to present the case for savings. Regular savings have been urged to provide for the future. That is the theme of all the advertisements, use in maintaining a flexible debt policy.

But our savings bond campaigns not only sell savings bonds, they sell something else which is of direct and important significance to you. That is the habit of thrift.

Our savings bond program, year after year, has been carrying on the most extensive campaign for savings that has ever been known.

Savings bond advertising reaches

When I spoke to you last year I asked your cooperation in the Security Loan Drive -- a savings bond selling effort which we were undertaking at that time. Now, I should like to ask for your continued cooperation in the Savings Bonds Opportunity Drive which will start next Monday. Our savings bond program is important to the successful continuation of our public debt management program. It is an important tool which we have for of Government securities held by nonbank investors.

One of the principal sources of funds for effecting the switch of Government securities from bank to nonbank investors has been an increase of about 1-1/2 billion dollars in the amount of Government securities held by individuals. Most of this increase has been in holdings of savings bonds, and we have had to do a selling job to achieve this success.

Due to the change in the budget picture this past year, we have not been able to continue the debt reduction program that I outlined to you at your last annual meeting. The total amount of debt outstanding has been reduced stop by only 750 million dollars since last year. During this period, however, we have continued to widen the distribution of the public debt. There has been an increase of over 2 billion dollars in the amount in which we had Federal budget surpluses, we were able to select for retirement those portions of maturing debt, the retirement of which would make the maximum contribution in stabilizing the economy. During the past year, although we have not had a budget surplus, we have nonetheless been able to retire portions of maturing marketable issues from the proceeds of the sale of nonmarketable debt issues.

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The existence of a large volume of short-term debt, with the necessity of refunding some 50 billion dollars of maturing Government securities each year, has been one of the debt management problems faced by the Treasury since the end of the war. But the very existence of a large volume of issues maturing each year has made possible a flexible debt policy. During the two years institutions at nearly the same time that the Nation faced the same problem.

We have been able in our recent debt operations to keep our policies flexible because the structure of the debt has been adaptable to flexibility. This is not accidental. To a large extent it is the result of forethought -- the result of planning Government issues to meet the present and future needs of the various

United States. One hundred and fifty years ago the main financial problem of the newly born Nation was to establish that credit. The history of savings banks is almost as long as that of the Nation -- the first savings bank was established in 1816 -- and in many respects, the problems of your institutions have paralleled the fiscal problems of your country. You were attempting to build up confidence in your newly founded

The need of flexibility is important in public finance, as it is in private finance. The fiscal problems of the Nation have changed greatly from period to period, as have the problems of private enterprise. The fiscal tools of one period have generally proved unsuited to a subsequent period.

I have just said that our most important objective during the postwar period has been to <u>maintain confidence</u> in the credit of the early part of the last half of 1948 there were large market sales of Government securities. In this situation we moved to prevent the prices of Government securities from falling sharply by open-market purchases. The situation has been reversed. Since the beginning of the year, Government securities have been sold by the Federal Reserve in order to keep Government bond prices from going up too sharply.

maintaining confidence in the credit of the United States by promoting stable financial conditions and a stable economy.

It has been our aim to keep our policies flexible so as to be in a position to deal rapidly with changes in the financial picture. The desirability of such flexibility has been forcibly demonstrated in the year that has elapsed since your last annual conference. During the industrial developments of recent years provide a springboard for a new era of progress.

When I spoke to you at Atlantic City last year, I reviewed our public debt management operations during the postwar period to show you how our fiscal and monetary policies were directed toward achieving stability in the economy.

3.

Our debt management operations in the past year have been a continuation of our program of

Up to now, our factories have been so busy supplying the goods which could be most quickly produced, in order to fill accumulated demands, that they have not had an opportunity to re-gear their machinery to the manufacture of new products. With the return to normal buyers' markets, our producers are beginning to use the new processes available to them. The opportunities are enormous. The discoveries and our economic life within a relatively few years. The use of light metals and their alloys is growing in importance. The field of synthetics affords unlimited possibilities for new products. Developments in home construction and home equipment offer tremendous opportunities for new consumer markets. More efficient farm machinery is being developed constantly and new fertilizers and chemicals for farm use are coming on the market.

high-employment level.

And there are evidences other than statistics.

We are only at the beginning of our peacetime growth. We have made a start only toward developing new products based on the wartime discoveries in new materials, new manufacturing techniques, and new types of equipment.

One wartime development alone -- atomic energy -- could revolutionize little below the all-time peak of last December, but well above the level of a year ago. Liquid assets of individuals -- which is just another name for stored-up purchasing power -- amount to 200 billion dollars at the present time.

I could cite more statistics. But all point in one direction: There are powerful factors in our present situation making for stability and progress on a high-income, have taken place in the economy -- are only two of the many elements of strength in our present situation.

It is extremely reassuring to note that consumer buying, for example, is being supported by continuing high income levels and by a backlog of savings which has reached an all-time high. Personal incomes in March of this year -- the latest figure available -- were at an annual rate of 214 billion dollars, a tools, auto tires, radios, and others followed in 1947. Textiles, shoes, auto trucks, furniture, household equipment, and various other industries started their adjustment in the spring and summer of 1948. Others, such as rayon and crude petroleum, have more recently fallen into line.

The factors which I have just cited -- the absence of speculation and the gradual readjustments which unforeseen. They owed their severity to a simultaneous readjustment of many phases of the economy.

But the situation is different now.

Adjustments to a more normal competitive economy have actually been going on since the very close of the war. Many have been practically completed. Some luxury industries were affected in 1946. Machine business history has been featured by heavy liquidation of speculative accounts; and the absence of this feature today is, to my mind, the most striking element of contrast with previous periods.

A second factor today which is in almost equally sharp contrast to the past, is the gradual process of the postwar adjustments to normal competitive conditions. Business recessions in the past were largely see that speculation was more decisive than any other single factor in impairing the economic health of the Nation.

Today, in contrast, our position is exceptionally strong; and we can look to the future with the confidence of experience in our ability to maintain that strength. Speculation has been virtually absent during our years of postwar prosperity.

Each of the recessions in our

present-day view, is the fact that such a small portion of the brokers' loans came from banks. At the height of stock market speculation in 1929, some three-fourths of it was attributable to other lenders -- individuals, business corporations, trading companies, and investment trusts.

The shaky foundations of the speculative structure of 1929 were soon revealed. Looking back, we can helpless to operate in the environment which had been created by the speculative excesses of the boom period. It is startling to recall today that the interest rate on call money went as high as 20 percent in the stock market in 1929; and that brokers' loans during that year reached a figure of over 8-1/2 billion dollars. Today, the comparable figure is less than 1/2 billion dollars. Even more incredible, in our

S-1085

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TREASURY DEPARTMENT

Washington

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I want to express my sincere thanks to your group and to the 250,000 newspaper carrier boys throughout the country who have volunteered their services to the OPPORTUNITY Drive.

your friends and neighbors and to the country in the OPPORTUNITY Drive.

Carrier boys have a way of always making good on their undertakings and in appreciation of your valued efforts each one of you will be given a certificate of merit for the assistance you will be giving. I know from the outstanding work you have done in the past that we will be receiving excellent reports on the part you play in this Drive. On behalf of the Treasury Department, Every time you ring a doorbell and make a personal call, you'll be seeing to it that people understand just what the Savings Bonds Program stands for and why it is important to the economic strength of the country, as well as to the financial independence and security of individual bond-buying citizens.

The Treasury, as I already have said, has had great aid from carrier boys in the past. I feel sure you will be most helpful to us and to divisions of this hard-working volunteer army will be 250,000 newspaper carrier boys -- you here in the Sylvan Theater today, and boys just like you across the Nation from coast to coast.

We are depending on the carrier boys to deliver printed messages about the OPPORTUNITY Bond Drive to twelve million American homes. We are depending on you Washington carrier boys to reach every home here in the Nation's capital.

Nation. They will visit 700 communities in the 48 States and the District of Columbia. They'll carry the message that there's opportunity for everybody in the purchase of Savings Bonds.

On next Monday, too, our volunteer Savings Bonds forces all over America will begin their task of selling a billion and forty million dollars in Series E bonds by June 30. There'll be three million salesmen and saleswomen, and one of the importan with the full meaning of the word Opportunity.

Next Monday, thirty authentic covered wagons will assemble in Independence, Missouri -- the home town of the President -- which was a starting place of the wagon trains of the Forty Niners. From Independence they will be flown in Air Force and Navy planes to cities all over the country. Then, red, white and blue trucks and trailers manned by people in frontier day costumes will tour the adventures ahead of you today which are greater and more thrilling than any you may discover in history books. There are frontiers waiting to be explored which are full of excitement and interest and profit for you.

The covered wagon is the symbol of the OPPORTUNITY Bond Drive, and I believe it will be an inspiring one. It does more than recall the past; it represents American ability to blaze new trails and overcome obstacles. It's closely identified many opportunities that are offered today, and for that I congratulate you.

You have learned through your schools, and through your own efforts, much about new fields of action about which our pioneering grandfathers and great-grandfathers knew little or nothing -- the fields of aeronautics, television, electronics, plastics, and atomic energy, to name only a few. Each one of these fields spells unlimited opportunity. You have anniversary we are calling our new Savings Bond drive the OPPORTUNITY Bond Drive.

We want to emphasize the fact that without the risks and hardships which the '49ers had to incur, great opportunities exist for people today, and that the purchase of United States Savings Bonds is the best way to lay a foundation for taking advantage of opportunity when it comes.

You Washington carrier boys already are making good use of the

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the time you would probably have rather spent on a baseball diamond or in taking part in other sports which we all enjoy.

Now we are calling on you for a peacetime bond-selling service, and I am sure that you will respond with the same enthusiasm and efficiency as in the war days.

This time we want your assistance in what we are calling the OPPORTUNITY Bond Drive -- and in explaining that name I'd like to go back for a moment

The Treasury Department has good reason to be aware of the fact, because of the great help we received from you in our bond drives during the war, when you not only devoted your spare time to the promotion of the sale of war bonds but also used part of your earnings for the purchase of war bonds and savings stamps.

We really appreciated this voluntary service on your part as we realized it meant that you were willing to devote to your Government

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Address by Secretary of the Treasury Snyder
Before Newspaper Boys' Rally at the
Sylvan Theater, Washington, D.C.
11 a.m. Friday, May 13, 1949

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We want to emphasize the fact that without the risks and hardships which the '49ers had to incur, great opportunities exist for people today, and that the purchase of United States Savings Bonds is the best way to lay a foundation for taking advantage of opportunity when it comes.

You Washington carrier boys already are making good use of the many opportunities that are offered today, and for that I congratulate you.

You have learned through your schools, and through your own efforts, much about new fields of action about which our pioneering grandfathers and great-grandfathers knew little or nothing — the fields of aeronautics, television, electronics, plastics, and atomic energy, to name only a few. Each one of these fields spells unlimited opportunity. You have adventures ahead of you today which are greater and more thrilling than any you may discover in history books. There are frontiers waiting to be explored which are full of excitement and interest and profit for you.

The covered wagon is the symbol of the OPPORTUNITY Bond Drive, and I believe it will be an inspiring one. It does more than recall the past; it represents American ability to blaze new trails and overcome obstacles. It's closely identified with the full meaning of the word Opportunity.

Next Monday, thirty authentic covered wagons will assemble in Independence, Missouri — the home town of the President — which was a starting place of the wagon trains of the Forty Niners. From Independence they will be flown in Air Force and Navy planes to cities all over the country. Then, red, white and blue trucks and trailers manned by people in frontier day costumes will tour the Nation. They will visit 700 communities in the 48 States and the District of Columbia. They'll carry the message that there's opportunity for everybody in the purchase of Savings Bonds.

On next Monday, too, our volunteer Savings Bonds forces all over America will begin their task of selling a billion and forty million dollars in Series E bonds by June 30. There'll be three million salesmen and saleswomen, and one of the important divisions of this hard-working volunteer army will be 250,000 newspaper carrier boys — you here in the Sylvan Theater today, and boys just like you across the Nation from coast to coast.

We are depending on the carrier boys to deliver printed messages about the OPPORTUNITY Bond Drive to twelve million American homes. We are depending on you Washington carrier boys to reach every home here in the Nation's capital.

Every time you ring a doorbell and make a personal call, you'll be seeing to it that people understand just what the Savings Bonds Program stands for and why it is important to the economic strength of the country, as well as to the financial independence and security of individual bond-buying citizens.

The Treasury, as I already have said, has had great aid from carrier boys in the past. I feel sure you will be most helpful to us and to your friends and neighbors and to the country in the OPPORTUNITY Drive.

Carrier boys have a way of always making good on their undertakings and in appreciation of your valued efforts each one of you will be given a certificate of merit for the assistance you will be giving. I know from the outstanding work you have done in the past that we will be receiving excellent reports on the part you play in this Drive. On behalf of the Treasury Department, I want to express my sincere thanks to your group and to the 250,000 newspaper carrier boys throughout the country who have volunteered their services to the OPPORTUNITY Drive.

-oOo-

Confidence is the bedrock foundation of banking. Confidence in the future -- in our ability to make use of our resources and opportunities -- built this Nation. Bankers with confidence played an indispensable part in that building. Today our economy is evidencing the basic strength to meet the current readjustment to normal peacetime markets. The demands of the American people will result in expansion of these markets and a widening of our great productive capacity. We have an era of continuing and stable prosperity in prospect. Only confidence is necessary in order to exploit our opportunity to the fullest; we must have the confidence to seize this matchless opportunity. American bankers have shown that confidence in the past; I know they will ~~continue to show it in the future.~~ not be found lacking in confidence in the days that lie ahead.

through payroll deductions. In this new drive, we want especially to add participants to both of our automatic plans for regular savings: the Payroll Savings Plan, and the Bond-A-Month Plan through which the self-employed, the farmers, and professional men and women, and others may buy savings bonds from the banks.

Sales of savings bonds in the Opportunity Drive will be two-edged. For the individual, they will add to his reservoir of deferred buying power and to his sound economic position. On the part of the Government, this Drive will give further impetus to broadening the ownership of the Federal debt. It will further our major objective of maintaining confidence in the credit of the Government and in the country's financial stability.

Our savings bond drive this year has two themes: Opportunity -- to build for the future; and confidence in what the future will bring. These two themes characterize the history of our Nation. The United States has always been a land of unrivaled opportunity; our opportunity is greater today than in any period in history.

amounted to 1-1/2 billion dollars. Most of this was in savings bonds.

Last night I spoke to the Postmasters of Alabama at their convention in Huntsville concerning the forthcoming Savings Bonds Opportunity Drive and asked for their cooperation in attaining our goal. I should like to take advantage of this occasion to ask your cooperation in this Drive, which officially opens on May 16. Our target for this six weeks campaign is the sale of $1,040,000,000 of E bonds to individuals. We believe this can be reached. In 1948 we sold $4,224,000,000 worth of E bonds. E bond sales in the first quarter of 1949 were higher than in the corresponding quarter of 1948.

The American people have asked that the savings bonds program be continued. As their liquid asset figures show, ~~they~~ our people are saving their money through this means. Today individuals own 48 billion dollars of savings bonds. This is $5 billion more than the amount held by this group at the close of the war.

Millions of wage and salary earners have enrolled as regular participants in the Payroll Savings Plan, and at the end of 1948 they held approximately 12-1/2 billion dollars in savings bonds purchased proceeds of the sale of nonmarketable securities. An excess of Government receipts over expenditures is the only source of further reductions in the total public debt. Unfortunately, due to a reduction in tax rates effected by Congress last year the present budget forecast indicates deficits in the fiscal years 1949 and 1950.

A third important objective of Treasury debt management has been the spreading of the debt among individuals and other nonbank investors. In the past year, nonbank investors have increased their holdings by 2 billion dollars. Certain large classes of these holders, however, have decreased their holdings. Both insurance companies and mutual savings banks liquidated a portion of their Government security holdings in order to invest the funds in private securities and in mortgages. The Government security holdings of mutual savings banks have declined 500 million dollars, and of insurance companies nearly 2-1/2 billion dollars.

One of the principal means of accomplishing a rise in the holdings of Government securities by nonbank investors has been the campaign to increase the holdings of individuals. In the past year this increase

The short-term Government issues in particular are designed for flexibility. At its peak on December 31, 1945, the short-term marketable debt amounted to 70-½ billion dollars. The wartime increase in these issues was made to meet the investment needs of the commercial banking system and of business corporations which were holding short-term funds for postwar expenditures. Since the end of 1945, the short-term debt has been reduced by 18 billion dollars.

Our second major objective of debt management has been to reduce the amount of the debt. Since the February 1946 peak, the total debt has been reduced by 28 billion dollars. This was effected first by the application of cash balances that remained after the Victory Loan and later, when those balances had been used, through the application of Federal budget surpluses. The large volume of short-term debt has also enabled us to make appropriate reductions in the total.

No reduction in the total debt has been possible from surpluses since the fiscal year 1948. Even when we have not had a budget surplus, however, we have been able to retire portions of the marketable issues from the leadership. This aim of our program has been accomplished through the stabilization of prices in the Government bond market. Again we see a sharp contrast to the experience after World War I when market declines in Liberty Bonds shook business confidence.

As a tool of debt management, our policies have been kept flexible so that the Treasury may act quickly to stabilize the financial situation. In the last half of 1948, private financial institutions, for instance, sold large amounts of Government securities. To prevent a resulting sharp decline in prices of Government securities, we purchased Government bonds. But since the beginning of 1949 this situation has been reversed. Government securities have been sold by the Federal Reserve System in order to keep Treasury bond prices from rising too sharply.

The Treasury has been able to keep our debt operations flexible because the debt structure was designed for flexibility. This design on the debt structure is the result of continuous planning of Government issues to supply future needs of the several investor classes.

industrial, medical, biological, chemical, and physical research. At present nearly 70,000 persons are employed in this program. It is estimated that in the fiscal year beginning next July 1, Government expenditures on this program alone will reach 725 million dollars.

Sound business conditions depend, I need not tell this audience, upon a stable fiscal situation. You as bankers are better aware than anyone else how the Treasury has directed its public debt management during the postwar period toward achieving stability in the economy. The Federal debt now stands at 251.5 billion dollars -- over 50 percent of all private and public debt in the United States. Before the war the ratio was less than 25 percent. It is apparent to all that our public debt decisions are felt throughout the Nation's entire financial structure.

In managing the debt, with the objective of stabilization, our first aim has been to maintain confidence in the credit of the United States Government. This confidence is not only vital to our own country but is of great importance in those countries of the world which look to us for was applied to it, has been freed for the fulfillment of human requirements.

Today, new chemicals are being produced to control weeds, insects, and plant diseases. More efficient farm implements are continually being developed. Use of these products points to recurring high cash expenditures by the farmers, for they have reduced farm production costs and have improved the farmers' way of life.

Moreover, a shortage of public construction remains to be filled. Our county and municipal facilities must be expanded to provide for the great shifts of population to new areas during the war years. Our highway system must be extended and modernized. A beginning has been made on the 40,000-mile national program agreed upon by Federal, State, and local governments. In this connection, Alabama's 10-year program for county road construction is a case in point. Schools and hospitals, and new sewage and water systems, some of which have been deferred since before the war, have just begun to be furnished.

Atomic energy development may revolutionize our industry. Our national atomic energy program is being pursued to make possible great advances in

American people expect to maintain a high standard of living. This means that the economy must settle on a stabilized level of high production and high employment.

This implies support also for development of new and improved products. With our expanded and remodeled industrial plant, these products are now getting under way. New types of home construction, heating, and household appliances have opened the door to new buyers and to repeat buyers.

New uses are being made of light metals and their alloys. New types of plastics and synthetics are still on the threshold of development.

Fifty years ago a farmer on an average American farm produced only enough to supply eight persons. Now, the same farmer supplies 15 people with a year-round series of farm products beyond the reach of a potentate a half century ago. One of the reasons for this is that as late as 1910 one quarter of our total farm acreage was devoted to the production of feed for 28 million horses and mules. With the coming of the tractor and other modern farm equipment most of this acreage, together with the labor that of 214 billion dollars, somewhat below the record level of last December but well above that of a year ago.

Liquid assets of individuals, the deferred reserve of buying power which I just mentioned, totalled over 200 billion dollars at the end of 1948. This consisted of four separate items. Forty-seven billion dollars was in checking accounts and 23 billion dollars was in currency. About 66 billion dollars was in savings accounts. Individual holdings of Federal securities amounted to a little less than 68 billion dollars.

Moreover, as a reserve beyond this, life insurance and pension reserves of individuals since September 1939 have risen by 57 billion dollars and now total 90 billion dollars.

But, it may be asked, with consumer shortages met, what else will keep our factories busy?

With a population of some 150 million -- 11 percent of which have been added in the past decade -- continuing and basic replacement requirements must not be underestimated. And, there is no mistaking the fact that the industry will now have the opportunity to turn out the new products that we have been awaiting, the new products which processes developed in wartime have made possible. More than that, in the general tightening up process the boom-time luxury of waste is becoming a thing of the past and production economies are being made. Price cuts resulting from these economies are being passed on to suppliers and consumers. Premium-priced inventories are being replaced by competitively-priced inventories. These savings too are being passed along to consumers in prices of finished products.

Fundamentally, sales are being supported by a continuing high income flow and by a stored-up reserve of deferred buying power about 3-1/2 times as large as that at the beginning of the war in 1939. Employment is high, still close to 60 million. Our population is increasing, our standard of living rising. We have up-to-date factories. Business has invested more than 75 billion dollars in new construction and equipment since the war ended. Net working capital of corporations is at the record high of 65 billion dollars.

More figures are available to back up these statements. With respect to consumer buying power, personal incomes in March were at an annual rate been aided in no small measure by the careful screening of bank loans under the voluntary credit control program of the American Bankers Association. This sacrifice of immediate profits for the sake of a stable economy is sound banking and sound leadership.

In the past winter less urgent demand has resulted in a more normal seasonal pattern for employment in factories and in transportation and this has caused some rise in unemployment. As a result, business men have redoubled their precautionary efforts. They have been reducing inventories to the minimum and are rapidly paying off bank loans. This reduction in bank loans indicates that loans are not generally financing unbalanced inventories. It is a clear sign that the readjustment has gone a long way. Happily for us, we have concentrated on avoiding the mistakes of 1920.

For the first time since before the war we are again in position to resume competitive enterprise. This means that we are back on home ground, when we must use our American selling ability and we must use our good old American ingenuity and know how. Moreover, since shortages have been met, estate, and no appreciable amount of business inventories to be unloaded. In the past, each business recession has been characterized by heavy liquidation of speculative accounts. Their absence today is most reassuring.

A second factor, almost as important in contrast to the past, is the gradual nature of the postwar adjustments. In the three years and nine months since the end of the war, industry has been producing goods simply to meet war-accumulated shortages. These shortages have been filled gradually since 1946, first in one line, then in another, with sellers' markets turning into buyers' markets at various times and intervals, until now almost -- though not quite all consumers' goods are readily available.

One cause of the gradual nature of the readjustments is the haunting recollection of the post World War I recession of 1920. As a result, it is said that our prosperity following World War II probably has been the gloomiest period of prosperity on record. Business men -- and bankers supplying them with credit -- have adopted highly cautious and flexible policies. Each year since 1945, at the least untoward sign, inventories have been trimmed and buying practices re-appraised. As the Secretary of the Treasury has pointed out more than once, this wholesome gradual readjustment has bankers are wholly familiar with the details of many of these adjustments, in the production and marketing of cotton and textiles, corn and other cash farm crops, lumber and naval stores, iron and steel, bauxite, cement, and coal, and of the changes in content and volume which have occurred in the flow of commerce on your waterways and through your great seaport of Mobile.

For evaluating these changes, those of us in Washington, in common with others in the rest of the country, have been making some comparisons with earlier periods of economic change in our history. We have found that we must distinguish between the strong basic economy and the minor business fluctuations affecting it. Actually the recent adjustments are evidences of the long-desired restoration of basic normal conditions.

The outstanding difference we have noted between the current situation and certain earlier periods is the absence of speculation. This holds for commodities, the stock market, and the country's credit structure generally. Unlike the situation in 1920, for example, there has been no commodity speculation, little speculatively-acquired farm real sound. For whatever else may be said of the United States, ~~as a country,~~ of our Government, our institutions, our fiscal situation and our business outlook, we can be perfectly sure of two things. First, they are unquestionably the soundest in today's disturbed world, and second, the rest of the world is well aware of it. And that part of the world which is still free looks to us for leadership because it knows we are strong, and are using our strength wisely.

That strength does not consist only of accumulated material wealth; certainly it springs, at least in part, from the American spirit. As the recent war once again demonstrated, we Americans have a habit of taking a hold of problems and solving them with energy and ingenuity. In such a fashion we set upon the postwar conversion. In such a fashion we are meeting the readjustments which have been taking place in our economy in all parts of the country.

As Alabama bankers you have held a special vantage point for observing and participating in the current adjustments, which I believe are the foundation of new and unparalleled opportunities. I know that you as

"The Economic and Fiscal Outlook"

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

Washington, D. C.

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In the complex economy we have today the dual nature of ~~that~~ the role played by the banker is of more importance than ever before. As a business man competitively seeking profits in the American scheme of free enterprise the banker plays one part. As a supplier of credit facilities for other business men, the banker occupies a pivotal position in which there is great opportunity for performing valuable public service.

It is significant that those opportunities should exist in a country which has emerged from a world shaking war politically strong and economically

Address by Edward H. Foley, Jr., Under Secretary of the Treasury, Before the Alabama State Bankers Association, Jefferson Davis Hotel, Montgomery, Alabama, Saturday, May 14, 1949, 10;30 a. m.

"THE ECONOMIC AND FISCAL OUTLOOK"

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The Treasury has been able to keep our debt operations flexible because the debt structure was designed for flexibility. This design on the debt structure is the result of continuous planning of Government issues to supply future needs of the several investor classes.

The short-term Government issues in particular are designed for flexibility. At its peak on December 31, 1945, the short-term marketable debt amounted to $70\frac{1}{2}$ billion dollars. The wartime increase in these issues was made to meet the investment needs of the commercial banking system and of business corporations which were holding short-term funds for postwar expenditures. Since the end of 1945, the short-term debt has been reduced by 18 billion dollars.

Our second major objective of debt management has been to reduce the amount of the debt. Since the February 1946 peak, the total debt has been reduced by 28 billion dollars. This was effected first by the application of cash balances that remained after the Victory Loan and later, when those balances had been used, through the application of Federal budget surpluses. The large volume of short-term debt has also enabled us to make appropriate reductions in the total.

No reduction in the total debt has been possible from surpluses since the fiscal year 1948. Even when we have not had a budget surplus, however, we have been able to retire portions of the marketable issues from the proceeds of the sale of nonmarketable securities. An excess of Government receipts over expenditures is the only source of further reductions in the total public debt. Unfortunately, due to a reduction in tax rates effected by Congress last year the present budget forecast indicates deficits in the fiscal years 1949 and 1950.

A third important objective of Treasury debt management has been the spreading of the debt among individuals and other nonbank investors. In the past year, nonbank investors have increased their holdings by 2 billion dollars. Certain large classes of these holders, however, have decreased their holdings. Both insurance companies and mutual savings banks liquidated a portion of their Government security holdings in order to invest the funds in private securities and in mortgages. The Government security holdings of mutual savings banks have declined 500 million dollars, and of insurance companies nearly 2-1/2 billion dollars.

One of the principal means of accomplishing a rise in the holdings of Government securities by nonbank investors has been the campaign to increase the holdings of individuals. In the past year this increase amounted to 1-1/2 billion dollars. Most of this was in savings bonds.

Last night I spoke to the Postmasters of Alabama at their convention in Huntsville concerning the forthcoming Savings Bonds Opportunity Drive and asked for their cooperation in attaining our goal. I should like to take advantage of this occasion to ask your cooperation in this Drive, which officially opens on May 16. Our target for this six weeks campaign is the sale of $1,040,000,000 of E bonds to individuals. We believe this can be reached. In 1948 we sold $4,224,000,000 worth of E bonds. E bond sales in the first quarter of 1949 were higher than in the corresponding quarter of 1948.

The American people have asked that the savings bonds program be continued. As their liquid asset figures show, our people are saving their money through this means. Today individuals own 48 billion dollars of savings bonds. This is $5 billion more than the amount held by this group at the close of the war.

Millions of wage and salary earners have enrolled as regular participants in the Payroll Savings Plan, and at the end of 1948 they held approximately 12-1/2 billion dollars in savings bonds purchased through payroll deductions. In this new drive, we want especially to add participants to both of our automatic plans for regular savings: the Payroll Savings Plan, and the Bond-A-Month Plan through which the self-employed, the farmers, and professional men and women, and others may buy savings bonds from the banks.

Sales of savings bonds in the Opportunity Drive will be two-edged. For the individual, they will add to his reservoir of deferred buying power and to his sound economic position. On the part of the Government, this Drive will give further impetus to broadening the ownership of the Federal debt. It will further our major objective of maintaining confidence in the credit of the Government and in the country's financial stability.

Our savings bond drive this year has two themes: Opportunity -- to build for the future; and confidence in what the future will bring. These two themes characterize the history of our Nation. The United States has always been a land of unrivaled opportunity; our opportunity is greater today than in any period in history.

Confidence is the bedrock foundation of banking. Confidence in the future -- in our ability to make use of our resources and opportunities -- built this Nation. Bankers with confidence played an indispensable part in that building. Today our economy is evidencing the basic strength to meet the current readjustment to normal peacetime markets. The demands of the American people will result in expansion of these markets and a widening of our great productive capacity. We have an era of continuing and stable prosperity in prospect. Only confidence is necessary in order to exploit our opportunity to the fullest; we must have the confience to seize this matchless opportunity. American bankers have shown that confidence in the past; I know they will not be found lacking in confidence in the days that lie ahead.

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TREASURY DEPARTMENT

Information Service WASHINGTON, D.C.

S-1086
~~S-1056~~

RELEASE, MORNING NEWSPAPERS,
~~Friday, April 15, 1949.~~
Monday, May 16, 1949

During the month of April ~~March~~, 1949 market transactions in direct and guaranteed securities of the Government for Treasury investment and other accounts resulted in net purchases of $1,505,250 ~~$5,059,000~~, Secretary Snyder announced today.

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Information Service

TREASURY DEPARTMENT

Information Service **WASHINGTON, D.C.**

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TWO PERCENT TREASURY BONDS OF 1949-51
(DATED MAY 15, 1942)

NOTICE OF CALL FOR REDEMPTION

To Holders of 2 percent Treasury Bonds of 1949-51 (dated May 15, 1942), and Others Concerned:

1. Public notice is hereby given that all outstanding 2 percent Treasury Bonds of 1949-51, dated May 15, 1942, are hereby called for redemption on September 15, 1949, on which date interest on such bonds will cease.

2. Holders of these bonds may, in advance of the redemption date, be offered the privilege of exchanging all or any part of their called bonds for other interest-bearing obligations of the United States, in which event public notice will hereafter be given and an official circular governing the exchange offering will be issued.

3. Full information regarding the presentation and surrender of the bonds for cash redemption under this call will be found in Department Circular No. 666, dated July 21, 1941.

John W. Snyder,
Secretary of the Treasury.

TREASURY DEPARTMENT,
Washington, May 13, 1949.

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S-1087

RELEASE, MORNING NEWSPAPERS,
Friday, May 13, 1949.

The Secretary of the Treasury announced today that all outstanding 2 percent Treasury Bonds of 1949-51, dated May 15, 1942, are called for redemption on September 15, 1949. There are now outstanding $1,292,443,600 of these bonds.

The text of the formal notice of call is as follows:

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TREASURY DEPARTMENT

Information Service WASHINGTON, D.C.

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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, non-competitive tenders for $200,000 or less without stated price from any one bidder will be accepted in full at the average price (in three decimals) of accepted competitive bids. Settlement for accepted tenders in accordance with the bids must be made or completed at the Federal Reserve Bank on May 19, 1949, in cash or other immediately available funds or in a like face amount of Treasury bills maturing May 19, 1949. Cash and exchange tenders will receive equal treatment. 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 the Internal Revenue Code, or laws amendatory or supplementary thereto. 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

~~Exhibit 1~~

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~~TREASURY DEPARTMENT~~
~~Washington~~

Line 10

S-1088

~~FOR~~ RELEASE, MORNING NEWSPAPERS,
Friday, May 13, 1949.
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The Secretary of the Treasury, by this public notice, invites tenders for $ 800,000,000 (2), or thereabouts, of 91 (3) -day Treasury bills, for cash and in exchange for Treasury bills maturing May 19, 1949 (4), to be issued on a discount basis under competitive and non-competitive bidding as hereinafter provided. The bills of this series will be dated May 19, 1949 (5), and will mature August 18, 1949 (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 daylight saving ~~Standard~~ time, Monday, May 16, 1949 (7). Tenders will not be received at the Treasury Department, Washington. Each tender must be for an even multiple of $1,000, and in the case of competitive tenders 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

TREASURY DEPARTMENT

Information Service **WASHINGTON, D.C.**

RELEASE, MORNING NEWSPAPERS,
Friday, May 13, 1949. S-1088

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The objective of this legislation is better coordination between Federal, State and local governments. The Treasury is vitally interested in that objective not only because it is a party, on behalf of the Federal Government, in intergovernmental fiscal relations but also because harmony in Federal-State-local fiscal policies and practices is essential to the maintenance of a prosperous national economy.

During the coming fiscal year the people of this country will spend about $60 billion on services procured through their governments. Some of these services will be provided independently by towns, municipalities or counties, some by State governments, and some by the Federal Government. Many, however, will be provided jointly by two or more governments.

Our citizens pay for these services with a variety of taxes collected by the Federal Government, the States, and localities. Some of these taxes are imposed by only one governmental level. In other cases, the same basis for taxation is employed by two or more governments. In still others, taxes collected at one level of government are distributed to the others as through Federal grants-in-aid to States and through sharing of State-collected taxes with political subdivisions.

The fiscal activities of the various governments are inter-related in a more fundamental sense as well. In a general way, all taxes, regardless of where collected, are paid from the same pool of national income; all governmental services, regardless of where provided, are designed to enhance the welfare of the same population, the American people. Government is a joint undertaking and the activities of one jurisdiction generally affect the inhabitants of other jurisdictions.

Today the combined activities and services of these governments represent more than a quarter of our national income and have a direct bearing both on the individual welfare of our citizens and the collective operations of our economy.

During the past 20 years, the cost of government increased more than five-fold. While the increase has been most marked at the Federal level due largely to the past war and the avoidance of future wars, there have been substantial increases at the State-local level as well. Between 1928 and 1948, State and local expenditures almost doubled.

S-1089

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Statement of the Secretary of the Treasury before the Senate and House Subcommittees on Intergovernmental Relations of the Committee on Expenditures in the Executive Departments, Friday, May 13, 1949

I am glad to have this opportunity to appear before the Senate and House Subcommittees on Intergovernmental Relations in connection with the consideration of pending legislation to establish a National Commission on Intergovernmental Relations.

The objective of this legislation is better coordination between Federal, State and local governments. The Treasury is vitally interested in that objective not only because it is a party, on behalf of the Federal Government, in intergovernmental fiscal relations but also because harmony in Federal-State-local fiscal policies and practices is essential to the maintenance of a prosperous national economy.

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In expanding their activities, both the Federal Government and the State governments had recourse to new revenue sources and in some cases to the very same revenue sources. The Federal Government and a substantial number of States, for example, impose individual and corporate income taxes, estate and inheritance taxes, and liquor, tobacco, gasoline and admissions taxes. Local governments have also entered some of these tax fields. For example, we now have locally imposed income, gasoline and admissions taxes.

We have recently prepared a comprehensive report on overlapping Federal, State and local taxes which we are glad to make available to the Committee. This report provides up-to-date factual information on many aspects of intergovernmental tax problems which your Committee is considering.

The striking feature of the overlapping tax development is that it was accompanied by a reasonably orderly adjustment in intergovernmental relations. In taxation, for instance, the crediting device was developed for the coordination of Federal and State death duties and unemployment taxes and extensive progress was made in the standardization of tax bases for Federal and State income tax purposes. Effective coordination was achieved also through administrative cooperation.

In the enforcement of the tax laws, the Treasury is continually alert to opportunities to reduce tax collection costs and compliance burdens on taxpayers. Administrative cooperation between State and Federal agencies provide substantial scope for these types of economies. In recent years, as you know, progress in this direction has been accomplished by making available Federal tax returns for State inspection and by providing information to States and other taxing authorities with respect to salaries paid to Federal employees. State and local governments in turn facilitate Federal income tax administration by cooperating in the withholding provisions of the Federal income tax with respect to their own employees.

Our wartime experience provided one of the most convincing examples of the ability of Federal, State and local governments to work in harmony in fiscal matters. By maintaining their taxes, reducing expenditures, retiring debts and accumulating reserves, State and local governments provided effective support to the national programs of economic mobilization and stabilization.

These collective efforts of our governments were responsible for the success of the stringent fiscal policies which were essential for the conversion of our economy to a war footing. While the wartime record of cooperation was not perfect and although even in the prewar period there were times when Federal policies and State-local policies worked at cross purposes, the record on balance will bear critical scrutiny.

I take occasion to point out the large degree of intergovernmental coordination because this favorable side of our relations is frequently overlooked. Much has been said and written about our fiscal conflicts; not enough about our fiscal harmonies.

In pointing to the flexibility and vitality of our governmental system, I do not wish to minimize the importance of the problem which you are considering today. While the division of governmental functions and revenue sources between the Federal Government and the States designed more than a century and a half ago have well stood the test of time, they need periodic scrutiny and adaptation to changing conditions. Such adaptation is a fundamental feature of our governmental institutions.

In considering the changes which might be required to adjust our intergovernmental fiscal institutions to changing conditions, I find it helpful to differentiate between the different types of problems. Some, as I have already indicated, can be adjusted on a continuing basis by administrative cooperation between governments and require little, if any, new legislation. These call primarily for a will to cooperate and a desire to serve the public interest, which I have never found lacking either among Federal or State-local employees.

We have recently had occasion to prepare a memorandum on the coordination of Federal, State and local tax administrative activities and will be happy to provide the members of your Committee with copies.

The second group of problems presents greater difficulties because on the part of the Federal Government it involves several agencies, and on the part of State and local governments is affected by the geographic and other variations in local interests. The problems associated with payments to State and local governments on Federally owned tax-exempt real estate illustrate this type of case.

This problem is one of long standing but has been aggravated by the accelerated property acquisitions which have accompanied the various Federal programs adopted and expanded in recent years. Urban housing, power production, conservation, regional development and reclamation and flood control projects all involved Federal land acquisitions. The vast military acquisitions during World War II have created special problems particularly in the case of properties devoted to industrial uses such as war plants. The postwar disposition of some of these properties has raised the further question of whether or not Federal immunity should be extended to properties transferred to private interests either by lease or conditional sale.

A similar problem exists with respect to the status of private property and transactions on Federal reservations under State and local tax laws. The Buck Act enacted by Congress in 1940 partially remedied the situation but additional adjustment is required in the interest of effective State and local taxation.

I will not take the Committee's time in discussing these problems in detail but will be glad to leave with you memoranda which we have prepared on these subjects.

I have recently participated in a discussion of these and similar problems with representatives of State and local organizations at a conference which has already been referred to by other witnesses.

Last December, on the occasion of the annual conference of the American Municipal Association here in Washington, I was impressed with the concern of municipal officials with the fiscal futures of their communities and took occasion to suggest that it might be mutually desirable for us to discuss the relationship of Federal, State, and local taxes sometime in the near future. Later, in speaking to the U. S. Conference of Mayors, the President endorsed the idea of such a meeting. Last month several of us on the part of the Federal Government had a two-day meeting with the heads of the principal State and local organizations.

These discussions were exploratory in nature and were advisedly limited to consideration of a number of relatively specific topics. We developed plans for more effective cooperation between the enforcement efforts of Federal, State and local governments in the field of tax audits. The question of payments to State and local governments on Federally owned real estate and the status of State-local tax laws on Federal reservations to which I have just referred were also considered. We discussed the role of State-local activities in the President's stabilization program and the needs of municipalities and counties for new revenue sources.

I left those meetings with the feeling that substantial progress was made and that the Federal agencies can be of effective assistance to State and local governments by a cooperative and sympathetic consideration of some of their problems, with a view to the development of legislation for submission to the Congress.

I am encouraged in my attitude by the reaction of the municipalities. The American Municipal Association reported the conference in its "News Letter" as follows:

> "The distinguishing feature of this conference was the spirit that pervaded the meeting. Everyone wanted to know the facts. Everybody felt free to express his opinions. The interchange of ideas was perfectly free. Local officials and state officials felt no barriers between them and the federal officials...."

I hasten to emphasize, however, the important limitations on handling intergovernmental problems in this manner. While some specific and technical problems can profitably be considered on an ad hoc basis by Federal, State and local representatives, this is not true of many important intergovernmental problems, some of which I have already mentioned.

The most difficult problem which now confronts local governments and in some measure the States is inadequacy of revenue sources. The conspicuous increases which have taken place in the services provided by governments in response to the legislation enacted by our representatives at all levels of government have disturbed the relationship between revenue sources and revenue requirements. Many communities find themselves unable to finance the functions which have been assigned to them and which the public expects of them.

This problem goes to the roots of our Federal system of division of powers and responsibilities and is one which requires thorough and dispassionate consideration from the long-term viewpoint. It is sometimes presented as a Federal-State problem and just as often, as a State-local matter. The solution of this problem will inevitably affect the financial position of the Federal Government and in a sense is an integral part of the broad task of adjusting our tax system to the expanding needs of our peacetime economy.

The full and adequate consideration of intergovernmental relations will require searching and time-consuming study. It merits the time and effort of our ablest minds. I strongly endorse the activities of this Subcommittee in considering the best means for furthering this objective.

The representative of the Bureau of the Budget has already discussed with you the considerations which might well be kept in mind in connection with the creation of machinery for examining this problem. There remains for me only to add that the Treasury Department is ready with all its facilities to assist in this important undertaking.

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S- 1090

RELEASE, MORNING NEWSPAPERS,
Tuesday, May 17, 1949.

The Secretary of the Treasury announced last evening that the tenders for $800,000,000, or thereabouts, of 91-day Treasury bills to be dated May 19 and to mature August 18, 1949, which were offered on May 13, were opened at the Federal Reserve Banks on May 16.

The details of this issue are as follows:

Total applied for - $1,413,720,000
Total accepted - 802,173,000 (includes $65,385,000 entered on a non-competitive basis and accepted in full at the average price shown below)

Average price - 99.708 Equivalent rate of discount approx. 1.157% per annum

Range of accepted competitive bids:

High - 99.712 Equivalent rate of discount approx. 1.139% per annum
Low - 99.706 " " " " " 1.163% " "

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

Federal Reserve District	Total Applied for	Total Accepted
Boston	$ 15,178,000	$ 14,678,000
New York	1,165,026,000	621,973,000
Philadelphia	20,668,000	11,268,000
Cleveland	13,280,000	13,280,000
Richmond	6,250,000	6,250,000
Atlanta	8,006,000	8,006,000
Chicago	95,928,000	51,528,000
St. Louis	4,409,000	4,315,000
Minneapolis	4,580,000	4,580,000
Kansas City	28,390,000	28,390,000
Dallas	8,672,000	8,672,000
San Francisco	43,333,000	29,233,000
	$1,413,720,000	$802,173,000

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TREASURY DEPARTMENT

Information Service **WASHINGTON, D.C.**

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Richmond	6,250,000	6,250,000
Atlanta	8,006,000	8,006,000
Chicago	95,928,000	51,528,000
St. Louis	4,409,000	4,315,000
Minneapolis	4,580,000	4,580,000
Kansas City	28,390,000	28,390,000
Dallas	8,672,000	8,672,000
San Francisco	43,333,000	29,233,000
TOTAL	$1,413,720,000	$802,173,000

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S-1091

Release Morning Newspapers
Thursday, May 19, 1949

Secretary Snyder today issued the following statement concerning next week's nationwide observance of National Maritime Day:

The approach of another National Maritime Day reminds us anew of the great contribution which the United States Merchant Marine has made to the economic development of our country.

That contribution dates back to the days when sailing ships carried our products to the ports of the seven seas. As steam succeeded sail, and the scope of the Merchant Marine's operations was greatly expanded, the importance of those operations to our commerce and industry was increased accordingly.

Today, the Government and the maritime industry are engaged in a cooperative ship construction program which will still further enlarge the Merchant Marine's capacities.

I am sure this program is a source of satisfaction to everyone in these days when adequate facilities for the worldwide exchange of goods and for worldwide passenger traffic are so clearly recognized as a vital instrument for world peace and prosperity.

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TREASURY DEPARTMENT

Information Service WASHINGTON, D.C.

RELEASE MORNING NEWSPAPERS,
Thursday, May 19, 1949. S-1091

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oOo

cargo weight on the basis of the relatively few samples weighed. For example, it may be necessary to weigh only 100 packages of a particular lot consisting of 10,000 packages.

Test operations have shown that, in addition to freeing greatly needed manpower for other essential customs work, the new methods may speed up unloading of a vessel by as much as half a day, a very substantial saving in shipping costs.

Experts in the Bureau of Customs had ~~drawing heavily upon the methods which have proved successful in industry, and with~~ the advice of the Division of Statistical Standards of the Bureau of the Budget in developing ~~developed the application of these scientific methods to the bulk weighing of merchandise.~~ ~~Government officials feel that the techniques may be very useful to industry, and thus complete the cycle of "industry to Government to industry."~~

the new procedures

Release Morning Newspapers
Thursday, May 19, 1949

~~Proposed Press Release~~

50 - for Clark

S-1092

The Treasury Department ~~Secretary Snyder~~ announced today that the ~~Treasury's~~ Bureau of Customs has extended its application of scientific control sampling to the weighing of bulk cargoes of raw sugar, South American wool, and manufacturers' cigarette tobacco. Scientific control weighing is designed to permit more effective use of customs manpower and to expedite unloading of cargoes with consequent savings of time and money for importers and vessel operators.

During the war, private industry used similar statistical techniques in the sampling of ammunition and other materiel. The new methods, which were adapted to customs needs during the past year and tested at selected ports, will now be used throughout the Customs Service.

Frank Dow, Acting Commissioner of Customs, said the scientific control method of spot-weighing of cargoes is one of a number of projects in various stages of development in the Bureau which have as their objective greater economy and simplification in customs operations. Among these experiments are those looking to the extension of control weighing techniques to other commodities.

Heretofore, cargoes of the three commodities have been weighed 100 percent, on carefully calibrated Government scales. Under the new system, a pre-determined number of sample lots from a cargo is so weighed and the range of variation from commercial weights determined. Then by formulas based on ~~While extremely~~ complex mathematical computations, ~~underlie the processes, these have been resolved to formulas by which~~ customs inspectors can readily [illegible] determine with extreme accuracy the total

TREASURY DEPARTMENT

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Experts in the Bureau of Customs had the advice of the Division of Statistical Standards of the Bureau of the Budget in developing the new procedures.

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G. B. Haynes, President
Foster & Kleiser Co.
Eddy Street at Pierce
San Francisco, California

(Representing Arizona, California, Nevada, and New Mexico.)

Harry Fitzgerald
The Cream City Outdoor Advertising Co.
4550 West Wisconsin Avenue
Milwaukee 2, Wisconsin

(Representing Illinois, Indiana, Iowa, Missouri, Minnesota, and Wisconsin.)

Mr. Edward J. Donnelly, Jr.
John Donnelly & Sons
Eggleston Square
Boston, Massachusetts

(Representing all New England.)

Vincent R. Hyland
General Outdoor Advertising Company
3823 Leavenworth Street
Omaha, Nebraska

(Representing Kansas, Nebraska, North Dakota, Oklahoma, and South Dakota.)

NATIONAL ADVISORY COMMITTEE
of the
OUTDOOR ADVERTISING INDUSTRY

Leonard W. Trester (Chairman)
General Outdoor Advertising Co.
301 South Capitol Street
Washington, D. C.

C. R. Bird
General Outdoor Advertising Co.
25 Stokley
Philadelphia 29, Pennsylvania

(Representing Delaware, District of Columbia, Maryland, New Jersey, New York and Pennsylvania.)

William A. Gibson, Jr.
North Texas Advertising Co., Inc.
3228 Camp Boure Blvd.
Fort Worth, Texas

(Representing Texas.)

Mark Seelen
Outdoor Advertising Inc.
60 East 42nd Street
New York, New York

Thomas Miller
Miller Outdoor Advertising Co.
P. O. Box 565
Greenville, South Carolina

(Representing Georgia, North Carolina, South Carolina, Virginia, and West Virginia.)

C. D. Blessed
Walker & Co.
88 Custer Avenue
Detroit 2, Michigan

(Representing Kentucky, Michigan, and Ohio.)

B. L. Robbins
General Outdoor Advertising Co.
Harrison & Loomis Street
Chicago, Illinois

Harry Crawford
Crawford Advertising Agency
P. O. Box 473
Mobile 3, Alabama

(Representing Alabama, Arkansas, Florida, Louisiana, Mississippi, and Tennessee.)

Beall Hart
General Outdoor Advertising Co.
530 Grant Street
Denver, Colorado

(Representing Colorado, Montana, and Wyoming.)

Harly Markham
The Big 4 Advertising Co.
P. O. Box 328
Pocatello, Idah

(Representing Idaho, Oregon, Utah, and Washington.)

~~Today's meeting was opened by Vernon L. Clark, National Director of the Savings Bonds Division, who gave a brief history of the Savings Bonds program. Leon J. Markham, National Sales Director of the Division, outlined the plans for the Opportunity Drive.~~

Members of the new committee joined in endorsing the pledge of support given ~~by~~ for the industry by Mr. Trester. ~~The committeemen are:~~ Committee members, in addition to Mr. Trester, are:

S-1093

TO: Miss Kelly

Would you try to get the Secretary's clearance on the attached statement to be released this afternoon.

Attachment

James J. Saxon

INFORMATION SERVICE

nounced the formation of
f the Outdoor Advertising
in its Savings Bonds program.
the committee briefly at its
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to local and national Savings
d for the pledge, given
e industry support for the
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rman of the Committee,
stry, said that continuous
sing support for the bond
program throughout the year would be a goal of the committee.

He expressed pride in the record of the industry for aid to the sale of Savings Bonds both during the war and since, and said that creation of the Advisory Committee would intensify future outdoor advertising efforts. He praised the Savings Bonds program as an important facttor in the encouragement of thrift in America.

Immediate Release
Friday, May 20, 1949

S-1093

Secretary Snyder today announced the formation of a National Advisory Committee of the Outdoor Advertising Industry to assist the Treasury in its Savings Bonds program.

The Secretary addressed the committee briefly at its first meeting today. He thanked the members for their industry's past contributions to local and national Savings Bonds promotion activities, and for the pledge, given at the meeting, of all possible industry support for the Savings Bonds Opportunity Drive, now under way.

Leonard W. Trester, Chairman of the Committee, speaking on behalf of the industry, said that continuous and consistent outdoor advertising support for the bond program throughout the year would be a goal of the committee.

He expressed pride in the record of the industry for aid to the sale of Savings Bonds both during the war and since, and said that creation of the Advisory Committee would intensify future outdoor advertising efforts. He praised the Savings Bonds program as an important factor in the encouragement of thrift in America.

TREASURY DEPARTMENT

Information Service **WASHINGTON, D.C.**

IMMEDIATE RELEASE,
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He expressed pride in the record of the industry for aid to the sale of Savings Bonds both during the war and since, and said that creation of the Advisory Committee would intensify future outdoor advertising efforts. He praised the Savings Bonds program as an important factor in the encouragement of thrift in America. Members of the new committee joined in endorsing the pledge of support given for the industry by Mr. Trester.

Committee members, in addition to Mr. Trester, are: C. R. Bird, General Outdoor Advertising Company; William A. Gibson, Jr., North Texas Advertising Company, Incorporated; Mark Seelen, Outdoor Advertising, Incorporated; Thomas Miller, Miller Outdoor Advertising Company; C. D. Blessed, Walker & Company; B. L. Robbins, General Outdoor Advertising Company; Harry Crawford, Crawford Advertising Agency; Beall Hart, General Outdoor Advertising Company; Harly Markham, The Big 4 Advertising Company; G. B. Haynes, President, Foster & Kleiser Company; Harry Fitzgerald, The Cream City Outdoor Advertising Company; Mr. Edward J. Donnelly, Jr.; John Donnelly & Sons; Vincent R. Hyland, General Outdoor Advertising Company.

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TREASURY DEPARTMENT

Information Service WASHINGTON, D.C.

RELEASE, MORNING NEWSPAPERS,
Thursday, May 19, 1949.

S-1094

Secretary of the Treasury Snyder today announced the offering, through the Federal Reserve Banks, of 1-1/4 percent Treasury Certificates of Indebtedness of Series E-1950, open on an exchange basis, in authorized denominations, to holders of 1-1/8 percent Treasury Certificates of Indebtedness of Series E-1949, maturing June 1, 1949, in the amount of $4,301,117,000, or 2 percent Treasury Bonds of 1949-51, dated January 15, 1942, called for redemption on June 15, 1949, in the amount of $1,014,018,900. Exchanges will be made par for par in the case of the maturing certificates, and at par with an adjustment of interest as of June 15, 1949, in the case of the called bonds. Cash subscriptions will not be received.

The certificates now offered will be dated June 1, 1949, and will bear interest from that date at the rate of one and one-quarter percent per annum, payable with the principal at maturity on June 1, 1950. They will be issued in bearer form only, in denominations of $1,000, $5,000, $10,000, $100,000 and $1,000,000.

Pursuant to the provisions of the Public Debt Act of 1941, as amended, interest upon the certificates now offered shall not have any exemption, as such, under the Internal Revenue Code, or laws amendatory or supplementary thereto. The full provisions relating to taxability are set forth in the official circular released today.

Subscriptions will be received at the Federal Reserve Banks and Branches, and at the Treasury Department, Washington, and should be accompanied by a like face amount of the securities to be exchanged, and where called bonds in coupon form are presented, by payment of accrued interest on the new certificates at the rate of $0.47945 per $1,000, since in these cases interest is to be adjusted as of June 15, 1949. Subject to the usual reservations, all subscriptions will be allotted in full.

The subscription books will close for the receipt of all subscriptions at the close of business Monday, 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:

UNITED STATES OF AMERICA

1-1/4 PERCENT TREASURY CERTIFICATES OF INDEBTEDNESS OF SERIES E-1950

Dated and bearing interest from June 1, 1949 Due June 1, 1950

1949
Department Circular No. 846

Fiscal Service
Bureau of the Public Debt

TREASURY DEPARTMENT,
Office of the Secretary,
Washington, May 19, 1949.

I. OFFERING OF CERTIFICATES

1. The Secretary of the Treasury, pursuant to the authority of the Second Liberty Bond Act, as amended, invites subscriptions from the people of the United States for certificates of indebtedness of the United States, designated 1-1/4 percent Treasury Certificates of Indebtedness of Series E-1950, in exchange for 1-1/8 percent Treasury Certificates of Indebtedness of Series E-1949, maturing June 1, 1949, or 2 percent Treasury Bonds of 1949-51, dated January 15, 1942, called for redemption on June 15, 1949. Exchanges will be made par for par in the case of the maturing certificates, and at par with an adjustment of interest as of June 15, 1949, in the case of the called bonds.

II. DESCRIPTION OF CERTIFICATES

1. The certificates will be dated June 1, 1949, and will bear interest from that date at the rate of 1-1/4 percent per annum, payable with the principal at maturity on June 1, 1950. They will not be subject to call for redemption prior to maturity.

2. The income derived from the certificates shall be subject to all taxes, now or hereafter imposed under the Internal Revenue Code, or laws amendatory or supplementary thereto. 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, all subscriptions will be allotted in full. Allotment notices will be sent out promptly upon allotment.

IV. PAYMENT

1. Payment for certificates allotted hereunder must be made on or before June 1, 1949, or on later allotment. Payment of the principal amount may be made only in Treasury Certificates of Indebtedness of Series E-1949, maturing June 1, 1949, or in Treasury Bonds of 1949-51, called for redemption on June 15, 1949, which will be accepted at par and should accompany the subscription. The full year's interest on the certificates surrendered will be paid to the subscriber following acceptance of the certificates. In the case of the called bonds in coupon form, payment of accrued interest on the new certificates from June 1, 1949 to June 15, 1949 ($0.47945 per $1,000) should be made when the subscription is tendered. In the case of called registered bonds, the accrued interest will be deducted from the amount of the check which will be issued in payment of final interest on the bonds surrendered. Final interest due June 15 on bonds surrendered will be paid, in the case of coupon bonds, by payment of June 15, 1949 coupons, which should be detached by holders before presentation of the bonds, and in the case of registered bonds, by checks drawn in accordance with the assignments on the bonds surrendered.

V. ASSIGNMENT OF REGISTERED BONDS

1. Treasury Bonds of 1949-51 in registered form tendered in payment for certificates offered hereunder should be assigned by the registered payees or assignees thereof to "The Secretary of the Treasury for exchange for Treasury Certificates of Indebtedness of Series E-1950 to be delivered to __________," in accordance with the general regulations of the Treasury Department governing assignments for transfer or exchange, and thereafter should be presented and surrendered with the subscription to a Federal Reserve Bank or Branch or to the Treasury Department, Division of Loans and Currency, Washington, D. C. The bonds must be delivered at the expense and risk of the holders.

VI. GENERAL PROVISIONS

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

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

JOHN W. SNYDER,
Secretary of the Treasury.

contributing to the future business of both your own community and the Nation.

banker and his smallest depositor, the newspaper publisher and the newsboy, the industrialist, the farmer, the factory worker.

The $48 billion worth of savings bonds now held by individuals is a sum greater than the entire national income a generation ago. Just think of that, if you want to know where America stands today. It represents money which was saved locally, and which will be spent locally, thereby exceeded the like period a year ago. Other types of savings have done even better in recent years.

Savings bond participation is a program in which every citizen may join. Its goals -- opportunity for development, financial independence and security for individuals and the Nation alike -- are the personal goals of everyone.

All levels of our economic structure meet in this endeavor -- the

the full faith and credit of our Government as to payment of both principal and interest.

Sales figures reveal how this method of savings gains in popularity every year. Last year total sales of all series reached over $7 billion, while "E" Bond sales totalled more than $4 billion. For the first four months of this year, "E" Bond sales doubt that $1 billion of this can appropriately be placed in "E" bonds.

Certainly there is no doubt of America's willingness to participate in the savings bond program. Americans like the program for it promotes thrift. The bonds are a convenient way in which to invest savings. And they are backed by

Its hold on our people has grown until it is recognized everywhere as a great public service program.

There are two fundamental factors which are basic to every bond sale. The first is the prospect's ability to buy; the second is his willingness. There can be no doubt at all of America's ability to buy. With a national income paid to individuals running at the average rate of $215 billion per annum, there can be no every direction since the end of the war. One of the strongest factors behind our achievements has been the courage and confidence of our people to look ahead with determination to a tomorrow that will be brighter and less troubled than today.

One of the finest vehicles for developing this future is the savings bond program, which is as truly American as Main Street -- as vital and timely as today's headline news.

our hospitals, our municipal service systems, our great transcontinental highways -- largely neglected during the war -- has scarcely begun. Facilities must be provided to take care of the great shifts of population to new areas during the war years. And, in this connection, it is important to remember that 17 million people have been added to our population in the decade since the war began.

Our country has forged ahead in

few years. The use of light metals and their alloys is growing in importance. The field of synthetics affords unlimited possibilities for new products. Developments in home construction and home equipment offer tremendous opportunities for new consumer markets. More efficient farm machinery is being developed constantly and new fertilizers and chemicals for farm use are coming on the market.

The rebuilding of our schools,

developing new products based on the wartime discoveries in new materials, new manufacturing techniques, and new types of equipment. Our factories have been so occupied in supplying the quickest available goods to fill accumulated demands that the introduction of many new products has had to be postponed.

One wartime development alone -- atomic energy -- could revolutionize our economic life within a relatively ahead of us. And, if we set our sights firmly on the opportunities opening up before us, I believe that we will not be deterred long, or often, by the difficulties of charting our economic course.

With the return to normal buyers' markets, we may look forward to one of the greatest periods of business development in our history. In the few years that have elapsed since the war, we have made only a start toward changes which have already taken place. Fifty years ago, the illuminating gas companies, the carriage factories, the interurban lines, were thriving industries -- seemingly here to stay. Who would have taken too seriously the flight of a plane heavier than air, the first experiments with moving pictures, the demonstrations of the earliest automobiles?

Undoubtedly, there will be even greater changes during the half century

When we do pause and try to get a proper perspective, it is reassuring to discover how greatly the opportunities of the future loom up. I mentioned earlier the great changes which have occurred in our economy during the past fifty years. It is enlightening, when we try to assess our present situation, to remind ourselves that a half century ago the most forward-looking citizens of this country would not have dreamed of the adjustments in 1946, in 1947, and again in 1948. Now, we are experiencing some additional ones. Each of these readjustments has made us stop, look, and listen. Each one has reminded us of the necessity for caution, for taking stock of the situation, in order to be sure that we are pursuing the best course.

of factors today which give assurance of a continued prosperity.

The readjustments which are now taking place are both helpful and healthy. We must remember that for the last three years it has been our aim and goal to halt inflation and to adjust prices. We have had periodic

Government's credit and in the financial stability of the country.

Certainly, our experience since the War has been evidence of a remarkable basic confidence here at home. Now, when readjustments to a more normal peacetime economy are taking place, we have no reason to be apprehensive, especially in the face has not been undermined, as it has been in the past, by dangerous speculative activities.

Above all, the financial soundness of the United States Government -- which is today the keystone of world stability and world peace -- is beyond question. The Treasury's responsibility is to maintain that soundness through fiscal policies and debt-management operations which will assure confidence in the our history. Liquid savings of individuals -- and that means savings accounts, checking accounts, Federal Government securities, and currency holdings -- total $200 billion. Net working capital of corporations now stands at the near-record level of $65 billion. Employment and incomes, and corporation profits are, likewise, close to record levels. And of particular importance, our position accumulated urgent demands are more nearly satisfied, our economy is turning to a normal buyers' market. I need not remind you that American enterprise thrives best in a competitive environment. We achieve most when we have to work at selling.

But the dramatic and important part just now is that we are starting off from a position of financial and economic strength unexampled in

$75 billion in new construction and equipment since the end of the war to maintain and expand production of goods. Since VJ-Day, Americans have bought 13 million new cars and trucks, 29 million new refrigerators, vacuum cleaners, and washing machines, and something like 50 million new radios and television sets. Now that these and other

The urgent replacement demand for civilian products which had accumulated during the war has slackened. The scramble for certain things is over. If we are worthy of our traditions, we will look on this period as one of unprecedented opportunity. American business has invested more than trend of our national progress has been fashioned, and will continue to be fashioned, by those who see beyond temporary obstacles, and who keep their eyes on the greater and richer fields that lie ahead.

Today, we are in a period of reappraisal of our domestic economy.

Unfortunately, there are some today who apparently have little faith in this Nation's ability to maintain prosperous levels of employment and incomes. There have been at times a few who took a gloomy view of the future, and of the Nation's ability to surmount the obstacles that lie ahead. But, the United States has been built up through its long history by men of confidence and vision. The main unswerving confidence in our ability as American citizens to help our country to ever-increasing social and material health and wealth.

This confidence in the future is a most important asset. But our future and our confidence cannot be taken for granted. We must not allow the increasing responsibilities of our country to bring with them a tired refusal to meet the challenge of our growth and progress.

Our country has seen vast changes in this period. In the past fifty years alone, we have progressed from a predominately rural and small-town economy to a highly complex civilization. We have lived through two great wars.

These events have brought many problems. Each one has been a challenge to our energy, our determination and to our purpose. But throughout, we have maintained an commemorating the westward migration of the "Gold Rush" that occurred a century ago. All America is joining, this year, in paying tribute to the "Forty-niners". This centennial recalls vividly the search for opportunity and a better life which led pioneers westward a hundred years ago, or eighty years ago, or even fifty years ago.

Today, three million volunteers in rural areas, in small towns, and in crowded cities are taking part in the greatest peacetime promotion of United States Savings Bonds. This vast army is out to sell $1,040 million in series "E" savings bonds in six weeks time.

You heard the President start the Drive, which opened Monday night in Independence, Missouri. Thirty covered wagons were assembled there, Thank you, Mr. Rupel, I am glad to have this opportunity of addressing so important an organization as yours.

ADDRESS BY SECRETARY SNYDER

OVER

MUTUAL NETWORK

1075

10:45 - 11:00 EDT
Thursday, May 19, 1949

foreword for radio tax speech

Broadcasting System
before

The following address by Secretary Snyder ~~before~~ the New York Chapter of the Tax Executives Institute is scheduled for delivery over the Mutual ~~radio network~~ at 10:45 p.m. EDT Thursday, May 19, 1949, and is for release at that time.

S-1095

TREASURY DEPARTMENT

Washington

The following address by Secretary Snyder before the New York Chapter of the Tax Executives Institute <u>is scheduled for delivery over the Mutual Broadcasting System at 10:45 p.m. EDT Thursday, May 19, 1949, and is for release at that time.</u>

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Unfortunately, there are some today who apparently have little faith in this Nation's ability to maintain prosperous levels of employment and incomes. There have been at times a few who took a gloomy view of the future, and of the Nation's ability to surmount the obstacles that lie ahead. But, the United States has been built up through its long history by men of confidence and vision. The main trend of our national progress has been fashioned, and will continued to be fashioned, by those who see beyond temporary obstacles, and who keep their eyes on the greater and richer fields that lie ahead.

Today, we are in a period of reappraisal of our domestic economy. The urgent replacement demand for civilian products which had accumulated during the war has slackened. The scramble for certain things is over.

If we are worthy of our traditions, we will look on this period as one of unprecedented opportunity. American business has invested more than $75 billion in new construction and equipment since the end of the war to maintain and expand production of goods. Since VJ-Day, Americans have bought 13 million new cars and trucks, 29 million new refrigerators, vacuum cleaners, and washing machines, and something like 50 million new radios and television sets. Now that these and other accumulated urgent demands are more nearly satisfied, our economy is turning to a normal buyers' market. I need not remind you that American enterprise thrives best in a competitive environment. We achieve most when we have to work at selling.

But the dramatic and important part just now is that we are starting off from a position of financial and economic strength unexampled in our history. Liquid savings of individuals -- and that means savings accounts, checking accounts, Federal Government securities, and currency holdings -- total $200 billion. Net working capital of corporations now stands at the near-record level of $65 billion. Employment and incomes, and corporation profits are, likewise, close to record levels. And of particular importance, our position has not been undermined, as it has been in the past, by dangerous speculative activities.

Above all, the financial soundness of the United States Government -- which is today the keystone of world stability and world peace -- is beyond question. The Treasury's responsibility is to maintain that soundness through fiscal policies and debt-management operations which will assure confidence in the Government's credit and in the financial stability of the country.

Certainly, our experience since the War has been evidence of a remarkable basic confidence here at home. Now, when readjustments to a more normal peacetime economy are taking place, we have no reason to be apprehensive, especially in the face of factors today which give assurance of a continued prosperity.

The readjustments which are now taking place are both helpful and healthy. We must remember that for the last three years it has been our aim and goal to halt inflation and to adjust prices. We have had periodic adjustments in 1946, in 1947, and again in 1948. Now, we are experiencing some additional ones. Each of these readjustments has made us stop, look, and listen. Each one has reminded us of the necessity for caution, for taking stock of the situation, in order to be sure that we are pursuing the best course.

When we do pause and try to get a proper perspective, it is reassuring to discover how greatly the opportunities of the future loom up. I mentioned earlier the great changes which have occurred in our economy during the past fifty years. It is enlightening, when we try to assess our present situation, to remind ourselves that a half century ago the most forward-looking citizens of this country would not have dreamed of the changes which have already taken place. Fifty years ago, the illuminating gas companies, the carriage factories, the interurban lines, were thriving industries -- seemingly here to stay. Who would have taken too seriously the flight of a plane heavier than air, the first experiments with moving pictures, the demonstrations of the earliest automobiles?

Undoubtedly, there will be even greater changes during the half century ahead of us. And, if we set our sights firmly on the opportunities opening up before us, I believe that we will not be deterred long, or often, by the difficulties of charting our economic course.

With the return to normal buyers' markets, we may look forward to one of the greatest periods of business development in our history. In the few years that have elapsed since the war, we have made only a start toward developing new products based on the wartime discoveries in new materials, new manufacturing techniques, and new types of equipment. Our factories have been so occupied in supplying the quickest available goods to fill accumulated demands that the introduction of many new products has had to be postponed.

One wartime development alone -- atomic energy -- could revolutionize our economic life within a relatively few years. The use of light metals and their alloys is growing in importance. The field of synthetics affords unlimited possibilities for new products. Developments in home construction and home equipment offer tremendous opportunities for new consumer markets. More efficient farm machinery is being developed constantly and new fertilizers and chemicals for farm use are coming on the market.

The rebuilding of our schools, our hospitals, our municipal service systems, our great transcontinental highways -- largely neglected during the war -- has scarcely begun. Facilities must be provided to take care of the great shifts of population to new areas during the war years. And, in this connection, it is important to remember that 17 million people have been added to our population in the decade since the war began.

Our country has forged ahead in every direction since the end of the war. One of the strongest factors behind our achievements has been the courage and confidence of our people to look ahead with determination to a tomorrow that will be brighter and less troubled than today.

One of the finest vehicles for developing this future is the savings bond program, which is as truly American as Main Street -- as vital and timely as today's headline news. Its hold on our people has grown until it is recognized everywhere as a great public service program.

There are two fundamental factors which are basic to every bond sale. The first is the prospect's ability to buy; the second is his willingness. There can be no doubt at all of America's ability to buy. With a national income paid to individuals running at the average rate of $215 billion per annum, there can be no doubt that $1 billion of this can appropriately be placed in "E" bonds.

Certainly there is no doubt of America's willingness to participate in the savings bond program. Americans like the program for it promotes thrift. The bonds are a convenient way in which to invest savings. And they are backed by the full faith and credit of our Government as to payment of both principal and interest.

Sales figures reveal how this method of savings gains in popularity every year. Last year total sales of all series reached over $7 billion, while "E" Bond sales totalled more than $4 billion. For the first four months of this year, "E" Bond sales exceeded the like period a year ago. Other types of savings have done even better in recent years.

Savings bond participation is a program in which every citizen may join. Its goals -- opportunity for development, financial independence and security for individuals and the Nation alike -- are the personal goals of everyone.

All levels of our economic structure meet in this endeavor -- the banker and his smallest depositor, the newspaper publisher and the newsboy, the industrialist, the farmer, the factory worker.

The $48 billion worth of savings bonds now held by individuals is a sum greater than the entire national income a generation ago. Just think of that, if you want to know where America stands today. It represents money which was saved locally, and which will be spent locally, thereby contributing to the future business of both your own community and the Nation.

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1096

Distinctive paper to be used in printing currency and public debt secyrties will not cost any more for the fiscal year 1950 than for the current year, Secretary Snyder announced today.

~~On the basis of bids submitted to supply the paper,~~ ~~A contract was awarded to~~ has been Crane & Company, Inc., of Dalton, Massachusetts, to supply the paper at the same price as that paid the company for the Treasury's fiscal 1949 supply.

The estmiated quantity of the paper to be required during fiscal 1950 is 133,767,000 sheets, or about 1,615 tons, for currency and 9,850,000 sheets, or about 184 tons, for public debt securities,

TREASURY DEPARTMENT

Information Service **WASHINGTON, D.C.**

IMMEDIATE RELEASE,
Thursday, May 19, 1949. S-1096

Distinctive paper to be used in printing currency and public debt securities will not cost any more for the fiscal year 1950 than for the current year, Secretary Snyder announced today.

Crane & Company, Incorporated, of Dalton, Massachusetts will again supply the paper at the same price as that paid the company for the Treasury's fiscal 1949 supply.

The estimated quantity of paper to be required during fiscal 1950 is 133,767,000 sheets, or about 1,615 tons, for currency and 9,850,000 sheets, or about 184 tons, for public debt securities.

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~~SUGGESTED RELEASE~~
~~for~~
~~Friday PM, May 20~~

Immediate Release

S-1097

~~Secretary of the Treasury John W. Snyder announced today that a~~

PA colorful new children's bond ownership certificate is now available at local banks and post offices throughout the country for children who buy U. S. Savings Bonds, or for whom bonds are bought.

The new certificate was designed [redacted] by cartoonist Al Capp, [redacted] creator of Li'l Abner. The certificate, ~~gayly~~ gaily decorated, ~~[with thrift minded Shmoos,]~~ bears the inscription: "This is to certify that (name) is the owner of a Savings Bond, thereby becoming a shareholder in the United States of America, and through this ownership is supporting the principles of freedom and security for the nation and its people."

The certificates will be on hand at all bond issuing ~~agents.~~ agencies. They will be given away with every bond purchase for children or by children, each certificate ~~and will be~~ inscribed with the child's name ~~and dated by the local State Director of the U. S. Savings Bonds Division, or Postmaster~~.

The first [redacted] certificate ~~was given~~ went to Linda Susan Agar, two-year-old daughter of movie actress Shirley Temple and her husband John Agar. Linda's ownership certificate was inscribed and signed by Vernon L. Clark, National Director of the U. S. Savings Bonds Division.

TREASURY DEPARTMENT

Information Service WASHINGTON, D.C.

IMMEDIATE RELEASE,
Thursday, May 19, 1949. S-1097

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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, non-competitive tenders for $200,000 or less without stated price from any one bidder will be accepted in full at the average price (in three decimals) of accepted competitive bids. Settlement for accepted tenders in accordance with the bids must be made or completed at the Federal Reserve Bank on May 26, 1949 ~~(8)~~, in cash or other immediately available funds or in a like face amount of Treasury bills maturing May 26, 1949 ~~(9)~~. Cash and exchange tenders will receive equal treatment. 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 the Internal Revenue Code, or laws amendatory or supplementary thereto. 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

~~Exhibit 1x~~

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~~TREASURY DEPARTMENT~~
~~Washington~~

~~FOR~~ RELEASE, MORNING NEWSPAPERS,
Friday, May 20, 1949.
(1)

S-1098

The Secretary of the Treasury, by this public notice, invites tenders for $ 900,000,000 (2), or thereabouts, of 91 (3)-day Treasury bills, for cash and in exchange for Treasury bills maturing May 26, 1949 (4), to be issued on a discount basis under competitive and non-competitive bidding as hereinafter provided. The bills of this series will be dated May 26, 1949 (5), and will mature August 25, 1949 (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/Daylight Saving ~~Standard~~ time, Monday, May 23, 1949 (7). Tenders will not be received at the Treasury Department, Washington. Each tender must be for an even multiple of $1,000, and in the case of competitive tenders 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

TREASURY DEPARTMENT

Information Service WASHINGTON, D.C.

RELEASE, MORNING NEWSPAPERS,
Friday, May 20, 1949.

S-1098

The Secretary of the Treasury, by this public notice, invites tenders for $900,000,000, or thereabouts, of 91-day Treasury bills, for cash and in exchange for Treasury bills maturing May 26, 1949, to be issued on a discount basis under competitive and non-competitive bidding as hereinafter provided. The bills of this series will be dated May 26, 1949, and will mature August 25, 1949, when the face amount will be payable without interest. They will be issued in bearer form only, and in denominations of $1,000, $5,000, $10,000, $100,000, $500,000, and $1,000,000 (maturity value).

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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, non-competitive tenders for $200,000 or less without stated price from any one bidder will be accepted in full at the average price (in three decimals) of accepted competitive bids. Settlement for accepted tenders in accordance with the bids must be made or completed at the Federal Reserve Bank on May 26, 1949, in cash or other immediately available funds or in a like face amount of Treasury bills maturing May 26, 1949. Cash and exchange tenders will receive equal treatment. 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 the Internal Revenue Code, or laws amendatory or supplementary thereto. The bills shall be subject to estate, inheritance, gift or other excise taxes, whether Federal or State, but shall be exempt from all taxation now or hereafter imposed on the principal or interest thereof by any State, or any of the possessions of the United States, or by any local taxing authority. For purposes of taxation the amount of discount at which Treasury bills are originally sold by the United States shall be considered to be interest. Under Sections 42 and 117 (a) (1) of the Internal Revenue Code, as amended by Section 115 of the Revenue Act of 1941, the amount of discount at which bills issued hereunder are sold shall not be considered to accrue until such bills shall be sold, redeemed or otherwise disposed of, and such bills are excluded from consideration as capital assets. Accordingly, the owner of Treasury bills (other than life insurance companies) issued hereunder need include in his income tax return only the difference between the price paid for such bills, whether on original issue or on subsequent purchase, and the amount actually received either upon sale or redemption at maturity during the taxable year for which the return is made, as ordinary gain or loss.

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

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It is not the function of the Commission to approve or disapprove any sale of securities so long as the facts concerning the securities are fully stated.

With respect to the International Bank, it may be stated that through its quarterly and annual reports and other statements, it makes a full disclosure to the public of all its activities. Moreover, under the proposed legislation, the Bank would be required to file with the Securities and Exchange Commission such annual and other reports with regard to its securities as the Commission shall determine to be appropriate. Finally, if the Securities and Exchange Commission should at any time be of the opinion that the interest of the United States investor requires that the securities in the International Bank be subjected to the Securities Acts, the Commission may, in consultation with the National Advisory Council, suspend the exemption granted under the proposed legislation.

In my opinion, the enactment of the proposed legislation will further the interest the United States has in the continued effective operation of the International Bank without prejudicing the rights of United States investors. I, therefore, recommend favorable action on the bill under consideration.

consent.

It should also be borne in mind that the securities of the International Bank are backed by the joint obligation of some 48 nations, each of which is severally liable up to the full amount of its subscription. A nation which might otherwise be tempted to default on a particular foreign obligation might well be deterred from such action by the knowledge that a default to the International Bank is simultaneously a default with respect to 47 other nations upon whom the burden of meeting prorated subscription calls would fall.

~~Additional backing for the securities issued by the International Bank may be found in the fact that each borrower is charged a commission of 1%, the proceeds of which may not be released but must be set aside in a reserve fund to cover possible losses. At the present time, the Bank's reserve fund is approximately $7,000,000, and is increasing at a rate of about $5,000,000 a year.~~

Adverting to the protection the United States investor enjoys with respect to foreign securities which are not exempted from the Securities Acts, it may be appropriate to note that the essence of this protection is the requirement for full and fair disclosure of pertinent information. The Securities and Exchange Commission does not make a determination as to the worth of a security offered for sale.

requirements pertaining to securities subject to those Acts. The proposed legislation would meet this practical difficulty by amending the Bretton Woods Agreements Act to make the securities issued or guaranteed by the International Bank exempt securities under the Securities Acts.

In connection with the enactment of the proposed legislation, careful thought has been given to the position of investors in the United States. I believe that the unique characteristics of the securities of the International Bank and the nature of the safeguards provided in the proposed legislation constitute ample protection.

It should be noted that by virtue of the large subscription of the United States in the shares of the International Bank, there is a correspondingly large official participation by the United States in the direction of the Bank. Under the guidance of the National Advisory Council, the United States Executive Director, who holds approximately one-third of the total votes of the Bank's Executive Board, directs his activities to effectuating the United States policy of making the Bank a sound, strong, effective instrumentality for financing appropriate projects for reconstruction and development. In this connection, it may be noted that the International Bank may not sell its securities in this country without obtaining the prior consent of the National Advisory Council; nor can the Bank buy or deal in its securities without that

It is the opinion of the National Advisory Council that the enactment of ~~S. 1664~~ H.R. 4332 would facilitate the widespread distribution in the United States of securities issued or guaranteed by the International Bank. For a detailed analysis of the structure and operations of the International Bank, particularly with respect to the effect that the proposed legislation would have on its marketing operations, I will defer to the representatives of the Bank who will appear before you.

Have to be all on one page

However, if I may, I would like to touch briefly upon one of the principal problems which will be remedied if the proposed legislation is enacted.

At the present time, although national banks may invest in securities issued by the International Bank, they are not authorized under the National Bank Act to deal in such securities. The proposed legislation would remove this legal disability by amending the National Bank Act to permit national banks to deal in securities issued by the International Bank.

Both the International Bank and the National Advisory Council believe that in order that this permission may be really effective in broadening the market for the Bank's securities they should be exempted from the Securities Acts. The reason is that the whole marketing system of national banks is geared to deal only in securities which are exempt from the Federal Securities Acts, mainly federal, state, and municipal securities; and it is not adapted to meet the various

DRAFT OF STATEMENT BY MR. MARTIN ON S. 1664, "TO AMEND THE NATIONAL BANK ACT AND THE BRETTON WOODS AGREEMENTS ACT, AND FOR OTHER PURPOSES."

Mr. Chairman and Members of the Committee:

I am appearing before your Committee on behalf of the National Advisory Council on International Monetary and Financial Problems to present its views on H.R. 4332 ~~S. 1664~~, which the Committee is now considering. The bill would amend the National Bank Act to permit national banks to deal in the bonds of the International Bank, and would, by amendment to the Bretton Woods Agreements Act, exempt securities issued or guaranteed by the International Bank from the provisions of the Securities Acts. The National Advisory Council has given serious consideration to the proposed legislation and believes that it should be enacted.

With your permission, I would like to address myself to the policy considerations underlying the National Advisory Council's support of the pending legislation. In the opinion of the National Advisory Council, the International Bank for Reconstruction and Development will have an increasingly important role in the future development of the international capital market. It seems clear that, to the extent that economic and political conditions abroad permit the Bank to assume greater responsibility in financing reconstruction and development, it is in the interest of the United States to encourage the Bank to assume that responsibility.

During the next few years, it is hoped that many more nations will be in a position to apply for loans to finance projects and programs consistent with the purposes of the Bank. The continued effectiveness of the International Bank will depend upon its ability to meet these requests. To do this, the Bank will have to raise additional funds in the securities market of the United States.

Gov Bob Dillon

~~STATEMENT~~

Statement by Assistant Secretary of the Treasury William McC. Martin, Jr., before the Banking and Currency Committee of the House of Representatives on H.R. 4332, "to amend the National Bank Act and ~~to~~ the Bretton Woods Agreements Act, and for other ~~purposes~~ purposes."

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TREASURY DEPARTMENT

Washington

Statement by Assistant Secretary of the Treasury William McC. Martin, Jr., before the Banking and Currency Committee of the House of Representatives on H. R. 4332, "to amend the National Bank Act and the Bretton Woods Agreements Act, and for other purposes."

10 A.M. - May 23, 1949

Mr. Chairman and Members of the Committee:

I am appearing before your Committee on behalf of the National Advisory Council on International Monetary and Financial Problems to present its views on H. R. 4332, which the Committee is now considering. The bill would amend the National Bank Act to permit national banks to deal in the bonds of the International Bank, and would, by amendment to the Bretton Woods Agreements Acts, exempt securities issues or guaranteed by the International Bank from the provisions of the Securities Acts. The National Advisory Council has given serious consideration to the proposed legislation and believes that it should be enacted.

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It should be noted that by virtue of the large subscription of the United States in the shares of the International Bank, there is a correspondingly large official participation by the United States in the direction of the Bank. Under the guidance of the National Advisory Council, the United States Executive Director, who holds approximately one-third of the total votes of the Bank's Executive Board, directs his activities to effectuating the United States policy of making the Bank a sound, strong, effective instrumentality for financing appropriate projects for reconstruction and development. In this connection, it may be noted that the International Bank may not sell its securities in this country without obtaining the prior consent of the National Advisory Council; nor can the Bank buy or deal in its securities without that consent.

It should also be borne in mind that the securities of the International Bank are backed by the joint obligation of some 48 nations, each of which is severally liable up to the full amount of its subscription. A nation which might otherwise be tempted to default on a particular foreign obligation might well be deterred from such action by the knowledge that a default to the International Bank is simultaneously a default with respect to 47 other nations upon whom the burden of meeting prorated subscription calls would fall.

Adverting to the protection the United States investor enjoys with respect to foreign securities which are not exempted from the Securities Acts, it may be appropriate to note that the essence of this protection is the requirement for full and fair disclosure of pertinent information.

The Securities and Exchange Commission does not make a determination as to the worth of a security offered for sale. It is not the function of the Commission to approve or disapprove any sale of securities so long as the facts concerning the securities are fully stated.

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In my opinion, the enactment of the proposed legislation will further the interest the United States has in the continued effective operation of the International Bank without prejudicing the rights of United States investors. I, therefore, recommend favorable action on the bill under consideration.

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ALPHA

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~~Exhibit I~~

~~ALPHA~~

~~TREASURY DEPARTMENT~~
~~Washington~~

~~FOR~~ RELEASE, MORNING NEWSPAPERS, Tuesday, May 24, 1949.

S- 1099

The Secretary of the Treasury, by this public notice, invites tenders for $ 900,000,000 , or thereabouts, of 91 -day Treasury bills, for cash and in exchange for Treasury bills maturing June 2, 1949 , to be issued on a discount basis under competitive and non-competitive bidding as hereinafter provided. The bills of this series will be dated June 2, 1949 , and will mature September 1, 1949 , 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~~ Daylight Saving time, Friday, May 27, 1949. Tenders will not be received at the Treasury Department, Washington. Each tender must be for an even multiple of $1,000, and in the case of competitive tenders 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

Information Service

TREASURY DEPARTMENT

Information Service **WASHINGTON, D.C.**

RELEASE, MORNING NEWSPAPERS,
Tuesday, May 24, 1949.

S-1099

The Secretary of the Treasury, by this public notice, invites tenders for $900,000,000, or thereabouts, of 91-day Treasury bills, for cash and in exchange for Treasury bills maturing June 2, 1949, to be issued on a discount basis under competitive and non-competitive bidding as hereinafter provided. The bills of this series will be dated June 2, 1949, and will mature September 1, 1949, 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 Daylight Saving time, Friday, May 27, 1949. Tenders will not be received at the Treasury Department, Washington. Each tender must be for an even multiple of $1,000, and in the case of competitive tenders 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, non-competitive tenders for $200,000 or less without stated price from any one bidder will be accepted in full at the average price (in three decimals) of accepted competitive bids. Settlement for accepted tenders in accordance with the bids must be made or completed at the Federal Reserve Bank on June 2, 1949, in cash or other immediately available funds or in a like face amount of Treasury bills maturing June 2, 1949. Cash and exchange tenders will receive equal treatment. 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 the Internal Revenue Code, or laws amendatory or supplementary thereto. 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 Sections42 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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RELEASE MORNING NEWSPAPERS,
Tuesday, May 24, 1949.

S-2000

The Secretary of the Treasury announced last evening that the tenders for $900,000,000, or thereabouts, of 91-day Treasury bills to be dated May 26 and to mature August 25, 1949, which were offered on May 20, were opened at the Federal Reserve Banks on May 23.

The details of this issue are as follows:

Total applied for - $1,598,560,000
Total accepted - 904,524,000 (includes $55,504,000 entered on a non-competitive basis and accepted in full at the average price shown below)
Average price - 99.707 Equivalent rate of discount approx. 1.159% per annum

Range of accepted competitive bids:

High	- 99.712	Equivalent rate of discount approx. 1.139% per annum
Low	- 99.706	" " " " " 1.163% " "

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

Federal Reserve District	Total Applied for	Total Accepted
Boston	$ 11,545,000	$ 11,045,000
New York	1,301,970,000	707,285,000
Philadelphia	19,256,000	5,961,000
Cleveland	21,658,000	19,209,000
Richmond	3,800,000	3,800,000
Atlanta	3,389,000	3,389,000
Chicago	100,751,000	48,901,000
St. Louis	8,971,000	8,892,000
Minneapolis	3,255,000	3,255,000
Kansas City	8,859,000	7,780,000
Dallas	11,245,000	7,216,000
San Francisco	103,861,000	77,791,000
Total	$1,598,560,000	$904,524,000

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TREASURY DEPARTMENT

Information Service WASHINGTON, D.C.

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May 23, 1949

9:45 A.M.

Immediate   S-2001 JWS

Secretary Snyder today announced the appointment of R. S. Beatty as District Chief National Bank Examiner at Richmond, Virginia. He succeeds J. L. Bailey who recently was named District Chief National Bank Examiner at Philadelphia.

Mr. Beatty was formerly District Chief National Bank Examiner at Minneapolis. In January 1949, he was brought to Washington for special duty in the Office of the Comptroller of the Currency. He joined the examining staff of the Comptroller's office in 1927 as an assistant national bank examiner and subsequently, as an examiner, worked in the Seventh Federal Reserve District at Chicago. In 1941 he was appointed Chief Examiner at Minneapolis.

Prior to entering the government service, Mr. Beatty was a state bank examiner with the Iowa Banking Department.

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Rabbi Hirsh E. L. Freund, Executive Secretary of the Synagogue Council of America, said that the development of a systematic mode of saving was sound for the individual and for the nation as well.

"The Synagogue Council of America," Rabbi Greund said, "wholeheartedly endorses the proclamations of the United States Treasury regarding the Opportunity campaign for the purchase of U. S. Savings Bonds."

"Buying bonds," Rabbi Freund added, "is buying reaffirmation that we, the American people, wish to uphold our American institutions, our concept of living in which the people of the United States share in the welfare of our government, our cities and our homes."

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~~IMMEDIATE~~ RELEASE ~~THURSDAY,~~ Morning Newspapers V-2002
~~May 19, 1949, P. M.~~ Wednesday, May 25, 1949

Three outstanding spiritual leaders today urged support of the recently-inaugurated Treasury Department Opportunity Savings Bonds Drive.

"The Opportunity Bond Drive is happily and accurately named," stated the Right Reverend Paul F. Tanner, Assistant Director of the National Catholic Welfare Conference. "It is important that this habit of thrift be continued and encouraged, as systematic savings is one of several needed antidotes to the modern anti-Christian, intemperate pursuit of pleasure and heedlessness penetrating society."

Cameron P. Hall, Executive Secretary, Department of the Church and Economic Life, the Federal Council of the Churches of Christ in America, said that "wide popular ownership of the national debt is in keeping with the spirit and practice of democracy. It means that the many, not merely the few, have a stake in how the debt is administered."

"Investment by the American people in these U. S. Savings Bonds," Mr. Hall continued, "can contribute much to the moral foundation of our national life, and this aspect of the Treasury Department's Opportunity Drive will be important in its support by multitudes of the members of our churches."

TREASURY DEPARTMENT

Information Service WASHINGTON, D.C.

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IMMEDIATE RELEASE
Wednesday, May 25, 1949

S-2003

The National Agricultural Savings Bonds Committee today released a statement urging support of the Treasury Department's Opportunity Savings Bond Drive by America's six million farmers.

Organizations represented in the composition of the committee are the American Agricultural Editors Association, the American Farm Bureau Federation, the Agricultural Commission of the American Bankers Association, the National Council of Farmer Cooperatives, the National Farmers Union, the National Grange, the National Association of Radio Farm Directors, and the United States Department of Agriculture.

"Every farm and ranch family," the statement in part reads, "needs a financial reserve as insurance against emergencies like crop failures, disease in herd or flock, or sickness or accident in the family, and to provide financial independence for the later years of life...

"The Committee has therefore pledged its personal support and offers the cooperation of the agencies and organizations its membership represents for supporting the Farm Savings Bonds Program."

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Information Service WASHINGTON, D.C.

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Then, truly, we will be worthy of our great heritage. With the seed of humanitarianism planted so firmly in your hearts, the fruits of a full and happy life will surely be yours as well as an inspiration to those yet to follow in your footsteps. Good luck to each of you.

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Our knowledge of science has clearly outstripped our capacity to control it. We have too many men of science; too few men of God. We have grasped the mystery of the atom and rejected the Sermon on the Mount. Man is stumbling blindly through a spiritual darkness while toying with the precarious secrets of life and death. The world has achieved brilliance without wisdom, power without conscience. Ours is a world of nuclear giants and ethical infants. We know more about war than we know about peace, more about killing than we know about living."

You are men of peace. Your mission is selfless service in the public interest. If need be, you are also men of war. In your dual character, take the initiative in demonstrating that you, and we as a nation through you, can know more about peace than war, more about living than killing, more about giving than grasping, more about God than godlessness.

I do not deceive myself for an instant that peacetime duties call for any less fortitude or courage. Practically any day we can pick up our newspapers and read of Coast Guard exploits, in which the wearers of the Treasury shield have risked, or perhaps given, their lives to save others. And I think of the other kind of courage, part and parcel of Coast Guard existence, needed to meet the lonely vigils of the weather ship, the monotonous day and night patrolling of the high seas, the restricted life at isolated stations. A man must love his job to do all this. I hope it is a good omen that you face these duties of peace - not those of war.

In closing, let me quote to you an excerpt from an address of General Omar Bradley:

> "With the monstrous weapons man already has, humanity is in danger of being trapped in this world by its moral adolescence.

There are other responsibilities we could discuss. But I am confident that you are aware of them, and welcome only the opportunity to respond to them. However, I am tempted to add an admonition of my own. That is - hold on to your sense of humor. We all know the average American is characterized as the sort of a chap who can manage a grin in any given situation. I am sorry to report I've met some who did not fulfill this requirement. Of course, I do not mean to imply that levity should reign supreme. I do not mean that a man should go around with a smile across his face until there are doubts about his mental equilibrium. But the officer who loves his work, and believes in himself, will find the going much easier if he can balance the serious with the humorous.

I am especially glad that the Class of 1949 receives its commissions at a time when the duties of peace are paramount.

I know, and you know, that stripes around the sleeve demonstrate authority, but only you, by your attitude toward your job and your personality, can command the respect which changes blind obedience into eager cooperation. In this connection, one of the great leaders in the recent war described leadership in this way: "Firmness, not harshness. Understanding, not weakness. Justice, not license. Humaneness, not intolerance. Generosity, not selfishness. Pride, not egotism."

Do not forget that ambition is a most willing servant, but a hard taskmaster. Your understandable desire to better yourself, to come up in the world, should not be so all-consuming that you hesitate to cooperate for the good of the service, that you misplace your sense of fair play, that you stoop to the evils of a calculating loyalty. Use ambition, but do not let ambition use you.

You are urged to remember that you are dedicating yourself to a life of public service. This really amounts to putting service over self. The color and the glamor of public service, the trappings, if you will, are all too fleeting. It has its full share of frustrations and disappointments. Yet, there is no profession more satisfying to the individual who can lift his eyes to see beyond burdensome details and who is inspired with an unselfish love for his fellowmen.

You are urged again, because it bears repetition, to remember the exacting nature of leadership, which is largely a matter of intelligent and just administration of authority. Be especially mindful of your obligation to be concerned for the welfare of your subordinates over whom you exercise this authority. I know, as you know, that the happy ship is the ship that does the best all-around job, however difficult it may be.

Remember that the United States Coast Guard is one of the oldest military services, ranking high in the regard of both our citizens and sister services. Although relatively small in men, ships and planes, it has a splendid record of achievement, and the reputation of doing the impossible. Mariners and maritime interests have great faith and confidence in your ability to get things done. You can be justly proud to be an officer of the Coast Guard.

Remember that privileges and responsibility go hand-in-hand. This is a truth too easily overlooked. For one thing, you are a servant of the people. You have volunteered to be trained at their expense. It is your constant and increasing responsibility to demonstrate to them by your behavior, proficiency and skill that you are worthy of their trust and your employment.

To digress for a moment, we could apply the principles of team-play to this nation which we are sworn to preserve and defend. Our nation is great because our forefathers, as individuals, recognized the need for unity and organization. As individuals, they saw that certain liberties would have to be surrendered for the greater good of all; that a democratic form of government by which the individuals on the team determine their own leadership was the practical, the sensible, the equitable solution. May it be God's will, for the future of mankind itself, that the spirit of teamplay be transmitted generously to other nations in this small world of ours - so that all men may live in manly dignity as well as mutual trust and confidence.

As you join the commissioned ranks of the Coast Guard, let me admonish you again to think seriously of some of the essential factors which underly your position as officers in its service.

Faced with so many varied and vitally important duties at home and abroad, on land and sea, and lacking the resources of the larger military services, the Coast Guard has no alternative but to place heavier duties and responsibilities upon its individual officers.

In being commissioned here today, you can take pride in the knowledge that you are assuming great responsibility and authority. Often you will be called upon to act independently, to exercise high degrees of initiative, loyalty and judgment. Then you will use the tools and abilities you have developed in the past four years. Then you will have the chance to justify the faith of your instructors and the Coast Guard itself that you possess the attributes of leadership.

From this experience the cardinal rule of obedience became crystal clear, the un-begrudging admission that a team is built on organization and discipline. As on the football field, when the man best qualified calls the signals, his fellow-players are following a plan - and where one man carries the ball, there are others who must block and charge with all their will to insure the team its victory. We all have a job to do. How well we discharge the duties, onerous or otherwise, determines our worth in the assignment. It is easy to do that which is congenial, but to do that which is repugnant is difficult. To do it with good grace requires self discipline. Such is a prerequisite to leadership for, as you know "to command men, one must first learn to command himself."

I believe that self-discipline and the strength found in voluntary, cooperative action are peculiarly applicable to the Coast Guard.

Education, mark you, can only assist you to meet the tests of life; it does not provide all the answers; they are not to be found in books or in the classroom.

As I stand here today, I am reminded of my war-time service with the United States Navy. It was my lot to be an officer whose duty was to investigate and inspect. There is no glamor, no romance, no inspiration connected with such an assignment. The man with the red pencil, the man who must be critical and let the chips fall where they will, may be highly regarded and respected; he is seldom popular.

Frankly, I found it a difficult and trying assignment, particularly so when others, it appeared, were off to more satisfying and less humdrum jobs. Yet I came to understand and appreciate that when one is engaged in a group operation, whether it be civilian or military, the winning team is that on which each member does his own particular job in the most efficient mann

This continuous, ever-present opportunity to serve your country and humanity is the impelling incentive that always stirs the true Coast Guardsman to do the best of which he is capable. The training you have had in the past was not a futile gesture toward some distant objective. It was directed with the thought in mind that preparation for the eventualities of the future - whether thrilling or grim - would better equip you to meet them as they arise. While you face your future with eagerness and courage, do so in the full realization that you, each of you, will be tested severely by the vicissitudes of the career upon which you are about to embark. Such has been the experience of your predecessors in the service; it will be likewise that of your successors, for such is life regardless of your career. The great problem is how well you meet the situation. It is to help you overcome the battles of life that education is directed.

That the Coast Guard is composed of a special type of man is not an accident. Only men with particular qualities are sought by the Coast Guard; men who can adjust to the discipline of peace or war as occasion demands. This is necessary because, to my knowledge, the Coast Guard forms the only military organization whose members have the unique distinction, as well as the opportunity, of serving their country in both the pursuit of peace and war. It is the visible connection between the quiet dispatch of our peacetime duties and our will to defend in time of national crisis.

The Coast Guard, it will be remembered, has served its country in every major war since the founding of the Republic. Twice during this century it has had to sever its association with the Treasury Department to become a part of the United States Navy in time of war. Each time it has served with distinction; each time it has returned to the Treasury Department to serve the country's peacetime needs with equal distinction.

You have measured up to the intellectual requirements of a technical course which ranks among the best in the country. You have survived the pitfalls which were set in your way to test your adaptability, for, as you know, you were subject, twenty-four hours a day, to a close and constant observation for the purpose of uncovering any weakness, in body, habit, or attitude which would tend to disqualify you for the many varied assignments which lie ahead for you. By your presence here today, you personify the Biblical injunction that "many are called, but few are chosen." It is, therefore, a real privilege for me to be here and to extend to each of you warmest congratulations and sincere good wishes for your future success.

The Coast Guard, as you doubtless know, has been an integral part of the Treasury Department for nearly 160 years. In fact, its creation and that of the Treasury were almost simultaneous.

~~My friend was trained for a peaceful occupation - he is a minister of the gospel - but there was no question of his determination to defend himself and ~~his family from an aggressor.~~~~

(Continue paragraph) It is the fact that the ~~You, too, have received~~ training which you have received based primarily upon your contributing an essential service to a peacetime economy. But by virtue of your specialized training, you will be prepared to participate immediately in the defense of this nation in the future, as has been done in the past, should military action become necessary to withstand aggression.

The objective upon which you set your sights just a short time ago is about to be reached. The years of difficult preparati and rigorous training are now over; in a few minutes you will step forward and receive your commissions as ensigns and your hard-won Bachelor of Science degree. You have withstood the demands of a particularly arduous military life, calling for alertness and the stoutest physical stamina.

that his wife would return from upstairs. Suddenly he heard a noise on the back porch and looked up in time to see the screen door open and advancing into the kitchen was a large, black ape ~~A-P-E~~.

The intruder paused to survey the situation and in that instant my friend recovered sufficiently from the initial shock to hurl the boys up the back steps and to realize that there was nothing within reach with which to repel the ape or defend himself from attack. He shouted to his wife for a weapon.

After what seemed an eternity, during which time he dared not take his eye from the ape, he felt the handle of a golf club pushed into his hand. True, his wife, with feminine disregard for such detail, had given him a wooden driver instead of the steel niblick. The wooden implement was undoubtedly weaker than the ape's head, but even with an inadequate weapon the confidence of my friend returned, and he was prepared to meet every eventuality.

Admiral Derby, Admiral O'Neill, Honored Guests,
Cadets of the Graduating Class, Ladies
and Gentlemen:

The opportunity to speak to you today is one that I regard not only as a great privilege but also with particular pleasure. For one who grew up several hundred miles from the ocean there is a thrill in participating, even fleetingly, with those whose profession takes them to the sea. But added to this admiration for such men, there is the deep respect for the spirit, performanc and service of the United States Coast Guard. In addition to these fundamental attributes of the Coast Guard, there is another aspect of your organization which is unique in the structure of our society. ~~I should like to illustrate this point by recounting an experience of a friend of mine.~~

Early one summer morning he was eating breakfast with his two small sons in the breakfast nook of the kitchen, keeping one eye on the boys, the other on the morning paper, and wishing

TREASURY DEPARTMENT

Washington

The following address by John S. Graham, Assistant Secretary of the Treasury, at the Commencement Exercises of the United States Coast Guard Academy, New London, Connecticut, is scheduled for delivery at 2:30 p.m. E.D.T., Friday, June 3, 1949, and is for release at that time.

S-2004

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The Coast Guard, as you doubtless know, has been an integral part of the Treasury Department for nearly 160 years. In fact, its creation and that of the Treasury were almost simultaneous. That the Coast Guard is composed of a special type of man is not an accident. Only men with particular qualities are sought by the Coast Guard; men who can adjust to the discipline of peace or war as occasion demands. This is necessary because, to my knowledge, the Coast Guard forms the only military organization whose members have the unique distinction, as well as the opportunity, of serving their country in both the pursuit of peace and war. It is the visible connection between the quiet dispatch of our peacetime duties and our will to defend in time of national crisis.

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As I stand here today, I am reminded of my war-time service with the United States Navy. It was my lot to be an officer whose duty was to investigate and inspect. There is no glamour, no romance, no inspiration connected with such an assignment. The man with the red pencil, the man who must be critical and let the chips fall where they will, may be highly regarded and respected; he is seldom popular.

Frankly, I found it a difficult and trying assignment, particularly so when others, it appeared, were off to more satisfying and less humdrum jobs. Yet I came to understand and appreciate that when one is engaged in a group operation, whether it be civilian or military, the winning team is that on which each member does his own particular job in the most efficient manner.

From this experience the cardinal rule of obedience became crystal clear, the un-begrudging admission that a team is built on organization and discipline. As on the football field, when the man best qualified calls the signals, his fellow-players are following a plan -- and where one man carries the ball, there are others who must block and charge with all their will to insure the team its victory. We all have a job to do. How well we discharge the duties, onerous or otherwise, determines our worth in the assignment. It is easy to do that which is congenial, but to do that which is repugnant is difficult. To do it with good grace requires self-discipline. Such is a prerequisite to leadership for, as you know "to command men, one must first learn to command himself."

I believe that self-discipline and the strength found in voluntary, cooperative action are peculiarly applicable to the Coast Guard. Faced with so many varied and vitally important duties at home and abroad, on land and sea, and lacking the resources of the larger military services, the Coast Guard has no alternative but to place heavier duties and responsibilities upon its individual officers.

In being commissioned here today, you can take pride in the knowledge that you are assuming great responsibility and authority. Often you will be called upon to act independently, to exercise high degrees of initiative, loyalty and judgment. Then you will use the tools and abilities you have developed in the past four years. Then you will have the chance to justify the faith of your instructors and the Coast Guard itself that you possess the attributes of leadership.

To digress for a moment, we could apply the principles of team-play to this nation which we are sworn to preserve and defend. Our nation is great because our forefathers, as individuals, recognized the need for unity and organization. As individuals, they saw that certain liberties would have to be surrendered for the greater good of all; that a democratic form of government by which the individuals on the team determine their own leadership was the practical, the sensible, the equitable solution. May it be God's will, for the future of mankind itself, that the spirit of team-play be transmitted generously to other nations in this small world of ours -- so that all men may live in manly dignity as well as mutual trust and confidence.

As you join the commissioned ranks of the Coast Guard, let me admonish you again to think seriously of some of the essential factors which underly your position as officers in its service.

Remember that the United States Coast Guard is one of the oldest military services, ranking high in the regard of both our citizens and sister services. Although relatively small in men, ships and planes, it has a splendid record of achievement, and the reputation of doing the impossible. Mariners and maritime interests have great faith and confidence in your ability to get things done. You can be justly proud to be an officer of the Coast Guard.

Remember that privileges and responsibility go hand-in-hand. This is a truth too easily overlooked. For one thing, you are a servant of the people. You have volunteered to be trained at their expense. It is your constant and increasing responsibility to demonstrate to them by your behavior, proficiency and skill that you are worthy of their trust and your employment.

You are urged to remember that you are dedicating yourself to a life of public service. This really amounts to putting service over self. The color and the glamour of public service, the trappings, if you will, are all too fleeting. It has its full share of frustrations and disappointments. Yet, there is no profession more satisfying to the individual who can lift his eyes to see beyond burdensome details and who is inspired with an unselfish love for his fellowmen.

You are urged again, because it bears repetition, to remember the exacting nature of leadership, which is largely a matter of intelligent and just administration of authority. Be especially mindful of your obligation to be concerned for the welfare of your subordinates over whom you exercise this authority. I know, as you know, that the happy ship is the ship that does the best all-around job, however difficult it may be. I know, and you know, that stripes around the sleeve demonstrate authority, but only you, by your attitude toward your job and your personality, can command the respect which changes blind obedience into eager cooperation. In this connection, one of the great leaders in the recent war described leadership in this way: "Firmness, not harshness. Understanding, not weakness. Justice, not license. Humaneness, not intolerance. Generosity, not selfishness. Pride, not egotism."

Do not forget that ambition is a most willing servant, but a hard taskmaster. Your understandable desire to better yourself, to come up in the world, should not be so all-consuming that you hesitate to cooperate for the good of the service, that you misplace your sense of fair play, that you stoop to the evils of a calculating loyalty. Use ambition, but do not let ambition use you.

There are other responsibilities we could discuss. But I am confident that you are aware of them, and welcome only the opportunity to respond to them. However, I am tempted to add an admonition of my own. That is -- hold on to your sense of humor. We all know the average American is characterized as the sort of a chap who can manage a grin in any given situation. I am sorry to report I've met some who did not fulfill this requirement. Of course, I do not mean to imply that levity should reign supreme. I do not mean that a man should go around with a smile across his face until there are doubts about his mental equilibrium. But the officer who loves his work, and believes in himself, will find the going much easier if he can balance the serious with the humorous.

I am especially glad that the Class of 1949 receives its commissions at a time when the duties of peace are paramount. I do not deceive myself for an instant that peacetime duties call for any less fortitude or courage. Practically any day we can pick up our newspapers and read of Coast Guard exploits, in which the wearers of the Treasury shield have risked, or perhaps given, their lives to save others. And I think of the other kind of courage, part and parcel of Coast Guard existence, needed to meet the lonely vigils of the weather ship, the monotonous day and night patrolling of the high seas, the restricted life at isolated stations. A man must love his job to do all this. I hope it is a good omen that you face these duties of peace -- not those of war.

In closing, let me quote to you an excerpt from an address of General Omar Bradley:

> "With the monstrous weapons man already has, humanity is in danger of being trapped in this world by its moral adolescence. Our knowledge of science has clearly outstripped our capacity to control it. We have too many men of science; too few men of God. We have grasped the mystery of the atom and rejected the Sermon on the Mount. Man is stumbling blindly through a spiritual darkness while toying with the precarious secrets of life and death. The world has achieved brilliance without wisdom, power without conscience. Ours is a world of nuclear giants and ethical infants. We know more about war than we know about peace, more about killing than we know about living."

You are men of peace. Your mission is selfless service in the public interest. If need be, you are also men of war. In your dual character, take the initiative in demonstrating that you, and we as a nation through you, can know more about peace than war, more about living than killing, more about giving than grasping, more about God than godlessness. Then, truly, we will be worthy of our great heritage. With the seed of humanitarianism planted so firmly in your hearts, the fruits of a full and happy life will surely be yours as well as an inspiration to those yet to follow in your footsteps. Good luck to each of you.

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S-2005

RELEASE, MORNING NEWSPAPERS,
Saturday, May 28, 1949.

The Secretary of the Treasury announced last evening that the tenders for $900,000,000, or thereabouts, of 91-day Treasury bills to be dated June 2 and to mature September 1, 1949, which were offered on May 24, were opened at the Federal Reserve Banks on May 27.

The details of this issue are as follows:

Total applied for - $1,660,272,000
Total accepted - 900,959,000 (includes $51,031,000 entered on a non-competitive basis and accepted in full at the average price shown below)
Average price - 99.707/ Equivalent rate of discount approx. 1.159% per annum

Range of accepted competitive bids:

High - 99.711 Equivalent rate of discount approx. 1.143% per annum
Low - 99.706 " " " " " 1.163% " "

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

Federal Reserve District	Total Applied for	Total Accepted
Boston	$ 24,955,000	$ 24,455,000
New York	1,422,144,000	772,744,000
Philadelphia	23,395,000	8,395,000
Cleveland	19,099,000	19,019,000
Richmond	5,603,000	4,803,000
Atlanta	4,278,000	4,278,000
Chicago	78,728,000	22,728,000
St. Louis	4,953,000	4,700,000
Minneapolis	3,135,000	3,135,000
Kansas City	10,941,000	9,861,000
Dallas	7,819,000	6,019,000
San Francisco	55,222,000	20,822,000
TOTAL	$1,660,272,000	$900,959,000

TREASURY DEPARTMENT

Information Service WASHINGTON, D.C.

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Mr. Bray
Mr. Dillon
Mrs. Dubinsky
Mr. Haas
Mr. Graham
Mr. Foley
Miss Kelly

Mr. Thomas Lynch
Mr. Martin
Mr. Parsons
Mr. Rivers
Mr. Siler
Miss Simpson
Mrs. Eliz. Smith

Mr. Saxon said this is OK.

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FROM: James J. Saxon

Morning Newspapers

S— 2006

~~PROPOSED PRESS RELEASE~~
Sat, May 28, 1949

Secretary Snyder today issued the following statement, commending the Nation's petroleum industry on its success in promoting the sale of United States Savings Bonds through the Payroll Savings Plan:

"The many individual companies comprising the Nation's petroleum industry are to be congratulated upon the successful completion of their campaign to increase employee participation in the Treasury's Payroll Savings Plan for the sale of Savings Bonds."

"This energetic campaign, which reached over 450,000 petroleum workers throughout the country, was an outstanding contribution to the Bond program, and is a fine example for other industries that will make person-to-person canvasses of employees during the Opportunity Savings Bonds Drive."

The petroleum industry's Bond program, Secretary Snyder said, resulted from a resolution endorsing the promotion of employee participation in the Payroll Savings Plan, unanimously adopted by the National Petroleum Council at its meetings last January. Walter S. Hallanan, president of the Plymouth Oil Company, of Pittsburgh, is chairman of the Council.

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Information

TREASURY DEPARTMENT

Information Service WASHINGTON, D.C.

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[redacted] IMMEDIATE RELEASE,
Tuesday, May 31, 1949.

S-2007

The Secretary of the Treasury today announced the subscription and allotment figures with respect to the current offering of 1-1/4 percent Treasury Certificates of Indebtedness of Series E-1950, to be dated June 1, 1949, open to the holders of Treasury Certificates of Indebtedness of Series E-1949, maturing June 1, 1949, and Treasury Bonds of 1949-51, dated January 15, 1942, called for redemption on June 15, 1949.

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

Federal Reserve District	Certificates Exchanged	Bonds Exchanged	Total Exchanges
Boston	$ 181,246,000	$ 52,895,000	$ 234,141,000
New York	2,402,726,000	567,562,000	2,970,288,000
Philadelphia	84,094,000	42,503,000	126,597,000
Cleveland	136,193,000	25,164,000	161,357,000
Richmond	63,962,000	12,359,000	76,321,000
Atlanta	89,590,000	16,388,000	105,978,000
Chicago	430,603,000	91,189,000	521,792,000
St. Louis	127,209,000	11,229,000	138,438,000
Minneapolis	77,116,000	17,024,000	94,140,000
Kansas City	115,989,000	25,472,000	141,461,000
Dallas	90,136,000	9,102,000	99,238,000
San Francisco	302,244,000	39,010,000	341,254,000
Treasury	4,517,000	2,739,000	7,256,000
TOTAL	$4,105,625,000	$912,636,000	$5,018,261,000

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